

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 125

Short Title: Purch. Money Sec./Refin.

(Public)

Sponsors: Senators Winner of Buncombe, Odom; and Kerr.

Referred to: Judiciary II.

February 11, 1993

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT A PURCHASE MONEY SECURITY INTEREST
CONTINUES WHEN THE UNDERLYING AGREEMENT IS MODIFIED WITH
SAME CREDITOR.

The General Assembly of North Carolina enacts:

Section 1. G.S. 25-9-107 reads as rewritten:

"§ 25-9-107. Definitions: 'Purchase money security interest.'

A security interest is a 'purchase money security interest' to the extent that it is

(a) taken or retained by the seller of the collateral to secure all or part of its price;

or

(b) taken by a person who by making advances or incurring an obligation gives
value to enable the debtor to acquire rights in or the use of collateral if such value is in
fact so used.

A purchase money security interest under this section will continue in the collateral
when the underlying security agreement is refinanced or modified with the same
creditor."

Sec. 2. This act becomes effective July 1, 1993.