

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 529*

Short Title: Fees/Returned Checks/Loan Processing. (Public)

Sponsors: Senators Gunn and D. Davis (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 3, 2019

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE MAXIMUM PROCESSING FEE FOR RETURNED CHECKS
AND THE MAXIMUM LOAN PROCESSING FEE FOR LICENSEES UNDER THE
CONSUMER FINANCE ACT.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 25-3-506 reads as rewritten:

"§ 25-3-506. **Collection of processing fee for returned checks.**

A person who accepts a check in payment for goods or services or ~~his~~ the person's assignee may charge and collect a processing fee, not to exceed ~~twenty-five dollars (\$25.00), thirty-five dollars (\$35.00),~~ for a check on which payment has been refused by the payor bank because of insufficient funds or because the drawer did not have an account at that bank.

If a collection agency collects or seeks to collect on behalf of its principal a processing fee as specified in this section in addition to the sum payable of a check, the amount of ~~such~~ the processing fee ~~must~~ shall be separately stated on the collection notice. The collection agency shall not collect or seek to collect from the drawer any sum other than the actual amount of the returned check and the specified processing fee."

SECTION 1.(b) This section becomes effective October 1, 2019, and applies to checks dated on or after that date.

SECTION 2.(a) G.S. 53-176(b) reads as rewritten:

"(b) In addition to the interest permitted in this section, a licensee may assess at closing a fee for processing the loan as agreed upon by the parties, not to exceed ~~twenty-five dollars (\$25.00)~~ fifty dollars (\$50.00) for loans up to ~~two thousand five hundred dollars (\$2,500)~~ five thousand dollars (\$5,000) and one percent (1%) of the cash advance for loans above ~~two thousand five hundred dollars (\$2,500), not to exceed a total fee of forty dollars (\$40.00), provided that such~~ five thousand dollars (\$5,000). These charges ~~may~~ shall not be assessed more than twice in any 12-month period."

SECTION 2.(b) This section becomes effective October 1, 2019, and applies to contracts entered into, renewed, or modified on or after that date.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.

