

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED 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, except
11 no appraisal or formal valuation is required for a real estate loan of one hundred thousand
12 dollars or less. The selected appraiser or appraisal committee shall appraise both the land and
13 the improvements thereon, if any, and shall report to the board of directors or its loan
14 committee, in writing, the results of the appraisal together with any other facts relating to such
15 proposed loan and proposed security as will best enable the board or its loan committee to
16 determine if the loan shall be granted. Such written report must be made a permanent record
17 in the bank's files and must be made available to the commissioner. Any real estate loan made
18 must conform to loan-to-value limits as established by rule by the state banking board under
19 chapter 28-32.