

**AN ACT**

To authorize the Northern Marianas Housing Corporation's (NMHC) payment to Marianas Public Land Trust (MPLT) for funds loaned pursuant to P.L. No. 10-29, as amended, to be made from appropriations from the revenues that MPLT turns into the general fund each year, and to grant NMHC a ten (10) year moratorium on repaying the sum of Ten Million (\$10,000,000.00) Dollars to the CNMI, and for other purposes.

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

Section 1. Short Title. This Act may be cited as the "Refinance Act for the MPLT/NMHC Loan Arrangement."

Section 2. Findings. The Legislature Finds that:

(a) Public Law 10-29, as amended by Public Law No. 10-49, is a law that authorizes home loan financing through NMHC, utilizing financial resources of MPLT, and allows low-income persons to avail of financing otherwise unavailable. It also facilitates homestead development. The detailed findings stated in Public Law 10-29 explain the reasons and purpose of the unique financing arrangement and the significant benefits to the people of the CNMI resulting therefrom. The said findings of Public Law 10-29 are hereby incorporated herein and made a part of this bill as though set forth herein.

(b) The legislature further finds that homesteader in the CNMI are having difficulty in obtaining financing to build their homes and their homestead permits are under threat of cancellation by DPL for non-compliance, which is, among other things, to build a home on the homestead.

(c) NMHC's loan portfolio cannot be sold to participating banks due to the debtor's inability to qualify for financing. This lack of funding for NMHC restrains NMHC from granting new loans.

(d) MPLT is willing to grant an additional loan to NMHC pursuant to their authority to do so under Article XI, Section 6(b) of the Constitution, in the sum of three million and eight hundred thousand (\$3,800,000.00) dollars. However, MPLT wishes to be repaid on the total sum, when such amount is added to the outstanding loan, which will then total the sum of Ten Million (\$10,000,000.00) Dollars, from appropriations from the Legislature, from the one million two hundred thousand (\$1,200,000.00) dollars to one million four hundred thousand (\$1,400,000.00) dollars paid into the general fund by MPLT each year pursuant to Article XI, Section 6(d) of the Constitution. This would enable NMHC to have the additional funds needed to finance those homesteaders and other persons who cannot qualify for financing with banks, and to make loans to them at special low interest rates, such as a 5-1 ARM, whereby the rate could be increased after a five year period.

(e) In order to accomplish the resulting advantage to the many people of the CNMI, who could benefit from the continued financing at low interest rates by NMHC, the MPLT arrangement stated above and the ten year moratorium for NMHC to repay the Ten Million (\$10,000,000.00) Dollars to the CNMI, would both be necessary and proper, is in the best interest of the people of the CNMI, and is the intent and purpose of this bill.

(f) The Board of Trustees of MPLT are properly exercising their fiduciary duties by making this loan to NMHC, for the term and the interest rate set forth herein.

Section 3. Definitions. The definitions stated in section 3 of Public Law No. 10-29 shall also apply to this bill and are hereby incorporated herein as though a part hereof.

Section 4. Approval of Loan. The proposed restructured Loan by MPLT to NMHC for Ten Million dollars (\$10,000,000.00), payable over a term of fifteen (15) years, with interest accrued at a rate of eight and one half percent (8.5%), (“the Loan”) is approved by the Commonwealth, and all of its agencies and instrumentalities, as may be applicable.

Section 5. Guarantee Pledged. The Commonwealth Government hereby fully, absolutely and unconditionally guarantees, underwrites and secures all payments due MPLT under the terms and conditions of the Loan. The Loan is accepted as a general obligation of the Commonwealth government and its full repayment is hereby guaranteed by the full faith and credit of the Commonwealth government.

Section 6. Payment by Appropriations. The loan made to NMHC by MPLT pursuant to Public Law No. 12-29, including the various subsequent short term loans made by MPLT to NMHC, plus the additional money to be lent in the amount of three million eight hundred thousand dollars (\$3,80,000.00), and as refinanced by this Act, now to total Ten Million Dollars (\$10,000,000.00) (“the Loan”) shall be repaid by the CNMI by annual appropriations that shall derive solely from the funds paid into the general fund annually by MPLT pursuant to Article XI, Section 6(d) of the Constitution. The total amount of the funds received by the CNMI from MPLT on an annual basis, shall be exclusively used for appropriation to MPLT, as payment on the Loan.

Section 7. Moratorium. NMHC is hereby granted a moratorium to repay the Loan for a period of ten (10) years from the effective date of this act.

Section 8. Confirmation of Prior Loans. This bill does not affect any of the terms and provisions of P.L. No. 10-29, as amended, the loan made by MPLT to NMHC, or the use of the loan proceeds or any other matters, except the original repayment terms contained in the loans and as provided by Public Law 10-29. All other terms and provisions of P.L. No. 10-29, as amended, are hereby ratified and shall remain in full force and effect.

Section 9. 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 10. 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 on the date this Act becomes effective.

Section 11. Effective Date. This Act shall take effect upon its approval by the Governor or upon its becoming law without such approval.

**CERTIFIED BY:**

**ATTESTED TO BY:**

/s/ Benigno R. Fitial  
**BENIGNO R. FITIAL**  
SPEAKER OF THE HOUSE

/s/ Evelyn C. Fleming  
**EVELYN C. FLEMING**  
HOUSE CLERK

Approved this 19<sup>th</sup> day of October, 2000

/s/ Pedro P. Tenorio  
**PEDRO P. TENORIO**  
GOVERNOR  
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS