



CHAPTER 53
ARTICLE 15 - NORTH CAROLINA CONSUMER FINANCE ACT

N.C.G.S. § 53-180.1.

Military service members limitation.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT No amendment history on record	RETRIEVED 21 September 2026, 04:50 UTC	SOURCE FINGERPRINT 74d2044f7eec4c8d70c0efd8 - d9d5d4773fb5d04a7f266f8e - 91bf330b86dbe81a
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§ 53-180.1(a) Definition. - For purposes of this section, the term "covered military service member" means a member of the Armed Forces who is either (i) on active duty under a call or order that does not specify a period of 30 days or fewer or (ii) on active Guard and Reserve Duty, as that term is defined in 10 U.S.C. §101(d)(6), with a rank of E4 or below.

§ 53-180.1(b) Requirements for Granting Loan. - A licensee may not make a loan to a borrower who is a covered military service member unless the following requirements are met:

- (1) The licensee notifies the borrower's commanding officer or executive officer before the loan is consummated. Notification may occur verbally, by electronic means, United States mail, or other equivalent methods of notification. The notification method and date shall be recorded in writing and included in the loan file along with the name of the commanding officer or executive officer communicated with and the date of the communication with the commanding officer or executive officer.
- (2) The licensee shall deposit in the United States mail a copy of the federal Truth in Lending Act, 15 U.S.C. § 1601, et seq., disclosures and the complete contract for the loan addressed to the borrower's commanding officer or executive officer within five business days of the consummation of the loan.

- (3) A covered military service member who has entered into a loan contract made pursuant to this Article may, within 30 days of entering into the loan contract, rescind the loan contract by returning to the licensee in cash or by certified bank check the amount advanced to or for the benefit of the covered military service member under the loan contract, and upon delivery of those funds to the licensee, the borrower shall have no further liability or obligations under the loan contract. Nothing in this provision shall be construed to restrict or eliminate any other penalties provided by State or federal law.
- (4) The licensee shall give the covered military service member a separate disclosure that includes the statements and information required under G.S. 53-181(a). The licensee shall include the name and address of the North Carolina Commissioner of Banks, the Consumer Protection Division of the North Carolina Department of Justice, and the Consumer Financial Protection Bureau. The licensee may include internal compliance information on the same disclosure.
- (5) Notwithstanding section 2 of Title 9 of the United States Code, 9 U.S.C. § 2, or any other federal or State law, rule, or regulation, no agreement to arbitrate any dispute involving the extension of consumer credit shall be enforceable against any covered military service member or dependent of such a covered military service member or any person who was a covered military service member or dependent of that covered military service member when the agreement was made.
- (6) Repealed by Session Laws 2015-179, s. 4, effective September 1, 2015.

§ 53-180.1(b1)

Reasonable Precaution to Identify Covered Military Service Members. - A licensee shall take reasonable precaution to prevent making loans in violation of this section. In the event that a licensee does not take reasonable precaution to identify covered military service members prior to making such a loan, such loans granted to covered military service members shall have the interest rate on the loan adjusted to eight percent (8%) per annum. Reasonable precaution may include obtaining a certificate from the Department of Defense Manpower Data Center (DMDC) that specifies whether the prospective borrower is or is not a member of the armed forces, a copy of the covered military service member's most recent leave and earnings statement, verification of borrower(s) income or any additional method approved by the Commissioner of Banks. In the event the DMDC system is down, the licensee shall obtain a computer screen copy of the failed request. Provided however, nothing in this

section shall be construed to require covered military service member confirmation for a borrower with whom a licensee has an established customer relationship, or for a borrower who provides verification from the borrower's most recent payroll or and earnings statement, or verification of income clearly indicating that the borrower is not a covered military service member.

§ 53-180.1(c)

Penalties and Remedies. -

- (1) The remedies and rights provided under this section are in addition to and do not preclude any remedy otherwise available under law to the person claiming relief under this section, including any incidental, consequential, or punitive damages.
- (2) Any credit agreement, promissory note, or other contract prohibited under this section is null and void.
- (3) Nothing in this section may be construed to limit or otherwise affect the applicability of section 207 of the Servicemembers Civil Relief Act, 50 U.S.C. App. § 527.

§ 53-180.1(d)

Additional Restriction. - When a military servicemember has been deployed to a theater of combat, combat supporting role, an area where hostile fire and/or when Imminent Danger Pay is authorized to the servicemember, a licensee shall not contact the military servicemember or member's spouse by telephone or email for purposes of collecting on the loan upon receiving sufficient proof of the military servicemember's deployment. An official copy of the military service member's orders for deployment or written verification from the servicemember's commanding officer shall constitute sufficient proof. (2013-162, s. 7; 2015-179, s. 4; 2025-25, s. 29(1).)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 53-181(a)	(b)(4)	"the statements and information required under"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 53-180.1 (2026).

PINPOINT

N.C. Gen. Stat. § 53-180.1(a) (2026).

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