

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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SENATE BILL 329  
Finance Committee Substitute Adopted 4/25/23

Short Title: Retail Installment Sales Act Amendments.

(Public)

Sponsors:

Referred to:

March 20, 2023

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE RETAIL INSTALLMENT SALES ACT.  
3 The General Assembly of North Carolina enacts:

4 SECTION 1. G.S. 25A-15 reads as rewritten:

5 "**§ 25A-15. Finance charge rates for consumer credit installment sale contracts.**

6 (a) With respect to a consumer credit installment sale contract, a seller may contract for  
7 and receive a finance charge not exceeding that permitted by this section. For the purposes of  
8 this section, the finance charge rates are the rates that are required to be disclosed by the  
9 Consumer Credit Protection Act, except that official fees under G.S. 25A-10 shall be (i) included  
10 in the amount financed to the extent payment is deferred by the seller and (ii) excluded from the  
11 finance charge.

12 (b) Except as provided in this section, the finance charge rate imposed for a consumer  
13 credit installment sale contract shall not exceed the following rate except that a minimum finance  
14 charge of five dollars (\$5.00) may be imposed:

15 (1) Twenty-four percent (24%) per annum where the amount financed is less than  
16 ~~one thousand five hundred dollars (\$1,500).~~

17 (2) ~~Twenty two percent (22%) per annum where the amount financed is one~~  
18 ~~thousand five hundred dollars (\$1,500) or greater, but less than two thousand~~  
19 ~~dollars (\$2,000).~~

20 (3) ~~Twenty percent (20%) where the amount financed is two thousand (\$2,000)~~  
21 ~~or greater, but less than three thousand dollars (\$3,000).~~

22 (4)(2) ~~Eighteen percent (18%)~~ Twenty-one percent (21%) per annum where the  
23 amount financed is three thousand dollars (\$3,000) or greater.

24 (c) A finance charge rate not to exceed the higher of the rate established in subsection (b)  
25 of this section or the rate set forth below may be imposed in a consumer credit installment sale  
26 contract repayable in not less than six installments for a self-propelled motor vehicle:

27 (1) ~~Eighteen percent (18%) per annum for vehicles one and two model years old.~~

28 (2) Twenty percent (20%) per annum for vehicles one to three model years old.

29 (3)(2) ~~Twenty two percent (22%)~~ Twenty-six percent (26%) per annum for vehicles  
30 four to five model years old.

31 (4)(3) ~~Twenty nine percent (29%)~~ Thirty percent (30%) per annum for vehicles five  
32 six model years old and older.

33 A motor vehicle is one model year old on January 1 of the year following the designated year  
34 model of the vehicle.

35 ...."

36 SECTION 2. G.S. 25A-29 reads as rewritten:



1 "§ 25A-29. Default charges.

2 (a) If any installment is past due for 10 days or more according to the original terms of  
3 the consumer credit installment sale contract, a default charge may be made in an amount of  
4 ~~fifteen dollars (\$15.00).~~ eighteen dollars (\$18.00). A default charge may be imposed only one  
5 time for each default.

6 (b) If a default charge is deducted from a payment made on the contract and the deduction  
7 results in a subsequent default on a subsequent payment, no default charge ~~may~~ shall be imposed  
8 for the default.

9 (c) If a default charge has been once imposed with respect to a particular default in  
10 payment, no default charge shall be imposed with respect to any future payments ~~which~~ that  
11 would not have been in default except for the previous default.

12 (d) A default charge for any particular default ~~shall be~~ is deemed to have been waived by  
13 the seller unless, within 45 days following the default, (i) the charge is collected or (ii) written  
14 notice of the charge is sent to the buyer."

15 **SECTION 3.** This act becomes effective October 1, 2023, and applies to contracts  
16 entered into, modified, or renewed on or after that date.