

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE DRS35011-ME-4 (1/5)

Short Title: Commercial Loan Interest.

(Public)

Sponsors: Senator Hunt.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE LENDERS TO DISCLOSE COMMERCIAL LOAN INTEREST  
ACCRUAL SCHEDULES.

The General Assembly of North Carolina enacts:

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

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

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

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

