

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2069

Introduced by

Appropriations Committee

(At the request of the Bank of North Dakota)

1 A BILL for an Act to amend and reenact subdivision e of subsection 1 of section 6-09-15 and
2 section 15-62.1-03 of the North Dakota Century Code, relating to interest provisions in
3 guaranteed student loan agreements.

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

5 **SECTION 1. AMENDMENT.** Subdivision e of subsection 1 of section 6-09-15 of the
6 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

7 e. That are eligible to be guaranteed under chapter 15-62.1. Loans made
8 pursuant to this subdivision may provide for interest that remains unpaid at
9 the end of any period specified in the loan to be added to the principal amount
10 of the debt and thereafter accumulate interest.

11 **SECTION 2. AMENDMENT.** Section 15-62.1-03 of the 1995 Supplement to the North
12 Dakota Century Code is amended and reenacted as follows:

13 **15-62.1-03. Rates of interest permissible for guaranteed loans.** All loans
14 guaranteed by the agency and coinsured by the federal government must bear interest at rates
15 which are no greater than those provided under the federally coinsured loan programs. In the
16 event that the agency guarantees student loans without federal coinsurance pursuant to section
17 15-62.1-02, ~~such loans must bear interest at rates which are no greater than the interest rate~~
18 on such loans may not be more than two percentage points above the base participation rate as
19 established by the Bank of North Dakota, plus no more than two percentage points, which is in
20 effect on the date the loan is made. Any prohibition on the capitalization of interest does not
21 apply to loans guaranteed under this chapter. A loan guaranteed under this chapter may
22 provide for interest which remains unpaid at the end of any period specified in the loan to be
23 added to the principal amount of the debt and thereafter accumulate interest.