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Commonwealth of the Northern Mariana Islands

ECONOMIC DEVELOPMENT LOAN FUND

Wakin's Bldg., Gualo Rai, Tel. 7145 & 7146


Saipan, CM 96950

Cable Address:
Gov. NMI Saipan

PUBLIC NOTICE

The Commonwealth Economic Development Loan Fund Board hereby gives public notice that it has developed and established proposed Policy and Procedure Manual for the administration of the Economic Development Loan Fund.

EDLF hereby advises the general public that the proposed Policy and Procedure Manual are available at the EDLF office located at Wakin's Building, Middle Road in Gualo Rai. Interested persons may obtain copies of the proposed Policy and Procedure Manual for review and comment in writing, addressed to the Executive Director, EDLF, Office of the Governor, Saipan, CM 96950. All comments shall be in writing and submitted within thirty (30) days of the day of this notice for consideration and review.



Manuel A. Sablan, Chairman, EDLF

10/7/81

Date



Commonwealth of the Northern Mariana Islands

ECONOMIC DEVELOPMENT LOAN FUND

Wakin's Bldg., Gualo Rai, Tel. 7145 & 7146

Saipan, CM 96950

Cable Address:
Gov. NFMJ Saipan

INEKUNGOK PUBLIKU

I Board Commonwealth Economic Development Loan Fund ha abibisa i publiku na esta ma establese i ma propopone siha na areklamento para taimanu uma atministra i salapi Economic Development Loan Fund.

I ofisinan EDLF ha notisia i publiku na este siha na areklamento ni ma propopone guaha kopia gi ofisinan EDLF gi halom Wakin's Building ni gaige gi Chalan Sanhaya (Middle Road) Gualo Rai. I interesao na taotao sinā man gagao kopia nu este siha na areklamento ni mapropopone ya hu nahalom upiñona (Kau uma aprueba pat ti uma aprueba) este siha na areklamento guato gi ofisinan Executive Director EDLF, Office of the Governor, Saipan, CM 96950. Todo upiñon debi de uma tugi yan uma entrega guato gi ofisinan EDLF gi halom trenta dias na tiempo desti ke malaknos este na anunsiu kosake sina uma kosidera yan uma inan maolek i meritun upiñonmu.

Mus

Manuel A. Sablan, Chairman, EDLF

10/13/81

Date



Commonwealth of the Northern Mariana Islands

ECONOMIC DEVELOPMENT LOAN FUND

Wakin's Bldg., Gualo Rai, Tel. 7145 & 7146

Saipan, CM 96951

Cable Address:

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POLICY AND PROCEDURE MANUAL THE ECONOMIC DEVELOPMENT LOAN FUND NORTHERN MARIANA ISLANDS

CHAPTER I. ORIGIN OF THE ECONOMIC DEVELOPMENT LOAN FUND:

Section 1. The Trust Territory Economic Development Loan Fund (EDLF) was originally created by Administrative Directive 65-2 in 1964, by the High Commissioner of the TTPI in compliance with U.S. Public Law 88-487 and U.S. Public Law 92-257.

The Trust Territory EDLF functions and operations were transferred to the Commonwealth through Sections 2, 3 and 13 of the Schedule on Transitional matters of the Commonwealth Constitution, and as further manifested by the TTPI-NMG Memorandum of Understanding No. 2. The organization, functions and procedures of the EDLF, as administered in the Commonwealth, were redefined in the EDLF Policy and Procedure Manual (Rules and Regulations), as approved by the Governor of the Commonwealth, which provides among other things, for the administration of the Fund by an Economic Development Loan Fund Board (hereinafter referred to as the Board or Fund).

Grant funds received by the Commonwealth pursuant to Section 702(c) of the Covenant which presently are the principal source of funds, and from the TTPI pursuant to Memorandum of Understanding No. 2, are paid into and administered by the Commonwealth Economic Development Loan Fund.

Pursuant to Section 702(c) of the Covenant, \$500,000.00 is reserved each year for small loans to farmers, fishermen and to agricultural

and marine cooperatives. An additional \$250,000.00 is set aside each year for low interest housing loans for low income families and administered by the Mariana Islands Housing Authority.

CHAPTER II. PURPOSE:

Section 2. Purposes of the Economic Development Loan Fund are:

- A. To initiate, stimulate, and facilitate development of the economy of the Commonwealth for the economic and social advancement of the people of the Commonwealth by making loans, and giving financial, technical, and advisory assistance in its discretion to enterprises in the Northern Marianas.
- B. To achieve the greatest possible return, in terms of economic development on the funds.
- C. To encourage the development of technical expertise in business and financial management by cooperating with government and private groups, and providing training services.
- D. To assist in the identification, formulation and promotion of new projects.

