

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

§ 60151. Interest and Other Charges.

(1) 4 CMC, Division 5, Chapter 3 shall not apply to any licensee under this chapter or to any loan or contract made by a licensee under this chapter.

(2) Notwithstanding 4 CMC, division 5, chapter 10, or subsection (3) of this section, or any other provision of law, a licensee may charge and receive any interest (including compound interest), discount, consideration, finance charge, and other charges for loans, unsecured or secured by real property or personal property or both, as agreed upon by the licensee and the borrower; however, whether or not Regulation Z applies to the loan, the annual percentage rate for a loan may not exceed 34%. For the purpose of the restriction in this section 60151(2), points, service fees and late fees are “other charges” expressly permitted above, but shall not be considered in calculating the annual percentage rate.

(3) No action shall be maintained in any court of the Commonwealth to recover a higher rate of interest than 2 percent per month on the balance due upon any contract made by a licensee under this chapter. Points, service fees and late fees are not “interest” as used in this chapter.

(4) Payments of money or property made in excess of the annual percentage rate allowable in subsection (2), whether made in advance or not, as to the excess of interest above the rate allowed by law at the time of making the contract, shall be taken to be payments made on account of principal, and judgment shall be rendered for no more than the balance found due, after deducting the excess of interest so paid.

(5) Any person who directly or indirectly receives any interest, discount or consideration for or upon the loan or forbearance to enforce the payment of money, goods and things in action, greater than the amount allowable in subsection (2) shall be guilty of usury, and upon conviction thereof shall be imprisoned for a period of not more than six months, or fined not more than \$100, or both.

Source: PL 12-36, § 1(6972), modified; (2) and (3) repealed and reenacted by PL 15-85, § 3, modified.

Commission Comment: The Commission changed capitalization in this section pursuant to 1 CMC § 3806(f). See comment to 4 CMC § 60101 for more information regarding PL 15-85 (effective September 20, 2007).