

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4487. Homestead Participation and Real Property Security.

(a) Borrowers who participate in the programs created by NMHC secured by the loan from MPLT authorized by this article must pledge their real property interests as security for their home loans. NMHC shall take a deed of trust on all property pledged as security under this article. Upon default by the borrower, NMHC shall execute on the deed of trust and cause the sale of the property. All proceeds of execution, less administrative costs incurred by the NMHC, shall be transferred to the special trust fund created by 2 CMC § 4489. All such transfers to the special trust fund shall reduce any liability NMHC may have pursuant to 2 CMC § 4484.

(b) Homestead property shall be acceptable for the programs created by this article. The Department of Public Lands shall, pursuant to 2 CMC § 4336, mortgage its interest in village homestead lots where a homestead permit has issued but not a deed of conveyance and the homesteader has been approved for a home loan under a program created pursuant to this article, or, alternatively, may deed the homestead lot to NMHC for use in the manner prescribed by 2 CMC § 4337, as amended by this article. NMHC shall take deeds of trust on homestead property pledged as security by borrowers participating in the programs created under this article. Should NMHC execute on deeds of trust given for homestead property, NMHC may convey fee simple ownership in the homestead property to recover on the defaults of the loans, subject to the requirements of N.M.I. Const. art. XII.

(c) When homestead property is pledged as security for home financing under this article, any covenants and restrictions in the homestead deeds that refer to the Marianas Public Land Corporation, or to the Department of Public Lands, shall be read to instead refer to NMHC during the term of the financing.

(d) NMHC is authorized to utilize deeds of trust over all real property pledged so that banks that administer loans secured by the loan from MPLT to NMHC can sell the loans on a secondary market or receive participation on the loans from other banks, and thereby extend the available loanable funds for home loans to qualified Commonwealth residents.

Source: PL 10-29, § 8; (b) and (c) global amendments by PL 15-2, § 4.

Commission Comment: PL 15-2, which was enacted on February 22, 2006, abolished the Marianas Public Lands Authority and created a Department of Public Lands in its place. PL 15-2 contained short title, legislative findings and declaration of policy, repealer, global amendment, transition, severability, and savings clauses. See 1 CMC § 2801 for detailed information regarding PL 15-2.