

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

**SESSION LAW 2023-60  
SENATE BILL 329**

AN ACT TO AMEND THE RETAIL INSTALLMENT SALES ACT.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 25A-15 reads as rewritten:

**"§ 25A-15. Finance charge rates for consumer credit installment sale contracts.**

(a) With respect to a consumer credit installment sale contract, a seller may contract for and receive a finance charge not exceeding that permitted by this section. For the purposes of this section, the finance charge rates are the rates that are required to be disclosed by the Consumer Credit Protection Act, except that official fees under G.S. 25A-10 shall be (i) included in the amount financed to the extent payment is deferred by the seller and (ii) excluded from the finance charge.

(b) Except as provided in this section, the finance charge rate imposed for a consumer credit installment sale contract shall not exceed the following rate except that a minimum finance charge of five dollars (\$5.00) may be imposed:

- (1) Twenty-four percent (24%) per annum where the amount financed is less than ~~one thousand five hundred dollars (\$1,500).~~
- (2) ~~Twenty two percent (22%) per annum where the amount financed is one thousand five hundred dollars (\$1,500) or greater, but less than two thousand dollars (\$2,000).~~
- (3) ~~Twenty percent (20%) where the amount financed is two thousand (\$2,000) or greater, but less than three thousand dollars (\$3,000).~~
- (4)(2) Eighteen percent (18%) Twenty-one percent (21%) per annum where the amount financed is three thousand dollars (\$3,000) or greater.

(c) A finance charge rate not to exceed the higher of the rate established in subsection (b) of this section or the rate set forth below may be imposed in a consumer credit installment sale contract repayable in not less than six installments for a self-propelled motor vehicle:

- (1) ~~Eighteen percent (18%) per annum for vehicles one and two model years old.~~
- (2) Twenty percent (20%) per annum for vehicles one to three model years old.
- (3)(2) ~~Twenty two percent (22%)~~ Twenty-six percent (26%) per annum for vehicles four to five model years old.
- (4)(3) ~~Twenty nine percent (29%)~~ Thirty percent (30%) per annum for vehicles five six model years old and older.

A motor vehicle is one model year old on January 1 of the year following the designated year model of the vehicle.

...."

**SECTION 2.** G.S. 25A-29 reads as rewritten:

**"§ 25A-29. Default charges.**

(a) If any installment is past due for 10 days or more according to the original terms of the consumer credit installment sale contract, a default charge may be made in an amount of ~~fifteen dollars (\$15.00).~~ eighteen dollars (\$18.00). A default charge may be imposed only one time for each default.



(b) If a default charge is deducted from a payment made on the contract and the deduction results in a subsequent default on a subsequent payment, no default charge ~~may~~shall be imposed for the default.

(c) If a default charge has been once imposed with respect to a particular default in payment, no default charge shall be imposed with respect to any future payments ~~which~~that would not have been in default except for the previous default.

(d) A default charge for any particular default ~~shall be~~is deemed to have been waived by the seller unless, within 45 days following the default, (i) the charge is collected or (ii) written notice of the charge is sent to the buyer."

**SECTION 3.** This act becomes effective October 1, 2023, and applies to contracts entered into, modified, or renewed on or after that date.

In the General Assembly read three times and ratified this the 8<sup>th</sup> day of June, 2023.

s/ Phil Berger  
President Pro Tempore of the Senate

s/ Tim Moore  
Speaker of the House of Representatives

VETO Roy Cooper  
Governor

Became law notwithstanding the objections of the Governor at 1:44 p.m. this 27<sup>th</sup> day of June, 2023.

s/ Mr. James White  
House Principal Clerk