

TITLE 2: NATURAL RESOURCES  
DIVISION 4: LAND RESOURCES

**§ 4488. Program Requirements.**

(a) *Eligibility.* Only persons eligible under N.M.I. Const. art. XII to acquire permanent and long-term interests in real property in the Commonwealth shall be eligible for home loans under programs authorized by this article. Nothing in this article shall be construed as preventing any person from being a comaker, guarantor, or coapplicant with a person eligible under this subsection, or from having their income considered in determining qualification for a loan in a program under this article.

(b) *Priorities.*

(1) Homesteaders who have been physically residing within the Commonwealth for at least five-years immediately preceding application shall have first priority for home loans under programs authorized by this article.

(2) Homesteaders who do not meet the five-year residency requirement of subsection (b)(1) of this section shall have second priority for home loans under programs authorized by this article.

(3) Other applicants who have been physically residing within the Commonwealth for at least five-years immediately preceding application shall have third priority for home loans under programs authorized by this article.

(c) *Minimum Allocation.* Not less than 80 percent of the aggregate dollar amount of home loans issued and outstanding under programs authorized by this article shall be reserved for loans to homesteaders and first-time homeowners. Loans to first-time home owners includes loans for the expansion, improvement, or rebuilding of an owner-occupied home on the original lot.

(d) *Low Income Home Ownership Financing.*

(1) NMHC shall reserve a portion of the home loans available under programs authorized by this Act for low income home financing. Interest rates in the low income home financing program shall be tailored to income levels of the applicants, to make possible safe, decent, and sanitary home ownership for the largest number of low income applicants as possible without unduly sacrificing return on the funds lent or undermining the ability of NMHC to meet its obligations to MPLT. A portion of the loans available under the low income home financing program shall be available to the lowest income applicants at an interest rate of three percent per annum.

(2) No home loan shall be issued under the a low income home financing program where the applicant fails to meet ability to repay criteria set by NMHC or where payments due under the loan would exceed 30 percent of the gross income of the applicant. The combined income of joint applicants may be considered in satisfying the requirements of this subsection only where there is reasonable assurance of continuity of the income of the both applicants and both applicants have or will obtain an interest in the real property securing the loan.

(3) NMHC in conjunction with MPLT shall establish qualification guidelines for the low income home financing authorized required by this section. The guidelines and any amendments thereto shall conform to the requirements of 2 CMC § 4485(d).

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(e) *Fiscal Controls.* NMHC shall segregate all repayments and interest received by it in connection with the home loan programs authorized by this article and shall not commingle such funds with other NMHC funds. NMHC shall reserve such funds for payment of its obligations to MPLT and other uses authorized by the loan agreement and this article.

**Source:** PL 10-29, § 9; subsection (d)(1) amended by PL 10-49, § 4; subsection (d)(1) amended by PL 11-20, § 1(c).

**Commission Comment:** PL 10-49 took effect March 19, 1997. Section 4 of PL 10-49 amended subsection (d)(1) of this section. Section 1 of PL 10-49 set forth its purpose as follows:

Section 1. Purpose. It is the purpose of this Act to amend Public Law 10-29 in order to expand such law's current provisions for low income home financing recipients. Under such law at this time, NMHC is required under Section 9 (d) (1) and elsewhere to provide "a portion" of the home loans for low income home financing at a rate of 3% per annum. That Section and other parts of the law are amended by this Act to provide that half of the \$10,000,000 loaned from MPLT to NMHC under Public Law 10-29 shall be loaned by MPLT at an interest rate of 4% per annum, so that NMHC can then, in turn, loan those funds to low income home financing applicants at a rate of no greater than 6% per annum, and, at a rate of 3% per annum for the lowest income applicants.

Therefore, by this means and the provisions of this Act, the low income financing provisions and intentions of Public Law 10-29 are hereby expanded to further assist such persons in need of low interest financing for the purposes set forth in Public Law 10-29.

PL 10-49 also contained severability and savings clauses as follows:

Section 4. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 5. Savings Clause. This Act and any repealer or amendment contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers and amendments contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

PL 11-20 took effect July 9, 1998. Section 1(c) of PL 11-20 amended subsection (d)(1) of this section. Sections 2 to 4 of PL 11-20 read as follows:

Section 2. Loan Agreement Approved. Any loan agreement between the Marianas Public Land Trust (MPLT) and the Northern Marianas Housing Corporation (NMHC) substantially in the form of the draft loan

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agreement attached hereto as Exhibit A and incorporated herein by reference is hereby approved, and shall be deemed in compliance with the MPLT-NMHC Home Financing Act of 1996 as amended.

Section 3. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.