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SENATE BILL 1015  
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Short Title: Homeowner and Homebuyer Protection Act.

(Public)

Sponsors:

Referred to:

March 26, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT THE HOMEOWNER AND HOMEBUYER PROTECTION ACT TO  
3 PROHIBIT HOME FORECLOSURE RESCUE SCAMS AND OFFER PROTECTIONS  
4 IN LAND INSTALLMENT SALES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** This act shall be known and may be cited as the "Homeowner and  
7 Homebuyer Protection Act."

8 **SECTION 2.** Chapter 75 of the General Statutes is amended by adding a new  
9 Article to read:

10 "Article 6.

11 "Home Foreclosure Rescue Scams.

12 **"§ 75-120. Definitions.**

13 The following definitions shall apply in this Article:

- 14 (1) Exempt transaction. – A foreclosure rescue transaction in which the  
15 transferee is any of the following:  
16 a. A member of the transferor's immediate family as defined in  
17 G.S. 53-244-030(13).  
18 b. A bona fide nonprofit organization that regularly provides financial,  
19 housing, or social services to individuals.  
20 c. A state, federal, or local government agency or organization.  
21 d. A bank, savings institution or credit union organized under the laws  
22 of the United States or any state.  
23 e. A mortgage lender or mortgage servicer licensed by the Commissioner  
24 of Banks under Article 19B of Chapter 53 of the General Statutes.  
25 (2) Default. – Whenever a property owner is more than 60 days delinquent on  
26 any loan or debt that is secured by the property, including real estate taxes.  
27 (3) Foreclosure rescue transaction. – A transfer of residential real property,  
28 including a manufactured home, which includes all of the following features:  
29 a. The real property is the principal residence of the transferor.  
30 b. The transferor is in default or legal proceedings have been initiated to  
31 foreclose on the transferor's property.

- 1           c.     The transferee, an agent of the transferee, or others acting in concert  
2                 with the transferee make representations that the transfer of the  
3                 residential property will enable the transferor to prevent, postpone, or  
4                 reverse the effect of foreclosure and to remain in the residence.  
5           d.     By written or oral agreement, the transferor retains an interest in the  
6                 property conveyed, including a tenancy interest, an interest under a  
7                 lease-purchase agreement, an option to reacquire the property, or any  
8                 other legal, equitable, or possessory interest in the property  
9                 conveyed.  
10          e.     The transferee fails to pay to the transferor at least 82 percent of the  
11                 fair market value of the property.

- 12          (4)   Property . – Real property upon which there is located one or more  
13                 single-family dwellings, including an individual condominium unit,  
14                 cooperative unit, manufactured home or mobile home.

15   **"§ 75-121. Foreclosure rescue transactions prohibited; exceptions; violation.**

16         It is unlawful for a person other than the transferor to engage in, promise to engage in,  
17         arrange, offer, promote, solicit, assist with, or carry out a foreclosure rescue transaction for  
18         financial gain or with the expectation of financial gain. This section does not apply to exempt  
19         transactions."

20   **"§ 75-122. Remedies**

21         A violation of G.S. § 75-121 is an unfair trade practice under G.S. § 75-1.1. A homeowner  
22         may bring an action for the recovery of damages, to void a prohibited foreclosure rescue  
23         transaction, as well as for declaratory or equitable relief for a violation of this Article. The  
24         rights and remedies provided herein are cumulative to, and not a limitation of, any other rights  
25         and remedies provided by law or equity. Any action brought pursuant to this section must be  
26         commenced within four years from the date of the alleged violation.

27                 **SECTION 3.** The General Statutes are amended by adding a new Chapter to read:

28                                 **"Chapter 47G.**

29                                 "Option to Purchase Contracts Executed With Lease Agreements.

30   **"§ 47G-1. Definitions.**

31         The following definitions apply in this Chapter:

- 32           (1)   Covered Lease Agreement—A residential lease agreement that is combined  
33                 with, or is executed concurrently with an option contract.  
34           (2)   Covered Option Contracts – An option contract for the purchase of real  
35                 property that includes or is combined with, or is executed in conjunction  
36                 with a residential lease agreement.  
37           (3)   Cure the Default. – To perform the obligations under the lease and/or option  
38                 contract that are described in the notice of intent to forfeit required by  
39                 G.S. 47G-6 and that are necessary to reinstate the lease and/or the option  
40                 contract. This term is synonymous with the term 'cure.'  
41           (4)   Forfeiture. – The termination of an option purchaser's rights to exercise an  
42                 option to purchase property that is the subject of the option contract, and  
43                 those rights of persons claiming by or through an option purchaser, to the  
44                 extent permitted by this Chapter, because of a breach of one or more of the  
45                 purchaser's obligations under the option contract and/or residential lease  
46                 agreement.  
47           (5)   Option Fee. – Any payment, however denominated, made by the option  
48                 purchaser to the option seller that constitutes the price the option purchaser  
49                 pays for the right to buy the property at a specified price in the future.

