

**NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS  
44TH CONSTITUTIONAL REGULAR SESSION, 2023**



Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

**USURY (AMENDMENT) ACT, 2023**

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**USURY (AMENDMENT) ACT, 2023**

**AN ACT** to amend the Usury Act of 1989 by including provisions related to life insurance fee for loans and related matters.

**BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS**

**§101. Short title.**

This Act may be cited as the Usury (Amendment) Act, 2023.

**§102. Amendments.**

(1) Section 704A shall be added as follows:

**§704A. Life Insurance for Loans.**

- (1) Financial institutions shall absolve, upon the death of a Barrower, the remaining balance of a loan made by said Barrower.
- (2) Such financial institutions are permitted to charge a non-refundable credit life insurance fee to be utilized as security for the payment of the Barrower's loan under the Loan Documentation or any variation thereof upon the Barrower's death.
- (3) Financial institutions shall develop and implement conditions in relation to the non-refundable credit life insurance fee and related matters.

- (4) This Chapter shall define “financial institutions” as provided under the *Banking Act 1987*.
- (2) Section 705 shall be amended as follows:

**§705. Civil and criminal penalties for violation.**

- (1) Every person, who for any loan or forbearance of money, goods or things in action, shall have paid or delivered any greater sum or value than is allowed to be received under the provisions of this Chapter, may, either in person or through his personal representative, recover in an action at law against the person or his personal representative, who shall have taken or received the same, treble the amount of the money so paid or value delivered in violation of said provisions; provided, such action shall be brought within one year after such payment or delivery.
- (2) Any person who willfully makes or negotiates, for himself or another, a loan of money, credit, goods, or things in action, and who directly or indirectly charges, contracts for, or receives with respect to any such loan any interest or charge of any nature, the value of which is in excess of that allowed by law, is guilty of usury, and is punishable:
  - (a) by a monetary penalty of not less than \$1,000 but no more than \$100,000; or
  - (b) by a term of imprisonment of not less than five (5) years but not more than ten (10) years, or both.
- (3) Any financial institution which violates Section 704A shall, upon conviction, be penalized a fine of a maximum of \$1,000.00 payable to the Secretary of Finance.

**§103. Effective Date.**

This Act shall take effect in accordance with the Constitution and the Rules of Procedures of the Nitijela.

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**CERTIFICATE**

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**I hereby certify:**

1. That Nitijela Bill No: 42 was passed by the Nitijela of the Republic of the Marshall Islands on the 24<sup>th</sup> day of March 2023; and
2. That I am satisfied that Nitijela Bill No: 42 was passed in accordance with the relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of Procedures of the Nitijela.

I hereby place my signature before the Clerk this 10<sup>th</sup> day of April 2023.



**Kenneth A. Kedi**

Speaker

Nitijela of the Marshall Islands

**Attest:**



**Morean S. Watak**

Clerk

Nitijela of the Marshall Islands