

**Fifty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2003**

HOUSE BILL NO. 1355
(Representative Clark)
(Senator Espeguard)

AN ACT to amend and reenact sections 6-03-13.6, 6-08-29, 7-02-15, and 47-10.2-05 of the North Dakota Century Code, relating to notice of mortgagee payment of interest on escrow account funds and statutory reference correction.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 6-03-13.6 of the North Dakota Century Code is amended and reenacted as follows:

6-03-13.6. Branch conversions. Notwithstanding section 6-03-13.1, any bank organized under chapter 6-02, any national bank doing business in this state, or a any bank established in this state by a any bank holding company doing business in this state as of January 1, 1995, may convert a branch of a federal savings and loan association located in this state which was in existence as of March 1, 1995, purchased by the bank between January 1, 1995, and August 1, 1996, into a facility of the bank to be maintained at the same branch location if the acquisition and conversion does not violate the deposit limitations provisions contained in sections ~~6-08-29~~ 6-08-30 and 6-08.3-03.1 and the acquisition and conversion of the branch is approved by the appropriate regulatory agencies.

SECTION 2. AMENDMENT. Section 6-08-29 of the North Dakota Century Code is amended and reenacted as follows:

~~**6-08-29. Interest on banking institution and credit union Annual escrow accounts related to mortgages on residences—Rate payable account statement.** Before the mortgage is executed by the mortgagor, each~~ **Each** banking institution and credit union ~~intending to maintain that maintains~~ an escrow account for the payment of taxes, assessments, insurance premiums, and other charges upon the mortgagor's residence shall ~~notify the mortgagor whether the institution or credit union offers interest on the escrow account funds.~~ Each banking institution and credit union that maintains an escrow account shall annually furnish annually each mortgagor with a detailed statement showing all debits and credits to the escrow account ~~and the method used in computing the interest, if interest is offered.~~

SECTION 3. AMENDMENT. Section 7-02-15 of the North Dakota Century Code is amended and reenacted as follows:

~~**7-02-15. Interest on savings and loan association Annual escrow accounts related to mortgages on residences—Rate payable account statement.** Before the mortgage is executed by the mortgagor, every~~ **Each** savings and loan association ~~intending to maintain that maintains~~ an escrow account for the payment of taxes, assessments, insurance premiums, and other charges upon the mortgagor's residence shall ~~notify the mortgagor whether the association offers interest on the escrow account funds.~~ Each savings and loan association that maintains an escrow account shall annually furnish annually each mortgagor with a detailed statement showing all debits and credits to the escrow account ~~and the method used in computing the interest, if interest is offered.~~

SECTION 4. AMENDMENT. Section 47-10.2-05 of the North Dakota Century Code is amended and reenacted as follows:

~~**47-10.2-05. Interest on other Annual escrow accounts related to mortgages on residences—Rate payable account statement.** Before the mortgage is executed by the mortgagor, every~~ **Each** residential mortgagee, including any insurance company ~~whose~~ with articles of

incorporation ~~are~~ filed under section 26.1-01-03 or ~~who~~ which is required to obtain a certificate of authority under section 26.1-01-05, intending to maintain an escrow account for the payment of taxes, assessments, insurance premiums, and other charges upon the mortgagor's residence shall ~~notify the mortgagor whether it offers interest on the escrow account funds. The mortgagee shall annually~~ annually furnish each mortgagor with a detailed statement showing all debits and credits to the account ~~and the method used in computing the interest, if interest is offered.~~

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1355.

House Vote: Yeas 92 Nays 2 Absent 0

Senate Vote: Yeas 45 Nays 1 Absent 1

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2003.

Approved at _____ M. on _____, 2003.

Governor

Filed in this office this _____ day of _____, 2003,

at _____ o'clock _____ M.

Secretary of State