- 1           (6)    Option Purchaser, or Purchaser. – An individual who purchases an interest in  
2           property under an option contract, or any legal successor in interest to that  
3           individual.
- 4           (7)    Option Seller, or Seller. – A person that makes a sale of an option by means  
5           of an option contract, or the person's successor in interest. If an option  
6           contract is subsequently assigned or sold to a third party, the assignor shall  
7           be deemed to be an Option Seller or Seller for purposes of this Chapter.
- 8           (8)    Property. – Either (i) real estate located in this State, upon which there is  
9           located or there is to be located a structure or structures designed principally  
10          for occupancy of from one to four families that is or will be occupied by the  
11          purchaser as the purchaser's principal dwelling, or (ii) a manufactured home,  
12          as that term is defined in G.S. 143-149.9, that is located in this State and is  
13          or will be occupied by a purchaser as the purchaser's principal dwelling, if  
14          the purchase price is \$5,000 or more.

15   **"§ 47G-2. Minimum contents of option purchase contracts; recordation.**

16          (a)    Writing Required. – Every option contract, including any assignment of same, shall  
17          be evidenced by a contract signed by all parties to it and containing all the terms to which they  
18          have agreed. The seller shall deliver to the purchaser an exact copy of the contract, containing  
19          all the disclosures required by subsection (b) of this section, at the time the purchaser signs the  
20          contract.

21          (b)    Contents. – An Option Contract shall contain at least all of the following:

- 22               (1)    The full names and addresses of all the parties to the contract.
- 23               (2)    The date the contract is signed by each party.
- 24               (3)    A legal description of the property to be conveyed subject to an option to  
25               purchase.
- 26               (4)    The sales price of the property to be conveyed subject to an option to  
27               purchase.
- 28               (5)    The option fee and any other fees or payments to be paid by each party to the  
29               contract.
- 30               (6)    All of the obligations under the lease agreement and/or option contract that  
31               are necessary for an option purchaser to exercise an option to purchase.
- 32               (7)    The time period during which the purchaser must exercise the option.
- 33               (8)    A statement of the rights of the purchaser to cure a default, including that the  
34               purchaser has the right to cure a default only once in any six-month period  
35               during the period of the lease.
- 36               (9)    A conspicuous statement, in not less than 14-point bold-face type,  
37               immediately above the purchaser's signature, that the purchaser has the right  
38               to cancel the contract at any time within three business days after receiving a  
39               copy of the contract that contains all the disclosures required by this  
40               subsection.

41          (c)    The purchaser may exercise the right to cancel the contract until midnight of the  
42          third business day following consummation of the option contract or delivery of a copy of the  
43          contract, with the required minimum disclosures, whichever occurs last. If the purchaser  
44          cancels the contract, the seller shall, not later than the tenth day after the date the seller receives  
45          the purchaser's notice of cancellation, return to the purchaser any and all property exchanged or  
46          payments made by the purchaser under the contract minus an offset of an amount equal to the  
47          fair market value of the use of the property during the duration of the purchaser's possession of  
48          the property plus an amount necessary to compensate the seller for any damages caused to the  
49          property by the purchaser beyond normal wear and tear.

50          (d)    Recordation. Within 20 days after the contract has been signed by both the seller  
51          and the purchaser, the seller shall cause a copy of the contract or a memorandum of the contract

1 to be recorded in the register of deeds in the county where the property sold under the contract  
2 is located. If a memorandum of the contract is recorded, it shall be entitled "Memorandum of  
3 Option Contract" and shall contain, as a minimum, the names of the parties, the signatures of  
4 the parties, a description of the property and applicable time periods. A person other than a  
5 seller and purchaser may rely on the recorded materials in determining whether the  
6 requirements of this subsection have been met.

