

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 678
HOUSE BILL 982

AN ACT TO PROVIDE THAT COMMERCIAL LOAN COMMITMENTS MUST BE
IN WRITING.

The General Assembly of North Carolina enacts:

Section 1. Chapter 22 of the General Statutes is amended by adding a new section to read:

"§ 22-5. Commercial loan commitments.

No commercial loan commitment by a bank, savings and loan association, or credit union for a loan in excess of fifty thousand dollars (\$50,000) shall be binding unless the commitment is in writing and signed by the party to be bound. As used in this section, the term 'commercial loan commitment' means an offer, agreement, commitment, or contract to extend credit primarily for business or commercial purposes and does not include charge or credit card accounts, personal lines of credit, overdrafts, or any other consumer account. Offers, agreements, commitments, or contracts to extend credit primarily for aquaculture, agricultural, or farming purposes are specifically exempted from the provisions of this section."

Sec. 2. This act shall become effective on October 1, 1989, and shall apply to commercial loan commitments entered into on and after such date.

In the General Assembly read three times and ratified this the 25th day of July, 1989.