

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE PRINCIPAL CLERK

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HOUSE DRH10190-MM-37 (02/11)

Short Title: Credit Unions/Statutory Changes. (Public)

Sponsors: Representatives Ross, J. Bell, Bradford, and Glazier (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS STATUTORY CHANGES RELATED TO CREDIT  
3 UNIONS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 47C-4-110(a) reads as rewritten:

6 "§ 47C-4-110. Escrow of deposits.

7 (a) Any deposit made in connection with the purchase or reservation of a unit from a  
8 person required to deliver a public offering statement pursuant to G.S. 47C-4-102(c) shall be  
9 immediately deposited in a trust or escrow account in ~~an insured bank or savings and loan~~  
10 ~~association in North Carolina~~ a federally insured depository institution lawfully doing business  
11 in this State and shall remain in such account for such period of time as a purchaser is entitled  
12 to cancel pursuant to G.S. 47C-4-108 or cancellation by the purchaser thereunder whichever  
13 occurs first. Payments held in such trust or escrow accounts shall be deemed to belong to the  
14 purchaser and not the seller."

15 SECTION 2. G.S. 42-50 reads as rewritten:

16 "§ 42-50. Deposits from the tenant.

17 Security deposits from the tenant in residential dwelling units shall be deposited in a trust  
18 account with a licensed and ~~insured bank or savings institution located in the State of North~~  
19 ~~Carolina~~ federally insured depository institution lawfully doing business in this State or the  
20 landlord may, at his option, furnish a bond from an insurance company licensed to do business  
21 in North Carolina. The security deposits from the tenant may be held in a trust account outside  
22 of the State of North Carolina only if the landlord provides the tenant with an adequate bond in  
23 the amount of said deposits. The landlord or his agent shall notify the tenant within 30 days  
24 after the beginning of the lease term of the name and address of the bank or institution where  
25 his deposit is currently located or the name of the insurance company providing the bond."

26 SECTION 3. G.S. 42A-15 reads as rewritten:

27 "§ 42A-15. Trust account uses.

28 A landlord or real estate broker may require a tenant to pay all or part of any required rent,  
29 security deposit, or other fees permitted by law in advance of the commencement of a tenancy  
30 under this Chapter if these payments are expressly authorized in the vacation rental agreement.  
31 If the tenant is required to make any advance payments, other than a security deposit, whether  
32 the payment is denominated as rent or otherwise, the landlord or real estate broker shall deposit  
33 these payments in a trust account in ~~an insured bank or savings and loan association in North~~  
34 ~~Carolina~~ a federally insured depository institution lawfully doing business in this State no later  
35 than three banking days after the receipt of these payments. These payments deposited in a trust  
36 account shall not earn interest unless the landlord and tenant agree in the vacation rental



1 agreement that the payments may be deposited in an interest-bearing account. The landlord and  
2 tenant shall also provide in the agreement to whom the accrued interest shall be disbursed."

3 **SECTION 4.** G.S. 54-109.82 reads as rewritten:

4 "**§ 54-109.82. Investment of funds.**

5 The capital, deposits, undivided profits and reserve fund of the corporation may be invested  
6 only in any of the following ways:

7 ...  
8 (13) In higher education bonds permissible under G.S. 116D-2, provided that  
9 such bonds pledge the faith, credit, and taxing power of the State for the  
10 payment of the principal of and interest on bonds and notes."

11 **SECTION 5.** G.S. 54-109.38 reads as rewritten:

12 "**§ 54-109.38. Compensation of officials.**

13 No member of the board of directors or of the credit committee or supervisory committee  
14 shall be compensated for his service in this position, but providing reasonable life, health,  
15 accident and similar insurance protection for a director or committee member shall not be  
16 considered compensation. Directors and committee members, while on official business of the  
17 credit union, may be reimbursed for necessary and reasonable expenses incidental to the  
18 performance of the business. Such reimbursement may include the payment of expenses for one  
19 guest."

20 **SECTION 6.** This act is effective when it becomes law.