7 **"§ 47G-3. Protection of tenant's rights.**

8 The provisions of Chapter 42 of the General Statutes apply to the portion of the contract  
9 that is a residential lease agreement.

10 **"§ 47G-4. Condition of forfeiture; right to cure.**

11 A purchaser's right to exercise an option to purchase property under an option contract  
12 cannot be forfeited unless a breach has occurred in one or more of the purchaser's express  
13 obligations under the option contract and the option contract provides that as a result of such  
14 breach the seller is entitled to forfeit the contract. Notwithstanding any contract or lease  
15 provisions to the contrary, the purchaser's rights shall not be forfeited until the purchaser has  
16 been notified of the intent to forfeit in accordance with G.S. 47G-5 and been given a right to  
17 cure the default and has failed to do so within the time period allowed. The option purchaser is  
18 entitled to the right to cure a default at least once in every six-month period during the period of  
19 the lease agreement. If the option purchaser defaults again within the next six months, the  
20 option seller is entitled to forfeit the contract without sending another notice of the intent to  
21 forfeit with a right to cure.

22 **"§ 47G-5. Notice of default and intent to forfeit.**

23 (a) A notice of default and intent to forfeit shall specify the nature of the default, the  
24 amount of the default if the default is in the payment terms, the date after which the contract  
25 will be forfeited if the purchaser does not cure the default and the name and address of the  
26 seller or the attorney for the seller. The period specified in the notice after which the contract  
27 will be forfeited may not be less than 45 days after the notice of default and intent to forfeit is  
28 sent, or before judgment is given in any action brought to recover the possession of the leased  
29 premises pursuant to Article 3 of Chapter 42, whichever is earlier.

30 (b) Any notice of default and intent to forfeit must be delivered to the option purchaser  
31 by hand delivery or by any manner authorized by G.S. 1A-1, Rule 4.

32 **"§ 47G-6. Title requirements.**

33 An option seller may not execute an Option Contract with an option purchaser unless, at the  
34 time the option contract is entered into and recorded, (1) the option seller holds title to the  
35 option property and is the mortgagor on any mortgage or deed of trust encumbering the option  
36 property; or (2) the option seller holds a real estate broker's license issued by the North  
37 Carolina Real Estate Licensing Board. An option contract executed in violation of this section  
38 is voidable at the option of the option purchaser.

39 **"§ 47G-7. Encumbrances on title.**

40 (a) An option seller may not execute an option contract with an option purchaser if, at  
41 the time the option contract is entered into and recorded, the property is encumbered by a lien,  
42 mortgage or encumbrance unless the seller notifies the purchaser in a separate written  
43 disclosure:

- 44 (1) That the property is subject to one or more outstanding mortgages, liens, or  
45 other encumbrances.  
46 (2) In 14-point type, of the fact that if the option seller fails to make timely  
47 payments, the lien holder may attempt to collect the debt by foreclosing on  
48 the lien and selling the property at a foreclosure sale.

49 (b) If, at any time prior to the expiration of the time period in which the option  
50 purchaser has a right to exercise the option to purchase, the obligor defaults on a loan secured  
51 by a lien or mortgage on the property, the option purchaser may elect to exercise the option or

1 cancel and rescind the contract and, in addition to any other remedies available at law or equity,  
2 seek the immediate return of all moneys paid to the option purchaser.

3 (c) If the purchaser elects to rescind the contract, the seller is entitled to an offset of an  
4 amount equal to the fair market value of the use of the property during the duration of the  
5 purchaser's possession of the property plus an amount necessary to compensate the seller for  
6 any damages caused to the property by the purchaser beyond normal wear and tear. In any suit  
7 in which a purchaser prevails in enforcing the protections contained herein, the purchaser is  
8 entitled to an award of reasonable attorney fees.

9 **"§ 47G-8. Additional requirements for contracts of longer duration.**

10 If the option contract includes or is combined with, or is executed concurrently with a  
11 residential lease agreement of more than three years in duration, and/or if the option purchaser  
12 and option seller, agent or affiliate have been parties to an option contract or Contract for Deed  
13 on the subject property for longer than three years, then, in addition to the requirements herein,  
14 the provisions of GS 47H shall apply to this transaction.

