

Introduced by

Industry, Business and Labor Committee

(At the request of the Bank of North Dakota)

1 A BILL for an Act to amend and reenact section 6-09-44 of the North Dakota Century Code,  
2 relating to the Bank of North Dakota residential mortgage loan program; and to declare an  
3 emergency.

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

5 **SECTION 1. AMENDMENT.** Section 6-09-44 of the North Dakota Century Code is amended  
6 and reenacted as follows:

7 **6-09-44. Residential mortgages.**

- 8 1. The Bank may establish a residential mortgage loan program under which the Bank  
9 may originate residential mortgages if private sector mortgage loan services are not  
10 reasonably available. Under this program a local financial institution or credit union  
11 may assist the Bank in taking a loan application, gathering required documents,  
12 ordering required legal documents, and maintaining contact with the borrower.
- 13 2. If the Bank establishes a program under this section, at a minimum the program must  
14 provide:
- 15 a. An applicant must be referred to the Bank by a local financial institution or credit  
16 union;
  - 17 b. The loan application must be for an owner-occupied primary residence; and
  - 18 c. The Bank provide all regulatory disclosures, process and underwrite the loan,  
19 prepare closing documents, and disburse the loan; and
  - 20 ~~d. The terms of the loan originated by the Bank must provide:~~
    - 21 ~~(1) The amount of the loan may not exceed an amount to be established by~~  
22 ~~Bank policy;~~
    - 23 ~~(2) The term of the loan may not exceed thirty years;~~
    - 24 ~~(3) The rate of the loan must be equal to the Bank's market rate;~~

1                   (4) ~~The maximum loan to value may not exceed eighty percent of appraised-~~  
2                   ~~value; however, a local financial institution or credit union may take a-~~  
3                   ~~second mortgage that does not exceed a combined loan to value of~~  
4                   ~~ninety five percent; and~~

5                   (5) ~~Standard credit underwriting and documentation applies.~~

6                   3. The Bank may sell eligible first-time home buyer loans to the North Dakota housing  
7                   finance agency.

8                   **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.