

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

(At the request of the Bank of North Dakota)

1 A BILL for an Act to amend and reenact section 6-09-15 of the North Dakota Century Code,
2 relating to the powers of the Bank of North Dakota.

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

4 **SECTION 1. AMENDMENT.** Section 6-09-15 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **6-09-15. ~~(Effective through July 31, 2009)~~ Powers.** The Bank of North Dakota may:

- 7 1. Make, purchase, guarantee, or hold loans:
- 8 a. To state-chartered or federally chartered lending agencies or institutions or
9 any other financial institutions.
- 10 b. To holders of Bank of North Dakota certificates of deposit and savings
11 accounts up to ninety percent of the value of the certificates and savings
12 accounts offered as security.
- 13 c. To actual farmers who are residents of this state, if the loans are secured by
14 recorded mortgages giving the Bank of North Dakota a first lien on real estate
15 in North Dakota in amounts not to exceed eighty percent of the value of the
16 security.
- 17 d. That are insured or guaranteed in whole or in part by the United States, its
18 agencies, or instrumentalities.
- 19 e. That are eligible to be guaranteed under chapter 15-62.1. Loans made
20 pursuant to this subdivision may provide for interest that remains unpaid at
21 the end of any period specified in the loan to be added to the principal amount
22 of the debt and thereafter accumulate interest.
- 23 f. To individuals or bank holding companies for the purpose of purchasing or
24 refinancing the purchase of bank stock of a bank located in the state.

- 1 g. To nonprofit organizations that are exempt from federal taxation under section
2 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)], the proceeds of
3 the loans to be used for construction, reconstruction, repair, renovation,
4 maintenance, and associated costs on property under the control of the parks
5 and recreation department.
- 6 h. Under Public Law No. 99-198 [99 Stat. 1534; 7 U.S.C. 1932 et seq.], as
7 amended through December 31, 1996, to nonprofit corporations for the
8 purpose of relending loan funds to rural businesses.
- 9 i. Under title 7, Code of Federal Regulations, part 1948, subpart C; part 1951,
10 subparts F and R; and part 1955, subparts A, B, and C, as amended through
11 December 31, 1996, to finance businesses and community development
12 projects in rural areas.
- 13 j. Obtained as security pledged for or originated in the restructuring of any other
14 loan properly originated or participated in by the Bank.
- 15 k. To instrumentalities of this state.
- 16 l. As otherwise provided by this chapter or other statutes.
- 17 m. If the Bank is participating in the loan and the Bank deems it is in the best
18 interests of the Bank to do so, it may purchase the remaining portion of the
19 loan from a participating lender that is closed by regulatory action or from the
20 receiver of the participating lender's assets.
- 21 n. To an investment company created for completing a trust preferred securities
22 transaction for the benefit of a financial institution located in this state.
- 23 2. Make agricultural real estate loans in order to participate in the agricultural
24 mortgage secondary market program established pursuant to the Agricultural
25 Credit Act [Pub. L. 100-233; 101 Stat. 1686; 12 U.S.C. 2279aa-2279aa-14], as
26 amended through December 31, 1996.
- 27 3. Purchase participation interests in loans made or held by banks, bank holding
28 companies, state-chartered or federally chartered lending agencies or institutions,
29 any other financial institutions, or any other entity that provides financial services
30 and that meets underwriting standards that are generally accepted by state or
31 federal financial regulatory agencies.

- 1 4. Invest its funds:
 - 2 a. In conformity with policies of the industrial commission.
 - 3 b. In a public venture capital corporation organized and doing business in this
 - 4 state through the purchase of shares of stock.
 - 5 c. In North Dakota alternative and venture capital investments and early-stage
 - 6 capital funds, including the North Dakota development fund, incorporated, not
 - 7 to exceed ten million dollars, for the purpose of providing funds for investment
 - 8 in North Dakota alternative and venture capital investments and early-stage
 - 9 capital funds. The Bank may invest a maximum of two hundred thousand
 - 10 dollars per biennium in North Dakota-based venture capital entities that make
 - 11 investments in companies located outside North Dakota. The Bank may allow
 - 12 for third-party management of the funds invested under this subdivision if the
 - 13 management is provided by the North Dakota development fund,
 - 14 incorporated, or a third party that is located in the state and that has
 - 15 demonstrated fund management experience.
- 16 5. Buy and sell federal funds.
- 17 6. Lease, assign, sell, exchange, transfer, convey, grant, pledge, or mortgage all real
- 18 and personal property, title to which has been acquired in any manner.
- 19 7. Acquire real or personal property or property rights by purchase, lease, or, subject
- 20 to chapter 32-15, the exercise of the right of eminent domain and may construct,
- 21 remodel, and repair buildings.
- 22 8. Receive deposits from any source and deposit its funds in any bank or other
- 23 financial institution.
- 24 9. Perform all acts and do all things necessary, convenient, advisable, or desirable to
- 25 carry out the powers expressly granted or necessarily implied in this chapter
- 26 through or by means of its president, officers, agents, or employees or by contracts
- 27 with any person, firm, or corporation.
- 28 10. Purchase mortgage loans on residential real property originated by financial
- 29 institutions.

