

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 778

Short Title: Spouses Can Term. Equity Line.

(Public)

Sponsors: Senators Marshall; Ballance, Sands, and Winner of Mecklenburg.

Referred to: Judiciary I.

April 8, 1993

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT EITHER SPOUSE MAY DIRECT A LENDER TO
2 CEASE MAKING ADVANCES ON AN EQUITY LINE OF CREDIT SECURED
3 BY REAL PROPERTY OWNED BY THE SPOUSES AS JOINT TENANTS OR
4 TENANTS BY THE ENTIRETY.
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 45-81(b) reads as rewritten:

8 "(b) As used in subdivision (a)(1) of this section, 'lender is obligated' means that
9 the lender is contractually bound to provide advances. The contract ~~must~~shall set forth
10 any events of default by the borrower, or other events not within the lender's control,
11 which may relieve the lender from ~~his~~its obligation, and ~~must~~shall state whether or not
12 the lender has reserved the right to cancel or terminate the obligation. If the borrowers
13 are a husband and wife who own the secured real property as joint tenants or tenants by
14 the entirety, the contract shall also state that the lender shall cease providing advances
15 upon written direction by one of the spouses."

16 Sec. 2. This act becomes effective October 1, 1993, and applies to contracts
17 entered into on or after that date.