

**TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE**

**PUBLIC LAW NO. 10-49**

**H. B. NO. 10-374**

**THIRD REGULAR SESSION, 1997**

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**AN ACT**

To amend Public Law 10-29.

**BE IT ENACTED BY THE TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:**

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.

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."

Section 3. Amendment. The first sentence of Public Law 10-29, Section 4 (a) is hereby amended to read as follows:

"(a) MPLT is authorized, consistent with its constitutional obligations, to loan up to Five Million Dollars (\$5,000,000) to NMHC at an interest rate of six percent (6%) per annum, and another Five Million Dollars (\$5,000,000) to NMHC at an interest rate of four percent (4%) per annum, both for NMHC's use in the establishment of programs to provide for home loans to qualified Commonwealth residents as provided by this Act."

Section 4. Amendment. Section 9(d)(1) of Public Law 10-29 is hereby repealed and re-enacted as follows:

“(1) The Five Million Dollars (\$5,000,000) loaned from MPLT to NMHC under this Act at an interest rate of four percent (4%) per annum shall be used by NMHC under programs authorized by this Act for a low income home financing program. Interest rates charged by NMHC in the low income home financing program shall be not greater than six percent (6%) per annum, provided that a portion of the home loans available under such low income home financing program shall be available to the lowest income applicants at an interest rate of three percent (3%) per annum. 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.”

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.

Section 6. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

**CERTIFIED BY:**

/s/ Diego T. Benavente  
DIEGO T. BENAVENTE  
Speaker  
House of Representatives

**ATTESTED BY:**

/s/ Evelyn C. Fleming  
EVELYN C. FLEMING  
House Clerk

Approved this 19<sup>th</sup> day of March, 1997

/s/ Froilan C. Tenorio  
FROILAN C. TENORIO  
Governor  
Commonwealth of the Northern Mariana Islands