30 ~~(Effective after July 31, 2009) Powers. The Bank of North Dakota may:~~

- 31 ~~4. Make, purchase, or hold loans:~~

- a. ~~To state-chartered or federally chartered lending agencies or institutions or any other financial institutions.~~
- b. ~~To holders of Bank of North Dakota certificates of deposit and savings accounts up to ninety percent of the value of the certificates and savings accounts offered as security.~~
- c. ~~To actual farmers who are residents of this state, if the loans are secured by recorded mortgages giving the Bank of North Dakota a first lien on real estate in North Dakota in amounts not to exceed eighty percent of the value of the security.~~
- d. ~~That are insured or guaranteed in whole or in part by the United States, its agencies, or instrumentalities.~~
- e. ~~That are eligible to be guaranteed under chapter 15-62.1. Loans made pursuant to this subdivision may provide for interest that remains unpaid at the end of any period specified in the loan to be added to the principal amount of the debt and thereafter accumulate interest.~~
- f. ~~To individuals or bank holding companies for the purpose of purchasing or refinancing the purchase of bank stock of a bank located in the state.~~
- g. ~~To nonprofit organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code [26 U.S.C. 501(c)(3)], the proceeds of the loans to be used for construction, reconstruction, repair, renovation, maintenance, and associated costs on property under the control of the parks and recreation department.~~
- h. ~~Under Public Law No. 99-198 [99 Stat. 1534; 7 U.S.C. 1932 et seq.], as amended through December 31, 1996, to nonprofit corporations for the purpose of relending loan funds to rural businesses.~~
- i. ~~Under title 7, Code of Federal Regulations, part 1948, subpart C; part 1951, subparts F and R; and part 1955, subparts A, B, and C, as amended through December 31, 1996, to finance businesses and community development projects in rural areas.~~
- j. ~~Obtained as security pledged for or originated in the restructuring of any other loan properly originated or participated in by the Bank.~~

- 1 k. ~~To instrumentalities of this state.~~
- 2 l. ~~As otherwise provided by this chapter or other statutes.~~
- 3 m. ~~If the Bank is participating in the loan and the Bank deems it is in the best~~
4 ~~interests of the Bank to do so, it may purchase the remaining portion of the~~
5 ~~loan from a participating lender that is closed by regulatory action or from the~~
6 ~~receiver of the participating lender's assets.~~
- 7 n. ~~To an investment company created for completing a trust preferred securities~~
8 ~~transaction for the benefit of a financial institution located in this state.~~
- 9 2. ~~Make agricultural real estate loans in order to participate in the agricultural~~
10 ~~mortgage secondary market program established pursuant to the Agricultural~~
11 ~~Credit Act [Pub. L. 100-233; 101 Stat. 1686; 12 U.S.C. 2279aa-2279aa-14], as~~
12 ~~amended through December 31, 1996.~~
- 13 3. ~~Purchase participation interests in loans made or held by banks, bank holding~~
14 ~~companies, state-chartered or federally chartered lending agencies or institutions,~~
15 ~~any other financial institutions, or any other entity that provides financial services~~
16 ~~and that meets underwriting standards that are generally accepted by state or~~
17 ~~federal financial regulatory agencies.~~
- 18 4. ~~Invest its funds:~~
19 a. ~~In conformity with policies of the industrial commission.~~
20 b. ~~In a public venture capital corporation organized and doing business in this~~
21 ~~state through the purchase of shares of stock.~~
- 22 5. ~~Buy and sell federal funds.~~
- 23 6. ~~Lease, assign, sell, exchange, transfer, convey, grant, pledge, or mortgage all real~~
24 ~~and personal property, title to which has been acquired in any manner.~~
- 25 7. ~~Acquire real or personal property or property rights by purchase, lease, or, subject~~
26 ~~to chapter 32-15, the exercise of the right of eminent domain and may construct,~~
27 ~~remodel, and repair buildings.~~
- 28 8. ~~Receive deposits from any source and deposit its funds in any bank or other~~
29 ~~financial institution.~~
- 30 9. ~~Perform all acts and do all things necessary, convenient, advisable, or desirable to~~
31 ~~carry out the powers expressly granted or necessarily implied in this chapter~~

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- 1 ~~through or by means of its president, officers, agents, or employees or by contracts~~
2 ~~with any person, firm, or corporation.~~
3 10. ~~Purchase mortgage loans on residential real property originated by financial~~
4 ~~institutions.~~