

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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SENATE DRS75286-LT-61A (3/2)

Short Title: Commercial Loan Interest. (Public)

Sponsors: Senator Hunt.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE LENDERS TO DISCLOSE COMMERCIAL LOAN INTEREST ACCRUAL SCHEDULES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 22-5 reads as rewritten:

"§ 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. If interest on the commercial loan accrues on a schedule that is different from the payoff schedule of the loan, the written loan commitment shall clearly state that fact. 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."

SECTION 2. This act becomes effective October 1, 2007, and applies to loan commitments entered into on or after that date.