

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 34

Short Title: Rule of 78s/Mobile Homes.

(Public)

Sponsors: Senators Speed, Odom, and Shaw.

Referred to: Banks and Thrift Institutions.

February 6, 1991

A BILL TO BE ENTITLED

AN ACT TO ABOLISH THE USE OF THE RULE OF 78s AS IT PERTAINS TO
INSTALLMENT LOANS SECURED BY MOBILE HOMES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 25A of the General Statutes is amended by adding the following new section to read:

"§ 25A-32.1. Unearned finance charge credits on prepayment of mobile home loans.

Notwithstanding any provision to the contrary in G.S. 25A-32 or in a consumer credit installment sale contract secured by a residential manufactured home as defined in G.S. 143-145(7), any buyer may satisfy the debt in full at any time before maturity, and in so satisfying such debt, shall be credited with all unearned finance charges.

If the prepayment is made otherwise than on the due date of an installment, it shall be deemed to have been made on the installment due date nearest in time to the actual date of payment.

If a seller obtains a judgment on a debt arising out of a consumer credit installment sale secured by a residential manufactured home as defined in G.S. 143-145(7), or if the seller repossesses the collateral securing the debt, the seller shall credit the buyer with all unearned finance charges as if the payment in full had been made on the date the judgment was obtained or 15 days after the repossession occurred. If the seller obtains a judgment and repossesses the collateral, the seller shall credit the buyer with all unearned finance charges as if payment in full had been made on the date of the judgment or 15 days after the repossession, whichever occurs earlier."

Sec. 2. This act is effective upon ratification.