

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B. 475
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HOUSE PRINCIPAL CLERK

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HOUSE DRH10193-MD-40 (02/24)

Short Title: Lenders Must Have Proof of Ability to Repay. (Public)

Sponsors: Representative Terry.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE PROOF THAT A CONSUMER HAS THE ABILITY TO REPAY A
3 LOAN AS A PREREQUISITE TO MAKING A LOAN UNDER THE NORTH
4 CAROLINA CONSUMER FINANCE ACT.
5 The General Assembly of North Carolina enacts:
6 SECTION 1. Article 15 of Chapter 53 of the General Statutes is amended by
7 adding a new section to read:
8 "**§ 53-173.3. Documentation of reasonable likelihood of repayment required.**
9 (a) Reasonable Likelihood of Loan Repayment Required. – A licensee shall not make a
10 loan under this Article unless the licensee first obtains from the borrower documentation
11 demonstrating that the borrower is reasonably likely to be able to repay the loan in accordance
12 with the terms of the loan agreement without needing to defer a payment or enter into a new
13 loan agreement under this Article.
14 (b) Acceptable Documentation. – The Commissioner of Banks shall adopt rules in
15 accordance with the procedure set forth in G.S. 53-185 governing the forms of documentation
16 that can be used to satisfy the requirements of subsection (a) of this section.
17 (c) Records. – Documents accepted from a borrower by a licensee for purposes of
18 satisfying the requirements of subsection (a) of this section shall be subject to the same
19 requirements as other records under G.S. 53-184.
20 (d) Limitation of Interest of New Loan. – Notwithstanding any provision of this Article
21 to the contrary, if a borrower enters a new loan agreement with a licensee while there remains
22 any unpaid principal balance of a prior loan, no charges other than interest at eight percent
23 (8%) per annum shall be computed or collected from any party to the loan upon the unpaid
24 principal balance of the new loan, regardless of whether or not any portion of the unpaid
25 principal balance of the prior loan is incorporated into the new loan."
26 SECTION 2. This act becomes effective October 1, 2015.

