

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2349

Introduced by

Senators Nelson, Mathern

Representative Hogan

1 A BILL for an Act to create and enact a new section to chapter 6-09 of the North Dakota Century
2 Code, relating to guaranteeing micro loans for new Americans; and to provide an appropriation.

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

4 **SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created
5 and enacted as follows:

6 **New American micro loan guarantee program.**

7 1. As used in this section, "new American" means an immigrant to the United States of
8 America who has gained citizenship in the United States of America.

9 2. The Bank shall establish a micro loan guarantee program for new Americans. Under
10 this program:

11 a. The Bank shall guarantee the loan of money by an eligible bank, credit union, or
12 savings and loan association to an eligible new American for small business
13 investments. In order to qualify under this section, a loan must be used for
14 working capital, the purchase of inventory or supplies, the purchase of office
15 furniture or fixtures, to launch or expand a small business, or to purchase
16 machinery or equipment. The proceeds from a loan may not be used to purchase
17 real estate.

18 b. The Bank may not guarantee more than ninety-five percent of the amount of
19 principal due the lender in the event of default.

20 c. A qualified loan may not exceed twenty thousand dollars and must be unsecured.
21 The term of a qualified loan may not exceed six years.

22 d. The Bank shall establish requirements that a new American meet training or
23 planning requirements or both before qualifying under this program.

24 e. The Bank shall establish interest rates and fees.

1 **SECTION 2. APPROPRIATION.** There is appropriated out of any moneys in the general
2 fund in the state treasury, not otherwise appropriated, the sum of \$200,000 or so much of the
3 sum as may be necessary, to the Bank of North Dakota for the purpose of guaranteeing micro
4 loans for new Americans, for the biennium beginning July 1, 2013, and ending June 30, 2015.