15 **"§47G-9. Remedies.**

16 A violation of any provision of this Chapter constitutes an unfair trade practice under  
17 G.S. 75-1.1. An option purchaser may bring an action for the recovery of damages, to void a  
18 prohibited transaction, as well as for declaratory or equitable relief for a violation of this  
19 Chapter. The rights and remedies provided herein are cumulative to, and not a limitation of, any  
20 other rights and remedies provided by law or equity. Any action brought pursuant to this  
21 section must be commenced within four years from the date of the alleged violation.

22 **SECTION 4.** The General Statutes are amended by adding a new Chapter to read:

23 **"Chapter 47H.**

24 **"Contracts for Deed.**

25 **"§ 47H-1. Definitions.**

26 The following definitions apply in this Chapter:

- 27 (1) Contract for Deed. – An agreement, whether denominated a "contract for  
28 deed," "installment land contract," "land contract," "bond for title," or any  
29 other title or description in which the seller agrees to sell an interest in  
30 property to the purchaser and the purchaser agrees to pay the purchase price  
31 in five or more payments exclusive of the down payment, if any, and the  
32 seller retains title to the property as security for the purchaser's obligation  
33 under the agreement. A contracts for deed does not include a purchase and  
34 sale agreements entered into with the good faith expectation that the seller  
35 agrees to finance the purchase price.
- 36 (2) Cure the default. – To perform the obligations under the contract that are  
37 described in the notice of intent to forfeit required by G.S. 47H-6 and that  
38 are necessary to reinstate the contract. This term is synonymous with the  
39 term 'cure.'
- 40 (3) Down payment. – A payment made by the purchaser to the seller that  
41 constitutes part of the purchase price of property that is the subject of a  
42 Contract for Deed and that is made or agreed to in connection with the  
43 execution of that contract.
- 44 (4) Forfeiture. – The termination of all of a purchaser's rights, title, and interest,  
45 and those of persons claiming by or through a purchaser, in property that is  
46 the subject of a contract for deed, to the extent permitted by this Chapter,  
47 because of a breach of one or more of the purchaser's obligations under the  
48 contract.
- 49 (5) Property. – Either (i) real estate located in this State, upon which there is  
50 located or there is to be located a structure or structures designed principally  
51 for occupancy of from one to four families that is or will be occupied by the

1 purchaser as the purchaser's principal dwelling, or (ii) a manufactured home,  
2 as that term is defined in G.S. 143-149.9, that is located in this State and is  
3 or will be occupied by a purchaser as the purchaser's principal dwelling, if  
4 the purchase price is \$5,000 or more.

5 (6) Purchaser. – An individual or entity that purchases an interest in property  
6 under a Contract for deed, or any legal successor in interest to that  
7 individual.

8 (7) Seller. – A person who makes a sale of property by means of a contract for  
9 deed, or the person's successor in interest.

10 **"§ 47H-2. Minimum contents for contracts for deed; recordation.**

11 (a) Writing Required. – Every Contract for Deed shall be evidenced by a contract  
12 signed by all parties to it and containing all the terms to which they have agreed. The seller  
13 shall deliver to the purchaser an exact copy of the contract, containing all the disclosures  
14 required by subsection (b) of this section, at the time the purchaser signs the contract.

15 (b) Contents. – A Contract for Deed contract shall contain at least all of the following:

16 (1) The full names and addresses of all the parties to the contract.

17 (2) The date the contract is signed by each party.

18 (3) A legal description of the property conveyed.

19 (4) The sales price of the property conveyed.

20 (5) Any charges or fees for services included in the contract separate from the  
21 sale price.

22 (6) The amount of the purchaser's down payment.

23 (7) The principal balance owed by the purchaser, which is the sum of the  
24 amounts stated in subdivisions (4) and (5) of this subsection, less the amount  
25 stated in subdivision (6) of this subsection.

26 (8) The amount and due date of each installment payment and the total number  
27 of installment payments.

28 (9) The interest rate on the unpaid balance, if any, and the method of  
29 determining the interest rate.

30 (10) A conspicuous statement of any pending order of any public agency or other  
31 matters of public record affecting the property.

32 (11) A statement of the rights of the purchaser to cure a default.

33 (12) A statement setting forth the obligation of each party who is responsible for  
34 making repairs to the property, the payment of taxes, hazard insurance  
35 assessments, homeowner association dues and other charges against the  
36 property from the date of the contract.

37 (13) A provision that the purchaser has the right to accelerate or prepay any  
38 installment payments without penalty.

