

**§ 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 three thousand dollars (\$3,000).
- (2), (3) Repealed by Session Laws 2023-60, s. 1, effective October 1, 2023, and applicable to contracts entered into, modified, or renewed on or after that date.
- (4) 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- (1) Repealed by Session Laws 2023-60, s. 1, effective October 1, 2023, and applicable to contracts entered into, modified, or renewed on or after that date.
- (2) Twenty percent (20%) per annum for vehicles one to three model years old.
- (3) Twenty-six percent (26%) per annum for vehicles four to five model years old.
- (4) Thirty percent (30%) per annum for vehicles 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.

(d) Notwithstanding subsections (b) and (c) of this section, in the event that the amount financed in a consumer credit sale contract is secured in whole or in part by a security interest in real property, the finance charge rate shall not exceed sixteen percent (16%) per annum.

(e) A seller shall not divide a single credit sale transaction into two or more sales to avoid the limitations as to maximum finance charges imposed by this section.

(f) Notwithstanding subsections (b) and (d) of this section, the parties to a consumer credit installment sale contract for the sale of a residential manufactured home that is secured by a first lien on that home or on the land on which the home is located may contract in writing for the payment of a finance charge as agreed upon by the parties. This subsection only applies if the parties are entitled to so contract by Section 501 of United States Public Law 96-221, and have complied with the regulations adopted under it.

For the purposes of this subsection, a "residential manufactured home" means a manufactured home as defined in G.S. 143-145 that is used as a dwelling. (1971, c. 796, s. 1; 1979, 2nd Sess., c. 1330, ss. 1, 2; 1981, c. 446, ss. 1-3; 1983, c. 126, s. 2; 2021-159, s. 2(b); 2023-60, s. 1.)