



April 28, 2021

NORTH DAKOTA AMENDS MONEY BROKERS ACT TO IMPOSE 36% LIMIT

On April 16, 2021, the North Dakota Governor signed a bill that amends the North Dakota Money Brokers Act to limit the annual interest rate that licensees may charge to 36%. The bill clarifies that all charged fees necessary for the extension of credit incurred at the time of origination are to be included in the 36% finance charge. The bill also adds late payment fee restrictions and additional restrictions that apply to loans in amounts of \$2,000 or less.

The Money Brokers Act requires consumer and commercial lenders to obtain a money broker license unless an exemption applies. Banks are exempted from this licensing requirement.

The bill becomes effective August 1, 2021. Licensees under the Money Brokers Act should ensure that their lending practices comply with the new restrictions. If you have any questions on the details of the bill or how to comply with the new requirements, please let us know. ☐

✧ *Mike Tomkies and Lindsay Valentine*

LOOKING FOR A STATE LAW CREDIT CARD COMPLIANCE RESOURCE? We publish an easy-to-use online reference that summarizes state consumer lending and other consumer protection laws. Our CREDIT CARD DIGEST is organized topically, covers laws applicable to credit card programs of federally and state-chartered financial institutions from an out-of-state issuer perspective and includes an analysis of statute applicability. Card issuers, marketers, servicers and merchants should find this an invaluable resource for program development and regulatory compliance. **Contact us for details.**

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