

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 1010

Short Title: Structured Settlement Payments Discount Rate. (Public)

Sponsors: Senator Apodaca.

Referred to: Commerce, Small Business and Entrepreneurship.

March 21, 2007

1 A BILL TO BE ENTITLED  
2 AN ACT TO CHANGE THE CAP FOR THE DISCOUNT RATE OF INTEREST  
3 USED TO DETERMINE THE NET AMOUNT PAYABLE FOR TRANSFERS OF  
4 STRUCTURED SETTLEMENT PAYMENT RIGHTS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 1-543.12(6) reads as rewritten:

7 "(6) The discount rate used in determining the net amount payable to the  
8 payee, as provided in subdivision (2) of this section, does not exceed  
9 ~~an~~ the maximum annual percentage rate of ~~prime plus five percentage~~  
10 ~~points permitted under G.S. 25A-15(b)(4) for the finance charge rate~~  
11 ~~for a consumer credit installment contract~~ calculated as if the net  
12 amount payable to the payee, as provided in sub-subdivision (2)f. of  
13 this section, was the principal of a consumer loan made by the  
14 transferee to the payee, and if the structured settlement payments to be  
15 transferred to the transferee were the payee's payments of principal  
16 plus interest on such loan. ~~For purposes of this subdivision, the prime~~  
17 ~~rate shall be as reported by the Federal Reserve Statistical Release~~  
18 ~~H.15 on the first Monday of the month in which the transfer agreement~~  
19 ~~is signed by both the payee and the transferee, except when the transfer~~  
20 ~~agreement is signed prior to the first Monday of that month then the~~  
21 ~~prime rate shall be as reported by the Federal Reserve Statistical~~  
22 ~~Release H.15 on the first Monday of the preceding month; loan."~~

23 **SECTION 2.** This act becomes effective October 1, 2007.