

SENATE BILL NO. 2097

Introduced by

Industry, Business and Labor Committee

(At the request of the Department of Banking and Financial Institutions)

1 A BILL for an Act to amend and reenact sections 13-04.1-02, 13-04.1-07, and 13-04.1-09.1 of
2 the North Dakota Century Code, relating to money broker license requirements, records, and
3 fees.

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

5 **SECTION 1. AMENDMENT.** Section 13-04.1-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **13-04.1-02. Money broker license required.** Except as otherwise herein provided, ~~no~~
8 a person other than a money broker licensed and authorized under this chapter may not
9 provide loans, consumer leases as a form of financing, advertise, or solicit either in print, by
10 letter, in person, or otherwise in North Dakota, the right to find lenders or provide loans or
11 consumer leases for persons or businesses desirous of obtaining funds for any purposes. As
12 used in this chapter, the term "money broker" does not include banks, credit unions, savings
13 and loan associations, insurance companies, small loan companies, consumer finance
14 companies, state or federal agencies and their employees, institutions chartered by the farm
15 credit administration, trust companies, or any other person or business regulated and licensed
16 by the state of North Dakota. The term "money broker" also does not include a real estate
17 broker, broker, or a real estate salesperson as defined in section 43-23-06.1 in the brokering of
18 loans to assist a person in obtaining financing for real estate sold by the real estate broker,
19 broker, or real estate salesperson. The term "money broker" also does not include any
20 persons, retail sellers, or manufacturers providing lease financing for their own property or
21 inventory held as a normal course of business, or to leases on any real property.

22 **SECTION 2. AMENDMENT.** Section 13-04.1-07 of the North Dakota Century Code is
23 amended and reenacted as follows:

1 **13-04.1-07. Manner in which records to be kept.** Every money broker licensed under
2 this chapter shall keep a record of all sums collected by them and of all loans and leases
3 completed as a result of their efforts for a period of six years from the date of last entry thereon.

4 **SECTION 3. AMENDMENT.** Section 13-04.1-09.1 of the North Dakota Century Code
5 is amended and reenacted as follows:

6 **13-04.1-09.1. Advance fees prohibited - Exception.** ~~No~~ A money broker may not
7 take any type of fee in advance before the funding of the loan or lease, unless the money
8 broker is licensed under this chapter.