

## FOR CUSTOMERS OF ALPHA FINANCE COMPANY INC.

### BACKGROUND

This notice is for customers of Alpha Finance Company, Inc. (“Alpha”), a lender previously licensed under the North Carolina Consumer Finance Act (“CFA”), that operated out of Alleghany County, with offices in Dobson and Sparta, North Carolina.

In 2019, the North Carolina Office of the Commissioner of Banks (“NCCOB”) brought an action in superior court against Alpha.

On November 18, 2019, the Superior Court of Alleghany County issued a Default Judgment and Order in which the Court ordered that all loans made by Alpha under the CFA are void and that all liens on personal property pledged on CFA loans are to be released. [Click here for a copy of the Order of Default Judgment.](#)

According to the court order, any open CFA loan with Alpha is void. Customers with open CFA loans are no longer obligated to make payments, and Alpha is not allowed to attempt to collect money on those loans. Also, Alpha is not allowed to repossess property pledged as collateral on the CFA loans.

***The Default Judgment only affects loans made by Alpha under the CFA. It does not affect loans made by Alpha under Chapter 24 of the North Carolina General Statutes or the North Carolina Retail Installment Sales Act (RISA) at Chapter 25A of the North Carolina General Statutes.***

### HOW DO I KNOW IF I HAD A CFA LOAN?

Review your last loan contract with Alpha.

If you had a CFA loan, your CFA loan contract should contain this statement somewhere on the contract: “This loan is regulated by the provisions of Chapter 53, Article 15 of the North Carolina General Statutes.”

Some, but not all, of Alpha’s CFA loan contracts contain the phrase “NCGS § 53-176 Loan Agreement” in the upper right-hand corner. Some, but not all, of Alpha’s CFA loan contracts contain a section called “NC Consumer Finance Act Disclosures” toward the end of the contract.

### WHO DO I CONTACT IF I HAVE QUESTIONS ABOUT MY CONSUMER FINANCE LOAN?

If you have questions about your CFA loan, please fill out [this form](#) and have it notarized to verify your identity so that NCCOB may release information regarding your loan. You may email the form or address general questions to Elizabeth Hammond, NCCOB Director of Consumer Finance, at: [ehammond@nccob.gov](mailto:ehammond@nccob.gov).

Please note that NCCOB cannot provide legal advice or representation.

### **WHAT IF I HAVE A LOAN TYPE THAT IS NOT A CONSUMER FINANCE LOAN?**

The Default Judgment only applies to CFA loans and does not apply to the following loan types:

1. A loan made under Chapter 24 of the North Carolina General Statutes. In general, if your loan is not a consumer finance loan or a Chapter 25A loan (see below), it may be a Chapter 24 loan. Chapter 24 loans are \$25,000, or less, with interest rates of 16% or less. As noted above, a consumer finance loan will contain a statement that it is regulated by the Consumer Finance Act.
2. A RISA loan made under Chapter 25A of the North Carolina General Statutes. Your contract should specify that it is a “Retail Installment Sales Contract” or something similar and typically involves loans to finance vehicles and other items of personal property.

***If your loan was made under Chapters 24 or 25A, please contact the Attorney General’s Consumer Protection Division at 919-716-6000.***

### **WHAT IF MY MOTOR VEHICLES IS PLEDGED AS COLLATERAL ON MY CFA LOAN?**

If you had a CFA loan with Alpha and pledged your car as collateral on that loan, you may contact the North Carolina Department of Motor Vehicles (NCDMV) to have the lien removed.

- Visit [NCDMV’s website](#) for more information about the lien release process.
- Please note the hours and availability of NCDMV services may be affected by the COVID-19 crisis.