

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Revised
Amendment to: SB 2130

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$100,000	\$0	\$120,000
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties	\$0	\$0	\$0
Cities	\$0	\$0	\$0
School Districts	\$0	\$0	\$0
Townships	\$0	\$0	\$0

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2130 clarifies the collection costs and the maximum amount that can be charged to a borrower who defaults on a student loan.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 3 provides an amendment to NDCC further defining collection costs charged to defaulted student loan borrowers held by the ND Guaranty Agency. Collection costs have as a practice been charged to borrowers on defaulted loans where a claim has been paid to the Bank of North Dakota. Estimated revenues will offset a portion of the expenses incurred on defaulted DEAL student loans.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

There is no estimated revenue impact for the 2015-17 biennium.

For the 2017-19 biennium this amount was determined based upon recoveries from prior defaulted student loans. Recoveries are estimated at \$500,000 for this biennium of which 20%, representing the current fee assessment is \$100,000.

For the 2019-21 biennium this amount was determined based upon recoveries from prior defaulted student loans. Recoveries are estimated at \$600,000 for this biennium of which 20%, representing the current fee assessment is \$120,000.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

N/A

Name: Wally Erhardt

Agency: Bank of North Dakota

Telephone: 701.328.5654

Date Prepared: 01/11/2017