

Introduced by

Senator Krebsbach

Representatives Frantsvog, Maragos

1 A BILL for an Act to amend and reenact section 6-09-46 of the North Dakota Century Code,
2 relating to the rebuilders loan program; to provide an exemption; to provide for transfers; and to
3 declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 6-09-46 of the North Dakota Century Code is amended
6 and reenacted as follows:

7 **6-09-46. Rebuilders loan program - Loan fund - Continuing appropriation -**
8 **Requirements.**

- 9 1. The Bank of North Dakota shall maintain a loan fund to make or participate in loans to
10 North Dakota residents affected by a presidentially declared disaster in the state for
11 the purpose of the resident rebuilding the resident's flood-damaged home or
12 purchasing a new home or federal emergency management agency temporary
13 housing unit located in a community-approved group housing site in the
14 disaster-impacted community. Up~~For a resident rebuilding the resident's~~
15 flood-damaged home or purchasing a new home, up to twenty percent of the loan
16 proceeds disbursed under this program may be used for debt service, debt retirement,
17 or other credit obligations. All moneys transferred into the fund, interest upon moneys
18 in the fund, and payments to the fund of principal and interest on loans made from the
19 fund are appropriated for the purpose of providing loans in accordance with this
20 section.
- 21 2. The Bank shall administer and supervise the loan fund and loans made from the fund.
22 The Bank may deduct, from interest payments received on loans, a service fee for
23 administering the fund for the Bank and originating financial institutions. An application
24 for a loan from the fund must be made to the Bank or originating financial institution

1 and, upon approval, a loan must be made from the fund in accordance with this
2 section.

3 3. A loan may be made from the fund only to a resident of a federal emergency
4 management agency temporary housing unit located in a community-approved group
5 housing site or a homeowner residing in an area in this state in which federal
6 emergency management agency individual assistance was available to homeowners
7 after a presidentially declared disaster in the state as a result of a flood event
8 occurring during 2011. A loan may be made from the fund only to a resident of a
9 federal emergency management agency temporary housing unit located in a
10 community-approved group housing site or a homeowner residing in this state whose
11 home was granted a reduction in 2011 in true and full valuation from the individual's
12 property's pre-flood value by an assessment reduction pursuant to the governor's
13 executive order 2011-22 or by an abatement for flood-damaged property granted by
14 the board of county commissioners. An initial loan made to a homeowner under this
15 section from state funds may not exceed thirty thousand dollars or the actual amount
16 of documented damage not paid by flood insurance, whichever is less. ~~If federal funds~~
17 ~~are made available for this program, an additional amount as determined by the Bank~~
18 ~~may be borrowed by eligible homeowners who received an initial loan of thirty~~
19 ~~thousand dollars~~ A supplemental loan of up to twenty thousand dollars may be made to
20 a homeowner who has received an initial loan under this section if the full amount of
21 the initial loan and supplemental loan is secured by the property and does not exceed
22 the actual amount of documented damage not paid by flood insurance. A loan made to
23 a resident of a federal emergency management agency temporary housing unit
24 located in a community-approved group housing site may not exceed thirty thousand
25 dollars or the purchase price as established by the federal emergency management
26 agency, whichever is less.

27 4. A loan from the fund must have the interest rate fixed at one percent per year for no
28 more than twenty years.

29 5. For every loan made from the fund, principal and interest payments must be deferred
30 for the first twenty-four months of the loan.

- 1 6. A loan application for an initial loan to a homeowner or for a federal emergency
2 management agency temporary housing unit under this section may not be accepted
3 after September 30, 20122013. A loan application for a supplemental loan to a
4 homeowner may not be accepted before October 1, 2013, nor after December 31,
5 2013.
- 6 7. If, subsequent to receiving a loan from the fund, the property for which the loan was
7 made is purchased for flood mitigation purposes or otherwise sold, the balance of the
8 loan and any interest accrued on the loan must be repaid to the fund upon the closing
9 of the sale. If the rebuilders loan borrower provides financial evidence satisfactory to
10 the Bank of North Dakota to show that the borrower does not have the financial ability
11 to repay the rebuilders loan in full upon sale of the property, after the sale of the
12 property the Bank of North Dakota may allow the borrower to continue to make
13 payments based on the loan terms.
- 14 8. The industrial commission shall contract with a certified public accounting firm to audit
15 the fund as necessary. The cost of the audit, and any other actual costs incurred by
16 the Bank on behalf of the fund, must be paid by the fund.
- 17 9. The Bank shall adopt policies to implement this section.

18 **SECTION 2. EXEMPTION - REBUILDERS LOAN PROGRAM.** The amount appropriated
19 for the rebuilders loan program fund, as contained in section 8 of chapter 579 of the 2011
20 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds
21 from this appropriation are available for continuation of the rebuilders loan program during the
22 biennium beginning July 1, 2013, and ending June 30, 2015.

23 **SECTION 3. TRANSFERS - BANK OF NORTH DAKOTA - REBUILDERS LOAN**
24 **PROGRAM FUND.** The Bank of North Dakota shall transfer the sum of \$5,000,000, or so much
25 of the sum as may be necessary, from the Bank's current earnings and undivided profits to the
26 rebuilders loan program fund during the period beginning with the effective date of this Act and
27 ending June 30, 2015. After June 30, 2013, repayments to the rebuilders loan program fund
28 shall be transferred to replenish \$30,000,000 of the Bank of North Dakota's undivided profits
29 which was transferred to the rebuilders loan program fund under section 7 of chapter 579 of the
30 2011 Session Laws and after that amount has been replenished, repayments to the rebuilders
31 loan program fund must be transferred to replenish \$5,000,000 of the Bank of North Dakota's

1 current earnings and undivided profits which was transferred to the rebuilders loan program
2 fund under this section. On an annual basis, the Bank of North Dakota shall transfer
3 repayments to the rebuilders loan program fund to the state treasurer for deposit in the state
4 general fund in any amount exceeding the ~~\$30,000,000~~\$35,000,000 used to replenish the Bank
5 of North Dakota's undivided profits under this section.

6 **SECTION 4. EMERGENCY.** This Act is declared to be an emergency measure.