

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

§ 6545. Acquisition of Property to Satisfy or Protect Previous Loan.

A bank may take property of any kind to satisfy or protect a loan previously made in good faith and in the ordinary course of business. Property acquired in satisfaction of a loan shall be held subject to the following limitations:

(a) *Real Estate*. A bank may hold title to real estate subject to all the restrictions of the Commonwealth Constitution regarding the ownership of real property by persons not of Northern Marianas descent.

(b) The property shall be entered on the books at cost or fair market value, whichever is less, and property which the bank is not otherwise authorized to acquire shall be charged off at a rate of not less than five percent per annum for real estate and 20 percent per annum for other property or at such lower rate not less than five percent and 10 percent respectively, as the director may allow.

Source: PL 3-104, § 644.

Commission Comment: With respect to the reference 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.