

Sixtieth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1401

Introduced by

Representatives Schmidt, Solberg

Senators Taylor, Triplett

1 A BILL for an Act to amend and reenact section 15-62.1-03 of the North Dakota Century Code,
2 relating to rates of interest for student loans.

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

4 **SECTION 1. AMENDMENT.** Section 15-62.1-03 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **15-62.1-03. Rates of interest permissible for guaranteed loans.** All loans
7 guaranteed by the agency and coinsured by the federal government must bear interest at rates
8 which are no greater than those provided under the federally coinsured loan programs. In the
9 event that the agency guarantees student loans without federal coinsurance pursuant to section
10 15-62.1-02, the interest rate on such loans may ~~not be more than two percentage points above~~
11 ~~the base participation rate as established by the Bank of North Dakota which is in effect on the~~
12 ~~date the loan is made~~ be fixed or variable. Any prohibition on the capitalization of interest does
13 not apply to loans guaranteed under this chapter. A loan guaranteed under this chapter may
14 provide for interest which remains unpaid at the end of any period specified in the loan to be
15 added to the principal amount of the debt and thereafter accumulate interest.