39 (14) A description of conditions of the property that includes whether the  
40 property, including any structures thereon, has water, sewer, septic, and  
41 electricity service, whether the property is in a floodplain, whether anyone  
42 else has a legal interest in the property, and whether restrictive covenants  
43 prevent building or installing a dwelling. If restrictive covenants are in place  
44 that affect the property, a copy of the restrictive covenants shall be made  
45 available to the purchaser.

46 (15) A statement indicating the amount of any real estate taxes and/or  
47 homeowner association dues, or special assessments owed on the property  
48 that is the subject of the contract, and the amount of such taxes dues, or  
49 assessments that are delinquent.

50 (16) A conspicuous statement, in not less than 14-point bold-face type,  
51 immediately above the purchaser's signature, that the purchaser has the right

1 to cancel the contract at any time within three business days after receiving a  
2 copy of the contract that contains all the disclosures required by this  
3 subsection.

4 (c) The purchaser may exercise the right to cancel the contract until midnight of the  
5 third business day following consummation of the contract for deed or delivery of a copy of the  
6 contract with the required minimum contents, whichever occurs last. If the purchaser cancels  
7 the contract, the seller shall, not later than the tenth day after the date the seller receives the  
8 purchaser's notice of cancellation, return to the purchaser any and all property exchanged or  
9 payments made by the purchaser under the contract minus an offset of an amount equal to the  
10 fair market value of the use of the property during the duration of the purchaser's possession of  
11 the property plus an amount necessary to compensate the seller for any damages caused to the  
12 property by the purchaser beyond normal wear and tear.

13 (d) Recordation. Within 20 days after the contract has been signed by both the seller  
14 and the purchaser, the seller shall cause a copy of the contract or a memorandum of the contract  
15 to be recorded in the register of deeds in the county where the property sold under the contract  
16 is located. If a memorandum of the contract is recorded, it shall be entitled "Memorandum of a  
17 Contract for Deed" and shall contain, as a minimum, the names of the parties, the signatures of  
18 the parties, a description of the property and applicable time periods.

19 **"§ 47H-3. Escrow of down payment.**

20 Any down payment that a purchaser provides pursuant to a contract for deed shall be  
21 immediately deposited in a trust or escrow account in an insured bank, savings and loan  
22 association, or credit union in this State within 3 business days of executing the contract and  
23 shall remain in the account until either the seller transfers ownership of the property, or until  
24 the agreement is cancelled. Funds held in the trust or escrow account shall be deemed to belong  
25 to the purchaser and not to the seller.

26 **"§ 47H-4. Conditions of forfeiture; right to cure.**

27 A purchaser's rights under a contract for deed shall not be forfeited except as provided in  
28 this Chapter. A contract for deed cannot be forfeited unless a breach has occurred in one or  
29 more of the purchaser's express obligations under the contract and the contract provides that as  
30 a result of such breach the seller is entitled to forfeit the contract. Furthermore, the purchaser's  
31 rights shall not be forfeited until the purchaser has been notified of the intent to forfeit in  
32 accordance with G.S. 47H-5 and been given a right to cure the default and has failed to do so  
33 within the time period allowed. A timely tender of cure shall reinstate the contract.

34 **"§ 47H-5. Notice of default and intent to forfeit.**

35 (a) The notice of default and intent to forfeit shall contain all of the following:

- 36 (1) The name, address, and telephone number of the seller and the seller's agent  
37 or attorney giving the notice, if any.
- 38 (2) A description of the contract, including the names of the original parties to  
39 the contract.
- 40 (3) The physical address of the property.
- 41 (4) A description of each default under the contract on which the notice is based.
- 42 (5) A statement that the contract will be forfeited if all defaults are not cured by  
43 a date stated in the notice which is not less than 45 days after the notice of  
44 default and intent to forfeit is sent or any longer period specified in the  
45 contract or other agreement with the seller.
- 46 (6) An itemized statement of, or to the extent not known at the time the notice of  
47 default and intent to forfeit is given or recorded, a reasonable estimate of, all  
48 payments of money in default and, for defaults not involving the failure to  
49 pay money, a statement of the action required to cure the default.
- 50 (7) Any additional information required by the contract or other agreement with  
51 the seller.

1        (b) Any notice of default and intent to forfeit must be delivered to the purchaser by  
2 hand or by any manner authorized in G.S. 1A-1, Rule 4. Any notice of default and intent to  
3 forfeit must also be delivered to the occupant of the dwelling that is the subject of the contract  
4 for deed, if different from the purchaser.