CHAPTER III. DEVELOPMENT POLICY AND OPERATING PRINCIPLE:

Section 3. The Board shall give preference in determining whether or not any assistance is to be given to any eligible enterprise, to enterprises which will:

- A. Use locally available raw materials.
- B. Make use of technologies to provide employment opportunities and training of local people.
- C. Have a good potential for increasing exports and decreasing imports.
- D. Lower cost within the Commonwealth and improve the efficiency or standards of goods and services within the Commonwealth.

Section 4. In addition to the criteria mentioned under Section 3, the Board shall have regard to the following considerations:

- A. The prospects of the enterprise being successful, and the prospect of any money lent to it by the Board being repaid to the Fund.
- B. The degree to which the enterprise is or will become or remain of value to the economy of the Commonwealth.
- C. The degree to which the enterprise is or will be or will remain owned or effectively controlled by persons who are citizens of the Northern Marianas, or U.S. citizens or nationals who are ordinarily resident in the Northern Marianas.
- D. The extent to which the public interest of the Commonwealth will be served by assisting the enterprise.

Section 5. In exercising its functions and powers, the Fund shall give effect to the general economic policy of the Commonwealth government.

CHAPTER IV. GENERAL POWERS:

Section 6. The Fund shall have and may exercise the following general powers:

- A. To prescribe, adopt, amend and repeal by-laws governing the manner in which its business will be conducted and in which the obligations imposed on it by law will be performed;
- B. To receive and hold funds from the United States Government, the Government of the Commonwealth, and any other sources of Capital Contribution;
- C. To borrow money from any private or public sources, either within the Commonwealth or the United States or in any other country; and to give security in connection with such borrowing;
- D. To make and issue bonds for sale to the general public;
- E. To make, contract and execute all instruments necessary or convenient in the exercise of its powers.

- F. To acquire and hold any interest in any real or personal property, tangible or intangible, deemed by it necessary or convenient for carrying out the purposes of the Fund;
- G. To pledge the full faith and credit of the Fund;
- H. To make direct loans and/or loan guarantees to citizens of the Commonwealth and to U.S. citizens or U.S. nationals having at least one (1) year continuous residency in the Commonwealth and who are domiciles of the Commonwealth as defined in Section 1005(e) of the Covenant, or a partnership or association wholly owned by citizens of the Northern Mariana Islands or U.S. citizens or U.S. nationals domiciled in the Northern Mariana Islands, or a corporation organized under the laws of the Commonwealth of which at least fifty-one percent (51%) of the capital stock outstanding and entitled to vote is owned and held by U.S. citizens or nationals or citizens of the Northern Marianas in which profits and/or surpluses are distributed in direct proportion to the shares held.
- I. To make loans to a Public Development Corporation, if one is established, for its use in any way deemed by the Fund to be consistent with the Fund purposes;
- J. To engage as its agent any commercial bank or autonomous public agency to administer any Fund loan program involving loans to private persons, corporations or partnerships or corporations eligible for loans under the special provisions for farmers, fishermen and low income families in Section 702(c) of the Covenant; provided that the total amount of such loans shall not exceed the amount earmarked for specific purposes in Section 702(c) of the Covenant.

- K. To hire such employees as it deems necessary for the functioning of the Fund.
- L. To take such action as is necessary and proper to operate the Fund, further its purposes, administer its loans and oversee its other capital outlays.
- M. To permit any commercial bank or other public or private investor to participate as lenders in any Fund loan program.

CHAPTER V. BOARD OF DIRECTORS:

- Section 7. The activities of the Fund shall be governed and controlled by the Board of Directors. The members should be knowledgeable about and experienced in business, financial or other economic affairs, who shall be appointed by the Governor.
- Section 8. The Board shall be composed of the following five (5) voting members:
 - A. a representative from Rota;
 - B. a representative from Saipan;
 - C. a representative from Tinian;
 - D. a representative from the Department of Commerce and Labor; and
 - E. a representative from the Planning and Budget Affairs Office.
- Section 9. Terms of office of appointed directors: Members of the Board shall be appointed for terms of three (3) years, except that the term of any member who sits on the Board by virtue of his government office or position shall continue for and only for the term of his occupancy of that office or position. Every appointed director shall continue to hold office until his successor comes into office. Every appointed director may from time to time be reappointed.

Section 10. Resignation, Removal and Vacancies of Board: An appointed director may at any time resign his office by notice in writing to the Governor. A Board member may be removed before the expiration of his term for cause as provided in this Policy and Procedure Manual or on the grounds of gross neglect or dereliction of duty, breach of fiduciary duty, conviction of a felony, or mental or physical incapacity. A Board member who fails to attend three consecutive noticed meetings may be removed, by three fourths (3/4) vote of the Board, or alternatively by the Governor upon recommendation of removal by a majority vote of the Board to the Governor. Upon recommendation to the Governor, by majority vote of the Board, the Governor in his discretion may accept or reject the recommendation. Any person appointed to fill a vacancy shall hold office for the unexpired balance of the term of office of his predecessor. If however a new member replaces a member who served on the Board by virtue of his government office or position, the replacement's term shall expire automatically when he no longer fills that position or office.

