

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 268

Short Title: Loss Reserve Accounts/Econ. Dev.

(Public)

Sponsors: Senators Kerr, Perdue, Hoyle, and Martin of Pitt.

Referred to: Commerce

February 27, 1995

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT FEES PAID BY BORROWERS TO LOSS RESERVE
2 ACCOUNTS OF STATE-FUNDED ECONOMIC DEVELOPMENT PROGRAMS
3 ARE NOT CONSIDERED INTEREST OR SUBJECT TO CLAIMS OR DEFENSES
4 OF USURY.
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6 The General Assembly of North Carolina enacts:

7 Section 1. Article 1 of Chapter 24 of the General Statutes is amended by
8 adding a new section to read:

9 "**§ 24-9.3. Economic development loans.**

10 If approved by the State Banking Commission, fees or other funds paid by borrowers
11 for contribution to loss reserve accounts administered and controlled by nonprofit
12 corporations that are part of State-funded programs that provide loans to promote
13 economic development shall not be considered interest under this Chapter and shall not
14 be subject to claims or defenses of usury."

15 Sec. 2. This act is effective upon ratification.