

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

§ 6541. Loans.

(a) A bank may lend at a lawful rate of interest on the security of the personal obligation of the borrower.

(b) A retail bank may lend on the security of tangible and intangible personal property subject to regulations issued by the director.

(c) A retail bank may lend at a lawful rate of interest on the security of a first mortgage on improved or unimproved real estate, when:

(1) The loan is fully guaranteed or insured by the United States or an agency thereof whether the insurance is payable in cash or in obligations of the United States; or

(2) The real estate is located within the Commonwealth or any state or territory of the United States. The director may issue regulations setting requirements for real estate as collateral for loans.

(d) A bank may make the following loans which shall not be deemed loans on the security of real estate or leasehold interests therein within the meaning of this division.

(1) A loan to provide working capital to an industrial or commercial enterprise.

(2) A loan under Title 1 of the National Housing Act (12 U.S.C. § 1701 et seq.).

(3) A loan on a leasehold mortgage, payment of which is guaranteed under the National Housing Act (12 U.S.C. § 1701 et seq.) or any act of Congress.

Source: PL 3-104, § 640.

Commission Comment: With respect to the references to the “director” of the Department of Commerce and Labor, see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001.