In the event the Chairman or Vice Chairman are replaced, the Board will select a Chairman and/or Vice Chairman from among its members as per Section 11.

Section 11. Chairman and Vice Chairman: The Board will select a Chairman and Vice Chairman from among its members by a simple majority vote of the entire Board. The Vice Chairman in the absence of the Chairman shall assume all the duties and responsibilities of the Chairman. The Chairman may appoint and create special committees as needed to perform

the functions of the Board. A person or member of the Board is eligible for reelection as Chairman or Vice Chairman of the Board.

Section 12. Meetings of the Board: The Board shall hold not less than six meetings in each financial year of the Fund, or as often as necessary for the purpose of governing the Fund. The meetings are to be held at a time and place convenient for the Board members. A notice of each meeting must be given each Board member at least 24 hours prior to the meeting.

The Chairman of the Board, or if he is not available, the Vice Chairman may convene meetings of the Board, and shall comply with any resolution of the Board with respect to the convening of meetings. If neither the Chairman nor the Vice Chairman of the Board is available, the Executive Director may convene a meeting of the Board.

The Chairman, or if he is not present, the Vice Chairman shall preside at meetings of the Board. At a meeting of the Board at which neither the Chairman nor the Vice Chairman of the Board is present, the Board shall appoint one of their members to preside.

Every question arising at a meeting shall be decided by majority vote. Board meetings may be closed when the Board is considering matters involving the financial or credit confidences or any other privileged information concerning applicants or projects.

The Board shall cause minutes of the proceedings at each meeting of the Board to be kept by such person and in such form as the Board directs.

A resolution in writing, signed and approved by a majority of the Board, shall be as binding and effective as if it had been acted upon at a meeting of the Board duly convened and held. Subject to the other provisions of this Policy and Procedure Manual, the Board may regulate its procedure in such manner it thinks fit and proper.

Section 13. Quorum: A quorum for meetings and transacting business shall be a majority of the voting members. The Chairman shall be counted and deemed a voting member for purposes of establishing a meeting or business quorum.

Section 14. Proxies: A member of the Board, unable to attend a particular meeting may designate another person as alternate to attend that particular meeting in his place and may, in writing authorize said alternate to cast the absent member's vote upon any item of business previously noticed on the agenda for that meeting. No Board member may be represented by an alternate or vote by proxy at more than three (3) consecutive meetings.

Section 15. Compensation for Board Members: Members of the Board of Directors who are not employees of the CNMI Government will be compensated at a rate to be established by the Board for meetings attended.

Members of the Board who are government employees are entitled to compensation only for time spent in meetings after regular working hours.

All members shall be reimbursed for expenses incurred in connection with the Funds business if previously approved by the Chairman or Vice Chairman and/or Executive Director in the absence of the Chairman or Vice Chairman. Rules on travel and per diem shall be established by the Board.

Section 16. Disclosure of Conflict of Interest: Any director who otherwise as a director, is directly or indirectly interested in any arrangement, transaction or business matter entered into, proposed or under consideration by the Board shall, as soon as possible after the relevant facts have come to his attention, disclose the nature of his interest to the Board. A disclosure under this section shall be recorded in the minutes of the Board and, except as otherwise provided by a resolution of the Board, the director shall not take part after the disclosure in any deliberation or decisions relating to the arrangement or agreement, but shall be counted as present for the purpose of forming a quorum of the Board for any such deliberation or decision.

Section 17. Contracting Authority: The Executive Director and/or the Chairman (and Vice Chairman in the absence of the Chairman) shall have contracting authority for the purposes of dealing with all matters pertaining to the operations of the Fund, such as execution of all loan guarantees, and other agreements necessary to the operation of the Fund.

Section 18. Leave of Absence: The Board may grant leave of absence to a member of the Board upon such terms and conditions as the Board determines.

Section 19. The Board shall have the following duties:

- A. To govern the operation of the Fund in a manner that furthers its purposes;
- B. To take action necessary to execute the powers of the Fund.
- C. To adopt by-laws, and to adhere to operating policies that will assure the Fund's financial vitality and best promote its development purposes;
- D. To reserve to itself the final decision on loan applications and other proposals for funding of programs and projects;

- E. To oversee administration of all Fund loans and other fund allocations, and to assure compliance with provisions of loan agreements; and
- F. To prepare a report at the end of each fiscal year of the Funds activities during the year, and year ending financial status and submit the report to the Legislature and the Governor.

