



SENATE BILL 577: Consumer Credit/Default Charge.

2017-2018 General Assembly

Committee:		Date:	August 14, 2017
Introduced by:		Prepared by:	Amy Darden Staff Attorney
Analysis of:	S.L. 2017-45		

OVERVIEW: *S.L. 2017-45 increases the allowable default charge for a past due installment payment under a consumer credit installment sale contract from a maximum of \$6 to \$15. This act became effective June 26, 2017 and applies to charges imposed on or after that date.*

CURRENT LAW: Chapter 25A of the General Statutes, the Retail Installment Sales Act, regulates consumer credit installment sales in North Carolina, including limits on finance charge rates and terms of payment. G.S. 25A-29 limits default charges on installments that are past due for 10 days or more to no more than 5% of the installment that is past due or \$6.00, whichever is less.

Under G.S. 25A-44(3), if a seller charges fees in excess of what is authorized, the buyer may recover the unauthorized charges. If the buyer doesn't receive a refund within 10 days of making a written request, the seller is liable for three times the improper charges.

BILL ANALYSIS: S.L. 2017-45 amends G.S. 25A-29 to increase the allowable default charge for an overdue installment payment under a consumer credit installment sale contract. The act changes the fee from no more than 5% of the overdue installment or \$6, whichever is less, to \$15.

EFFECTIVE DATE: This act became effective June 26, 2017 and applies to charges imposed on or after that date.

Wendy Ray, Staff Attorney, substantially contributed to this summary.

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