Section 1. G.S. 24-1.1A reads as rewritten:

"§ 24-1.1A. Contract rates on home loans secured by first mortgages or first deeds of restrictions and limitations on high-cost home loans, permissible fees and charges on certain loans, to prohibit deceptive practices by mortgage brokers and lenders, and for public education and counseling about predatory lending.

(a) Notwithstanding any other provision of this Chapter, but subject to the provisions of G.S. 24-1.1E, parties to a home loan may contract in writing as follows:

(1) Where the principal amount is ten thousand dollars ($10,000) or more, the parties may contract for the payment of interest as agreed upon by the parties;

(2) Where the principal amount is less than ten thousand dollars ($10,000), the parties may contract for the payment of interest as agreed upon by the parties, but the parties must either (i) approve as a mortgagee the Secretary of Housing Development, the Federal Housing Administration, the Department of Veterans Affairs, a national mortgage association or agency; or (ii) a local or foreign bank, savings and loan association, or corporation wholly owned by one or more savings and loan associations permitted by law to make home loans, credit union or insurance company, State or federal agency;

(3) Where the principal amount is less than ten thousand dollars ($10,000) and the parties are not a lender described in the preceding subdivision (2) the parties may contract for the payment of interest not in excess of sixteen percent (16%) per annum;

(4) Notwithstanding any other provision of law, where the lender is an affiliate of a lender described in subdivision (2) or (3) and the lender is operating in the same office or subsidiary operating in the same office of a lender described in the North Carolina Consumer Finance Act, the lender may charge interest computed only on the following basis: monthly on the outstanding principal balance at a rate not to exceed the rate provided in this subdivision.

(1) No prepayment fees or penalties shall be contracted by the borrower and respect to any home loan in which: (i) the principal amount borrowed is not more than fifty thousand dollars ($150,000) or less, (ii) the borrower is a natural person, (iii) the borrower is a landowner or lessee, (iv) the borrower is a member of a nonprofit organization, (v) the borrower is a veteran, (vi) the borrower is a member of a military service, or (vii) the borrower is a member of a federal agency.
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respect to any home loan in which: (i) the principal amount borrowed
fifty thousand dollars ($150,000) or less, (ii) the borrower is a natural
debt is incurred by the borrower primarily for personal, family,
purposes, and (iv) the loan is secured by a first mortgage or first deed
estate upon which there is located or there is to be located a struct
designed principally for occupancy of from one to four families which
occupied by the borrower as the borrower’s principal dwelling.

(2) The limitations on prepayment fees and penalties contained in subdiv
this section shall not apply to the extent state law limitations on prepaym
penalties are preempted by federal law or regulation.

(c) Except as limited by subsection (b) above, a lender may charge to the bor
described in G.S. 24-10. Provided, if the loan is one described in subsection (a)(1) or su