

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 73

Short Title: Commercial Loan Interest. (Public)

Sponsors: Senators Hunt; Blake, Forrester, and Tillman.

Referred to: Commerce.

February 5, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE LENDERS TO DISCLOSE COMMERCIAL LOAN INTEREST  
3 ACCRUAL SCHEDULES.

4 The General Assembly of North Carolina enacts:

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

6 "**§ 22-5. Commercial loan commitments.**

7 No commercial loan commitment by a bank, savings and loan association, ~~or credit union~~  
8 credit union, or other lending institution for a loan in excess of fifty thousand dollars (\$50,000)  
9 shall be binding unless the commitment is in writing and signed by the party to be bound. If  
10 interest on the commercial loan accrues on a schedule that is different from the payoff schedule  
11 of the loan provided by the lending institution to the borrower, the written loan commitment  
12 shall clearly state that fact. If a lending institution computes daily interest on the basis of a  
13 360-day year, the lending institution may not collect interest for more than 360 days a year  
14 unless disclosed at the time the commercial loan is made. As used in this section, the term  
15 "commercial loan commitment" means an offer, agreement, commitment, or contract to extend  
16 credit primarily for business or commercial purposes and does not include charge or credit card  
17 accounts, personal lines of credit, overdrafts, or any other consumer account. Offers,  
18 agreements, commitments, or contracts to extend credit primarily for aquaculture, agricultural,  
19 or farming purposes are specifically exempted from the provisions of this section."

20 **SECTION 2.** This act becomes effective October 1, 2009, and applies to loan  
21 commitments entered into on or after that date.

