

Introduced by

Senators Unruh, Erbele, Poolman

Representatives Headland, Howe, Pyle

1 A BILL for an Act to amend and reenact subsection 4 of section 6-09-15.5 and subsection 1 of
2 section 6-09.11-03 of the North Dakota Century Code, relating to loans for family farmers.

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

4 **SECTION 1. AMENDMENT.** Subsection 4 of section 6-09-15.5 of the North Dakota Century
5 Code is amended and reenacted as follows:

6 4. A loan made from the fund must have either a fixed rate at the Bank's then current
7 base for ten years or the interest rate fixed at one percent below the Bank's then
8 current base rate for the first five years with a maximum rate of six percent per year
9 and variable at one percent below the Bank's then current base rate for the second
10 five years. ~~During and during~~ the second five years, the variable rate must be adjusted
11 annually on the anniversary date. The rate during the remaining term of the loan floats
12 at the Bank's base rate as in effect from time to time.

13 **SECTION 2. AMENDMENT.** Subsection 1 of section 6-09.11-03 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 1. The Bank of North Dakota may make available an appropriate amount of funds to
16 purchase participation interests in loans made by financial institutions for the purposes
17 as set forth in section 6-09.11-04.

18 a. Interest charged on a participation interest purchased by the Bank under this
19 section may not be greater than one percent less than the Bank's base rate as in
20 effect from time to time and may float.

21 b. A loan may be a fixed rate at the Bank's then current base rate for up to ten
22 years. The rate during the remaining term of the loan floats at the Bank's base
23 rate as in effect from time to time.

- 1 c. However, the interest rate may not exceed eleven percent during the course of
- 2 the loan. The Bank may charge for necessary and reasonable fees as
- 3 determined by the industrial commission.