

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

§ 60101. Definitions.

As used in this chapter:

(1) For open-end plans, “annual percentage rate” means the annual percentage rate determined under section 226.14(b) of Regulation Z. For all other loans, “annual percentage rate” means the annual percentage rate determined under section 226.22 of Regulation Z.

(2) “Automated loan machine” means a machine that can perform loan origination functions without the presence of an operator other than the borrower.

(3) “Commercial loan” means a loan that is not primarily for personal, family or household purposes, and, if made to a resident of the Commonwealth, is made to a person who has obtained a license to do business in the Commonwealth.

(4) “Department” means the Department of Commerce.

(5) “Finance charge” means finance charge determined under section 226.4 of Regulation Z.

(6) “Late Fee” means an amount charged after a payment is delinquent for a specified amount of time (the “grace period”) as to which the licensee and borrower have agreed on the amount to be charged and the length of the grace period.

(7) “Licensee” means every person licensed under this chapter.

(8) “Open-end credit card plan” means an open-end loan plan under which:

(a) The licensee issues one or more cards, checks, letters of credit or other device to the borrower; and

(b) The borrower may obtain advances from the licensee, either directly or in connection with purchases of goods and services by using the card, check, letter of credit or other device.

(9) “Open-end loan plan” means a plan or agreement, the agreement for which expressly states that it is made pursuant to 4 CMC § 60152, under which loans are made, and under which:

(a) The licensee may permit the borrower to obtain advances of money from the licensee from time to time or the licensee may advance money on behalf of the borrower from time to time as directed by the borrower;

(b) The unpaid balances and interest, discount, consideration, finance charge and other charges are debited to an account;

(c) Interest is calculated on the unpaid balance in the borrower’s account from time to time, which balance may include all advances made on behalf of the borrower and all interest, discount, consideration, finance charge and other charges authorized under 4 CMC § 60151.

(10) “Person” means an individual or a partnership, association or corporation.

TITLE 4: ECONOMIC RESOURCES
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS
DIVISION 6: BANKING AND FINANCIAL INSTITUTIONS

(11) “Point” or “Points” means 1% or multiples of 1% of the face value of a loan, paid to the licensee by the borrower as a commitment or placement charge or fee when a loan is originated or subsequently extended.

(12) “Regulation Z” means Regulation Z issued by the Board of Governors of the Federal Reserve System (12 CFR Part 226) to implement the federal Truth in Lending Act (15 U.S.C. §1601 et seq.) as such regulation existed on October 1, 1999.

(13) “Secretary” means the Secretary of Commerce or his or her authorized designee.

(14) “Service Fees” means fixed periodic charges to which the licensee and borrower have agreed (and identified in a loan agreement as “Service Fees”) to cover licensee’s processing, accounting, postage, inspections and other administrative charges.”

Source: PL 12-36, § 1(6950), modified; (3), (6), (11), and (14) added by PL 15-85, § 2 and former sections (3)-(10) were renumbered accordingly.

Commission Comment: PL 12-36, which took effect on December 28, 2000, contained the following severability and savings clause provisions:

Section 2. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 3. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

Public Law 15-85 was enacted on September 20, 2007. In addition to amendments, repealers and reenactments, severability and savings clause provisions, PL 15-85 contained the following:

Section 1. Purpose and Findings. The Legislature finds that the Regulated Loan Act of 2000 was intended to regulate finance companies, other than banks, in making loans. The amendments herein are intended to clarify that the Act is applicable to both consumer and commercial loans made by financing companies licensed under the Act.