

**CHAPTER 53****ARTICLE 21 - REVERSE MORTGAGES****N.C.G.S. § 53-257.**

Definitions.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2004-171, s. 15 — fourth act in the lineage	21 September 2026, 01:26 UTC	f246acf9761d33af108991fe - f704be17d5f7b1563dd9b3db - 6cc7e9c54268ab81

The following definitions apply in this Article:

Authorized lender or lender. - The North Carolina Housing Finance Agency, any lender authorized to engage in business as a bank, savings institution, or credit union under the laws of this State or of the United States, or any other person, firm, or corporation authorized to make reverse mortgage loans by the Commissioner of Banks.

Borrower. - A natural person 62 years of age or older who occupies and owns, in fee simple individually, or with another borrower as tenants by the entirety or as joint tenants with right of survivorship, an interest in residential real property securing a reverse mortgage loan, and who borrows money under a reverse mortgage loan.

Commissioner. - The Commissioner of Banks of this State.

Counselor. - An individual who has completed a training curriculum on reverse mortgage counseling provided or approved by the North Carolina Housing Finance Agency and whose name is maintained on the Commissioner's list of approved reverse mortgage counselors.

Outstanding balance. - The current net amount of money owed by the borrower to the lender, calculated in accordance with G.S. 53-262(b), whether or not the sum is suspended under the terms of the reverse mortgage loan agreement or is immediately due and payable.

Reverse mortgage loan or loan. - A loan for a definite or indefinite term (i) secured by a first mortgage or first deed of trust on the principal residence of the mortgagor located in North Carolina, (ii) the proceeds of which are disbursed to the mortgagor in one or more lump sums, or in equal or unequal installments, either directly by the lender or the lender's agent, and (iii) that requires no repayment until a future time, upon the earliest occurrence of one or more events specified in the reverse mortgage loan contract.

Shared appreciation. - An agreement by the lender and the borrower that, in addition to the principal and any interest accruing on the outstanding balance of a reverse mortgage loan, the lender may collect an additional amount equal to a percentage of the increase in the value of the property from the date of origination of the loan to the date of loan repayment.

Shared value. - An agreement by the lender and the borrower that, in addition to the principal and any interest accruing on the outstanding balance of a reverse mortgage loan, the lender may collect an additional amount equal to a percentage of the value of the property at the time of loan repayment.

Total annual percentage rate. - The annual average rate of interest, which provides the total amount owed at loan maturity when this rate is applied to the loan advances, excluding closing costs not paid to third parties, over the term of the reverse mortgage loan.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
4 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

1991		1998		2004
TICK HEIGHT = ACTS IN THAT YEAR		DASHED = RECODIFICATION, NOT AMENDMENT		
Nº	YEAR	ACT	CHARACTER	
01	1991	c. 546, s. 1	ENACTED	
02	1995	c. 115, s. 1	AMENDED	
03	1998	S.L. 1998-116, s. 3	AMENDED	
04	2004	S.L. 2004-171, s. 15	AMENDED	

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. 53-262(b)	(null)(5)	"the lender, calculated in accordance with"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 53-257 (2004).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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This is not the official text. The official text is published by the General Assembly of North Carolina.

HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1991, c. 546, s. 1; 1995, c. 115, s. 1; 1998-116, s. 3; 2004-171, s. 15.)

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