

**CHAPTER 66****ARTICLE 46 - GUARANTEED ASSET PROTECTION WAIVERS****N.C.G.S. § 66-440.**

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, 04:15 UTC	dc331ca18ca499654b78592b - e74094fa84e6b7523a89af9e - 1082977126f1a2fd

The following definitions apply in this Article:

Administrator. - A person that performs administrative or operational functions with respect to guaranteed asset protection waivers.

Borrower. - A debtor, retail buyer, or lessee under a vehicle finance agreement.

Creditor. - Any of the following:

a.A lender in a loan or credit transaction.

b.A lessor in a lease transaction.

c.A vehicle dealer, including a motor vehicle dealer as that term is defined in G.S. 20-286(11), that provides credit to or arranges financing for a purchaser of a vehicle.

d.A seller in a commercial retail installment transaction.

e.An assignee of any of the foregoing to whom the credit obligation is payable.

Free-look period. - The period of time from the effective date of a guaranteed asset protection waiver until the date the borrower may cancel the contract without penalty, fees, or costs to the borrower.

Guaranteed asset protection waiver. - Either of the following:

a.A contractual agreement in which a creditor agrees, with or without a separate charge, to cancel or waive all or part of amounts due on a borrower's vehicle finance agreement in the event of a total physical damage loss or unrecovered theft of the vehicle, which agreement shall be part of, or a separate addendum to, the vehicle finance agreement. The agreement may also provide, with or without a separate charge, a benefit that waives an amount or provides a borrower with a credit towards the purchase of a replacement vehicle.

b.A contractual agreement in which a creditor agrees, with or without a separate charge, to cancel or waive all or part of amounts that may become due under a borrower's lease agreement as a result of excessive wear and use of a vehicle. The agreement must be part of, or a separate addendum to, the lease agreement. Excess wear and use waivers may also cancel or waive amounts due for excess mileage.

The term does not include a vehicle value protection agreement as defined in G.S. 66-471(10).

Insurer. - An insurance company licensed, registered, or otherwise authorized to do business under Chapter 58 of the General Statutes.

Vehicle. - A motor vehicle, as that term is defined in G.S. 20-286(10), as well as self-propelled or towed vehicles designed for personal or commercial use, including, but not limited to, automobiles, trucks, motorcycles, recreational vehicles, all-terrain vehicles, snowmobiles, campers, boats, personal watercraft, and trailers for motorcycles, boats, campers, and personal watercraft.

Vehicle finance agreement. - A loan, lease, or retail installment sales contract for the purchase or lease of a vehicle. (2013-193, s. 1; 2021-172, s. 1.)

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS II
3 AUTHORITIES

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. 20-286(11)		"as that term is defined in"
G.S. 66-471(10)		"value protection agreement as defined in"
G.S. 20-286(10)	(null)(7)	"as that term is defined in"

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 66-440 (2026).

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.

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