

**CHAPTER 53****ARTICLE 25 - ASSET-BACKED SECURITIES FACILITATION****N.C.G.S. § 53-425.**

Definitions.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	No amendment history on record	21 September 2026, 02:50 UTC	26805f411624902186181f16 - b4b25364c5bb9e70205765bd - 130f278ccb9261fa

The following definitions apply in this Article:

Beneficial interest. - Debt or equity interests or obligations of any type that are issued by a special purpose entity and entitle the holder of the interest or obligation to receive payments that depend primarily on the cash flow from financial assets owned by the special purpose entity.

Financial asset. - Cash or a contract or instrument that conveys to an entity a contractual right to receive cash or another financial instrument from another entity.

Securitization. - The issuance by a special purpose entity of evidences of beneficial interest that meets one of the following criteria:

a. Its most senior class at the time of issuance is rated in one of the four highest categories assigned to long-term debt or in an equivalent short-term category (within either of which there may be sub-categories or gradations indicating relative standing) by one or more nationally recognized rating organizations.

b. It is sold in transactions by an issuer not involving any public offering under section 4 of the Securities Act of 1933 (15 U.S.C. 77d), as amended, or in transactions exempt from registration under the Securities Act of 1933 pursuant to Regulation S issued in accordance with the Act, or any successor regulations issued under the Act.

Special purpose entity. - A trust, corporation, limited liability company, or other entity demonstrably distinct from the transferor that is primarily engaged in acquiring and holding (or transferring to another special purpose entity) financial assets, and in activities related or incidental thereto, in connection with the issuance by the special purpose entity (or by another special purpose entity that acquires financial assets directly or indirectly from the special purpose entity) of evidences of beneficial interests.

Transferor. - A financial institution insured by the Federal Deposit Insurance Corporation. (2002-88, s. 1; 2002-159, s. 33.)

END OF SECTION TEXT

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APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 53-425 (2026).

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