

NC Policy Watch recently published an [article](#) highly critical of the North Carolina Supreme Court's August 30, 2013 decision in Bumpers v. Community Bank of Northern Virginia. In Bumpers, the North Carolina Supreme Court reversed a summary judgment ruling in favor of a victim of predatory lending practices. In the Bumpers case, an individual had prevailed at summary judgment after presenting evidence that he was charged a pricy loan discount fee in connection with a mortgage loan yet received no corresponding reduction in his interest rate. The North Carolina Court of Appeals affirmed the trial court ruling in favor of the borrower. However, the North Carolina Supreme Court took the unusual step of granting the bank's petition for discretionary review and heard the bank's appeal. The North Carolina Supreme Court then reversed the Court of Appeals and trial court rulings in favor of the borrower. In doing so, the Supreme Court radically changed North Carolina unfair trade practice law so as to inject a reliance element into a claim under the Act. The effect of that ruling is to make a claim under North Carolina's Unfair Trade Practices Act tantamount to a fraud claim, something much more difficult to prove and nearly impossible to bring on a class action basis. The NC Policy Watch article discusses the North Carolina Supreme Court's opinion in Bumpers and its negative effect on North Carolina consumers.