5 **"§ 47H-6. Periodic statements of account.**

6        The seller shall provide the purchaser with a statement of account at least once every  
7 12-month period for the term of a Contract for Deed. The statement must include at least the  
8 following information:

- 9            (1) The amount paid under the contract.
- 10           (2) The remaining amount owed under the contract.
- 11           (3) The number of payments remaining under the contract.
- 12           (4) The amounts paid to taxing authorities, if paid or collected by the seller or  
13 the purchaser.
- 14           (5) The amounts paid to insure the property on the purchaser's behalf, if  
15 collected by the seller.
- 16           (6) If the property has been damaged and the seller has received insurance  
17 proceeds, an accounting of the proceeds applied to the property.
- 18           (7) If the property is encumbered by a lien or mortgage pursuant to  
19 G.S. 47G-8(b), the outstanding balance of the loan that is secured by the  
20 property.

21 **"§ 47H-7. Title requirements.**

22        (a) A seller may not execute a contract for deed with a purchaser if the seller does not  
23 hold title to the property. If the title is not held in fee simple, free from any liens, mortgages, or  
24 other encumbrances, the seller may execute a contract for deed only if the mortgage or  
25 encumbrance is in the name of the seller and meets at least one of the following conditions:

- 26           (1) It was placed on the property because of the conduct of the purchaser.
- 27           (2) It was agreed to by the purchaser as a condition of a loan obtained to place  
28 improvements on the property, including utility and fire protection  
29 improvements.
- 30           (3) It was placed on the property by the seller if the seller is a licensed general  
31 contractor within the meaning of Chapter 87 of the North Carolina General  
32 Statutes provided that the general contractor notifies the purchaser that the  
33 property is subject to one or more outstanding mortgages, and the fact that if  
34 the general contractor fails to make timely payments, the lien holder may  
35 attempt to collect the debt by foreclosing on the lien and selling the property  
36 at a foreclosure sale.
- 37           (4) It was placed on the property by the seller prior to the execution of the  
38 contract for deed, if the seller is not a licensed general contractor within the  
39 meaning of Chapter 87 of the North Carolina General Statutes, if all of the  
40 requirements in (a) and (b) below are met:
  - 41            a. The seller notifies the purchaser in a separate written disclosure of all  
42 of the following:
    - 43              1. The amount of the outstanding balance of the loan.
    - 44              2. The amount of the monthly payments due on the loan and the  
45 due date of those payments.
    - 46              3. In 14-point type, a statement that if the seller fails to make  
47 timely payments to the lien holder, the lien holder may  
48 attempt to collect the debt by foreclosing on the lien and  
49 selling the property at a foreclosure sale.
  - 50            b. The lien:

- 1                   1.     Is attached only to the property sold to the purchaser under
- 2                             the contract.
- 3                   2.     Secures indebtedness that at no time is or will be greater in
- 4                             amount than the amount of the total outstanding balance
- 5                             owed by the purchaser under the contract.

6       (b)     In addition to any other remedies at law or equity, a seller's violation of this section  
7     entitles the purchaser to either a claim for damages or the right to rescind the contract and seek  
8     the return of all payments, deposits, and down payments that have been made under the  
9     contract. If the purchaser elects to rescind the contract, the seller is entitled to an offset of an  
10    amount equal to the fair market value of the use of the property during the duration of the  
11    purchaser's possession of the property plus an amount necessary to compensate the seller for  
12    any damages caused to the property by the purchaser beyond normal wear and tear.

13    "**§ 47H-8. Late fees.**

14       No seller may charge a late payment charge under a contract for deed in excess of four  
15    percent (4%) of the amount of the payment past due.

16    "**§ 47H-9. Remedies.**

17       A violation of any provision of this Chapter constitutes an unfair trade practice under  
18    G.S. 75-1.1. A purchaser may bring an action for the recovery of damages, to rescind a  
19    transaction, as well as for declaratory or equitable relief, for a violation of this Chapter. The  
20    rights and remedies provided herein are cumulative to, and not a limitation of, any other rights  
21    and remedies provided by law or equity. Any action brought pursuant to this section must be  
22    commenced within four years from the date of the alleged violation.

23       **SECTION 5.** This act becomes effective October 1, 2010, and applies to  
24    transactions on or after that date.