

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1390

Introduced by

Representative Grande

Senator Krebsbach

1 A BILL for an Act to amend and reenact section 6-03-05 of the North Dakota Century Code,
2 relating to appraisals of real estate that is collateral for a loan by state-chartered banks.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 6-03-05 of the 1995 Supplement to the North
5 Dakota Century Code is amended and reenacted as follows:

6 **6-03-05. Loans on real estate - Regulation - Limitation.** Before any real estate loan
7 ~~in excess of one hundred thousand dollars~~ is made an appraisal must be conducted by a
8 licensed or certified appraiser ~~as~~ if required by the Federal Financial Reform, Recovery, and
9 Enforcement Act of 1989 [Pub. L. 101-73; 103 Stat. 512; 12 U.S.C. 3332 et seq.] or, if not so
10 required, by an individual or appraisal committee who is independent of the transaction. The
11 selected appraiser or appraisal committee shall appraise both the land and the improvements
12 thereon, if any, and shall report to the board of directors or its loan committee, in writing, the
13 results of the appraisal together with any other facts relating to such proposed loan and
14 proposed security as will best enable the board or its loan committee to determine if the loan
15 shall be granted. Such written report must be made a permanent record in the bank's files and
16 must be made available to the commissioner. Any real estate loan made must conform to
17 loan-to-value limits as established by rule by the state banking board under chapter 28-32.