

**SECOND ENGROSSMENT  
with Senate Amendments**

Sixtieth  
Legislative Assembly  
of North Dakota

**REENGROSSED HOUSE BILL NO. 1487**

Introduced by

Representatives Carlson, Dahl, Glassheim, Thoreson

Senator Hacker

1 A BILL for an Act to create and enact a new section to chapter 15-62.2 of the North Dakota  
2 Century Code, relating to a financial assistance grant program; to amend and reenact section  
3 15-62.1-03 of the North Dakota Century Code, relating to rates of interest for student loans; and  
4 to provide an appropriation.

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

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

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

18 **SECTION 2.** A new section to chapter 15-62.2 of the North Dakota Century Code is  
19 created and enacted as follows:

20 **Financial assistance - Students enrolled in two-year institutions.** The state board  
21 of higher education shall administer a program for the purpose of providing grants to resident  
22 students attending two-year institutions of higher education under the control of the state board  
23 of higher education. Grants available under this section may be in any amount up to one

1 thousand dollars per year and are payable to resident students who demonstrate financial  
2 need.

3           **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the  
4 general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so  
5 much of the sum as may be necessary, to the state board of higher education for the purpose  
6 of providing grants to resident students attending certain two-year institutions of higher  
7 education, for the biennium beginning July 1, 2007, and ending June 30, 2009. The state  
8 board of higher education may distribute no more than \$1,500,000 in grants under section 2  
9 during each year of the biennium.