

Introduced by

Senators Krebsbach, Klein

Representatives Keiser, Porter

1 A BILL for an Act to amend and reenact sections 47-14-05 and 47-14-07 of the North Dakota
2 Century Code, relating to interest rates and late fees.

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

4 **SECTION 1. AMENDMENT.** Section 47-14-05 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **47-14-05. Legal rate of interest - Interest after maturity.**

7 Interest for any legal indebtedness must be at the rate of six percent per annum unless a
8 different rate not to exceed the rate specified in section 47-14-09 is contracted for in writing.
9 ~~All~~Unless otherwise agreed by the parties in writing, all contracts must bear the same rate of
10 interest after maturity as they bear before maturity, ~~and any contract attempting to make the rate~~
11 ~~of interest higher after maturity is void as to the increase of interest, except for a charge for late~~
12 ~~payment penalty charged in addition to interest which may not exceed fifteen dollars or fifteen~~
13 ~~percent of the late payment, whichever is less, unless otherwise agreed to in any commercial,~~
14 ~~agricultural, or real estate note or mortgage. A charge for a late payment penalty may be~~
15 imposed only if the amount of the late charge or the method of calculation of the late charge has
16 been agreed to by the parties in the loan documents that are signed by the borrower.

17 **SECTION 2. AMENDMENT.** Section 47-14-07 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **47-14-07. Interest rate - Before and after breach.**

20 Any legal rate of interest stipulated by a contract remains chargeable after a breach thereof,
21 ~~as before,~~ until the contract is superseded by a verdict or other new obligation.