

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 327

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

Sponsors: Representatives Szoka, Jones, Goodman, and Wray (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Banking, if favorable, Rules, Calendar, and Operations of the House

March 12, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE MAXIMUM PROCESSING FEE FOR RETURNED CHECKS
3 AND THE MAXIMUM LOAN PROCESSING FEE FOR LICENSEES UNDER THE
4 CONSUMER FINANCE ACT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** G.S. 25-3-506 reads as rewritten:
7 "**§ 25-3-506. Collection of processing fee for returned checks.**

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

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

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

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

20 "(b) In addition to the interest permitted in this section, a licensee may assess at closing a
21 fee for processing the loan as agreed upon by the parties, not to exceed ~~twenty five dollars~~
22 ~~(\$25.00)~~ fifty dollars (\$50.00) for loans up to ~~two thousand five hundred dollars (\$2,500)~~ five
23 thousand dollars (\$5,000) and one percent (1%) of the cash advance for loans above ~~two thousand~~
24 ~~five hundred dollars (\$2,500),~~ not to exceed a total fee of forty dollars (\$40.00), provided that
25 such five thousand dollars (\$5,000). These charges ~~may~~ shall not be assessed more than twice in
26 any 12-month period."

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

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

