

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 preflood 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 loan made to a resident of a federal emergency management  
20 agency temporary housing unit located in a community-approved group housing site  
21 may not exceed thirty thousand dollars or the purchase price as established by the  
22 federal emergency management agency, whichever is less.

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

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

27 6. A loan application under this section may not be accepted after September 30,  
28 20122013.

29 7. If, subsequent to receiving a loan from the fund, the property for which the loan was  
30 made is purchased for flood mitigation purposes or otherwise sold, the balance of the

1            loan and any interest accrued on the loan must be repaid to the fund upon the closing  
2            of the sale.

3            8.    The industrial commission shall contract with a certified public accounting firm to audit  
4            the fund as necessary. The cost of the audit, and any other actual costs incurred by  
5            the Bank on behalf of the fund, must be paid by the fund.

6            9.    The Bank shall adopt policies to implement this section.

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

12           **SECTION 3. TRANSFERS - BANK OF NORTH DAKOTA - REBUILDERS LOAN**  
13           **PROGRAM FUND.** After June 30, 2013, repayments to the rebuilders loan program fund shall  
14           be transferred to replenish \$30,000,000 of the Bank of North Dakota's undivided profits which  
15           was transferred to the rebuilders loan program fund under section 7 of chapter 579 of the 2011  
16           Session Laws. On an annual basis, the Bank of North Dakota shall transfer repayments to the  
17           rebuilders loan program fund to the state treasurer for deposit in the state general fund in any  
18           amount exceeding the \$30,000,000 used to replenish the Bank of North Dakota's undivided  
19           profits under this section.

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