

SENATE BILL NO.

Introduced by

Senator Robinson

1 A BILL for an Act to amend and reenact section 15-62.1-03 of the North Dakota Century Code,
2 relating to interest rates for student loans.

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

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

6 **15-62.1-03. Rates of interest permissible for guaranteed loans.**

- 7 1. All loans guaranteed by the agency and coinsured by the federal government must
8 bear interest at rates which are no greater than those provided under the federally
9 coinsured loan programs.
- 10 2. In the event ~~that~~ the agency guarantees student loans without federal coinsurance
11 pursuant to section 15-62.1-02, the interest rate on such loans may be fixed or
12 variable. If the agency guarantees student loans under this subsection, the fixed
13 rate of interest for such a loan to a North Dakota resident to attend a North Dakota
14 institution may not exceed a rate one and one-half percentage points below the
15 rate of interest for the federal Stafford unsubsidized student loan.
- 16 3. Any prohibition on the capitalization of interest does not apply to loans guaranteed
17 under this chapter. A loan guaranteed under this chapter may provide for interest
18 ~~which~~ that remains unpaid at the end of any period specified in the loan to be
19 added to the principal amount of the debt and thereafter accumulate interest.