

**TITLE 2: NATURAL RESOURCES**  
**DIVISION 4: LAND RESOURCES**

**§ 4481. Short Title.**

This article may be cited as the MPLT-NMHC Home Financing Act of 1996.

**Source:** PL 10-29, § 1.

**Commission Comment:** PL 10-29 took effect October 4, 1996. According to PL 10-29, § 2:

Section 2. Findings. The Legislature finds that:

(a) There is a need to provide security and capital for banks to extend loans to families who want to build or finance the purchase of their own homes.

(b) The need for home finance is particularly pronounced for low income families who generally do not meet the criteria of banks for home loans. Further, these families generally have land obtained through homestead, and because of the restrictions on the sale of homestead property, special assistance is needed for these families to obtain financing.

(c) The Marianas Public Land Trust (MPLT) has resources adequate to provide the security and capital needed to provide for home financing.

(d) Through lending money to the Northern Marianas Housing Corporation (NMHC) to use as a security for home construction and home purchase financing at a rate of six percent (6%), MPLT can still obtain a rate of return for the beneficiaries of the MPLT that will meet the fiduciary duty of the MPLT if MPLT is given the right to offset any loan losses against its interest payments to the general fund and its principal (and hence its long-term income potential) is enhanced through appropriation of an amount equal to the interest earned on its loan to NMHC back to MPLT as principle.

(e) The securing and providing of capital for home construction and purchase financing will help stimulate the overall economy of the Commonwealth and will be a benefit to all Commonwealth residents.

(f) Home loan financing is an inherent part of homestead development within the meaning of [N.M.I. Const. art. XI, § 5(g)]. Thus, it is appropriate to use revenues from public lands as security against losses on capital made available for home loans for homesteaders, and offset any losses prior to transfer of the net to the Marianas Public Land Trust.

(g) Pursuant to [N.M.I. Const. art. XI, § 1] public lands belong “collectively to the people of the Commonwealth who are of Northern Marianas descent.” [N.M.I. Const. art. XI, § 4(a)] emphasizes that public lands are to be managed “for the benefit of the people of the Commonwealth who are of Northern Marianas descent.” [N.M.I. Const. art. XII] restricts the acquisition of permanent and long-term interests in real property within the Commonwealth to persons of Northern Marianas descent. The United States Ninth Circuit Court of Appeals has upheld the Commonwealth’s restrictions on alienation of land based on the unique history of the Commonwealth, its relationship with the United States, and the special interest of the indigenous peoples in their lands. Those same principles apply, perhaps with even greater force, to the public lands held in collective ownership by the indigenous peoples and the direct and

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indirect proceeds from those lands. Principal held by MPLT is the income from property held “collectively [by all] the people of the Commonwealth who are of Northern Marianas descent,” and the interest on that principle is indirect income from the property so owned. The fact that the Constitution permits indirect income from public lands to be expended in ways that benefit non-NMI descent persons does not prohibit the Legislature from applying these funds to programs that exclusively benefit the collective owners, that is, persons of NMI descent. The program established by this Act is consistent with the principles of collective ownership and the explicit provisions of the Commonwealth Constitution.

PL 10-29, § 2(d) as set forth above was amended by PL 10-49, § 2 (effective date March 19, 1997) to read as follows:

Section 2. Amendment. The first sentence of Public Law 10-29, Section 2 (d) is hereby amended to read as follows:

(d) Through lending Five Million Dollars (\$5,000,000) to the Northern Marianas Housing Corporation (NMHC) to use as security for home construction and home purchase financing at a rate of six percent (6%), and an additional Five Million Dollars (\$5,000,000) at a rate of four percent (4%), MPLT can still obtain a rate of return for the beneficiaries of the MPLT that will meet the fiduciary duty of the MPLT if MPLT is given the right to offset any loan losses against its interest payments to the general fund and its principal (and hence its long-term income potential) is enhanced through appropriation of an amount equal to the interest earned on its loan to NMHC back to MPLT as principle.