

# DEBTOR AND CREDITOR RELATIONSHIP

## CHAPTER 132

### SENATE BILL NO. 2097

(Industry, Business and Labor Committee)

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

## MONEY BROKER LICENSES, RECORDS, AND FEES

AN ACT to amend and reenact sections 13-04.1-02, 13-04.1-07, and 13-04.1-09.1 of the North Dakota Century Code, relating to money broker license requirements, records, and fees.

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

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

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

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

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

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

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

Approved March 4, 1999

Filed March 4, 1999

## CHAPTER 133

### HOUSE BILL NO. 1160

(Industry, Business and Labor Committee)

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

### MONEY BROKER AND COLLECTION AGENCY LICENSE TRANSFER

AN ACT to amend and reenact sections 13-04.1-05 and 13-05-05 of the North Dakota Century Code, relating to sale and transfer of money broker and collection agency licenses.

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

**SECTION 1. AMENDMENT.** Section 13-04.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**13-04.1-05. Expiration and renewal of license.** All licenses required herein expire on June thirtieth of each year and may be renewed. Renewals are effective the succeeding July first. Applications for renewal must be submitted on or before the preceding thirtieth of June and must be accompanied by the required annual fees. The form and content of renewal applications must be determined by the department of banking and financial institutions, and a renewal application may be denied upon the same grounds as would justify denial of an initial application. When a licensee has been delinquent in renewing the licensee's license, the department may charge an additional fee of five dollars for the renewal of such license. A money broker license is not transferable. If the commissioner determines that an ownership change has occurred in a sole proprietorship, partnership, limited liability partnership, corporation, or limited liability corporation that was previously granted a money broker license, the commissioner may require a new application from the purchaser. The application must be filed within forty-five days from the date change of ownership is consummated. The department shall act on the application within sixty days from the date the application is received but may extend the review period for good cause. The money broker license granted to the previous owner continues in effect to the new purchaser until the application is either granted or denied.

**SECTION 2. AMENDMENT.** Section 13-05-05 of the North Dakota Century Code is amended and reenacted as follows:

**13-05-05. Expiration and renewal of license.** All licenses required herein expire on June thirtieth of each year and must be renewed on the succeeding first day of July upon payment of required annual fees. The department of banking and financial institutions may charge an additional fee of five dollars for the renewal of a license after June thirtieth. A collection agency license is not transferable. If the commissioner determines that an ownership change has occurred in a sole proprietorship, partnership, limited liability partnership, corporation, or limited liability corporation that was previously granted a collection agency license, the commissioner may require a new application from the purchaser. The application must be filed within forty-five days from the date change of ownership is consummated. The department shall act on the application within sixty days from the date the application is received but may extend the review period for good cause. The collection agency license granted to the previous owner continues in effect to the new purchaser until the application is either granted or denied.

Approved March 11, 1999  
Filed March 11, 1999