Section 20. The Board shall have and may exercise the following powers:

- A. To exercise all powers enumerated in Section 6 that are necessary and appropriate to the fulfillment of its duties under Section 19.
- B. To employ an Executive Director, employees, other professionals and legal counsel, and to define their duties and to dismiss them, according to the procedures provided for in this Policy and Procedure Manual.
- C. To decide finally on any use of EDLF funds, including the power to determine how the Fund's unexpended capital shall be maintained and managed;
- D. To allocate and expend funds for the repayment of obligations incurred by the Fund in accordance with Section 6; and
- E. To contract and pay for economic studies, project evaluations, feasibility studies, including pilot projects in cooperation with private groups or government agencies as deemed necessary and appropriate to further the Funds economic development purposes.
- F. To approve an annual operating budget for the Fund.
- G. The Board may from time to time appoint committees consisting of any three or more directors or officers of the Fund.
- F. The Board may from time to time delegate to any of its committees, or to the Executive Director, or to any other officer of the Fund

any of its powers under this Policy and Procedure Manual. Any committee or persons to whom any powers are so delegated may exercise these powers in the same manner and with the same effect as if they had been conferred on it directly by this Policy and Procedure Manual.

CHAPTER VI. OFFICERS:

Section 21. The officers of the Fund shall be the Executive Director of the Fund and such other officers as the Board shall deem appropriate to the operation of the Fund.

Section 22. The Executive Director shall perform the following functions:

- A. Conduct and oversee the Fund's general operation, including the administration of all loans and the enforcement of all provisions of loan agreements, and the supervision of employees of the Fund.
- B. Continuously monitor the progress and financial status of projects financed in whole or in part by the Fund.
- C. Report to the Board at each Board meeting as to the status of the Fund's loans and its activities.
- D. Refer to the Board for decision on all loan applications from any eligible applicant.
- E. Prepare an annual operating budget of expenses of the Fund, to be approved by the Board.
- F. Hire employees or other professionals as the Board or Personnel Committee may delegate power to do so; and
- G. Perform such other duties as the Board may require.

Section 23. The Executive Director and other officers of the Fund may be dismissed for cause by the Board.

CHAPTER VII. PERSONNEL COMMITTEE:

Section 24. The Board shall establish a Personnel Committee consisting of four (4) members of the Board. The Chairman of the Board shall appoint the Chairman of the Personnel Committee. The Chairman of the Personnel Committee shall appoint two members of the Board to serve on the Committee. The Executive Director shall be the fourth member of the Personnel Committee. The Personnel Committee shall establish procedures and rules governing employee relations and shall have authority over employment matters, provided that consultant services shall be subject to approval of the Board.

CHAPTER VIII. FINANCIAL MATTERS:

Section 25. The Board shall not make any loan, guarantee any loan or participate in any loan if by such transaction the total amount of the Funds loans, guarantees of loans and participation in loans to the borrower would exceed twenty-five percent of the Fund's capital.

Section 26. In exceptional cases meriting special consideration, limits under Section 25 may be exceeded provided the loan is covered by adequate additional security.

Section 27. In financing worthwhile projects requiring more than its maximum lending limits under Section 25, the fund may enter into a syndicated financial arrangement with financial institutions, both domestic and foreign, limiting the Fund's liability in such cases to the ceiling referred to under Section 25 above.

Section 28. Checks: All checks issued by the Fund shall contain two signatures one of which shall be the Executive Director or Chairman of the Board and the other by the Vice-Chairman or other official of the Fund with check signing authority as approved by the Board of Directors.

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Section 29. The Board shall keep proper accounts and proper records in relation to the accounts and shall prepare in respect of each financial year of the fund a statement of accounts in accordance with generally accepted accounting principles and practices. The accounts and statement of accounts of the fund shall be audited by an auditor or auditors appointed by the Board or may engage the services of the Commonwealth Public Auditor.

Section 30. Moneys of the fund not immediately required to meet the obligations of the fund may be invested by the Board on such terms and conditions as the Board may determine.

Section 31. The Board shall open and maintain such account or accounts with a bank or savings and loan which is a member of the Federal Reserve System or the Federal Insurance Deposit Corporation as it considers necessary for the performance of its functions. Monies received by the Board shall be paid into the account or accounts maintained by the Board.

Section 32. The Board shall cause to be collected and obtained:

- A. All monies pursuant to Article VII, Section 702(c) of the Covenant, and pursuant to Article II, Section 5 and Article III, Section 9A of the Northern Marianas Constitution.
- B. All monies to be received by or on behalf of the Fund in respect to repayment of any loan made and the interest collected therefrom.
- C. All monies arising from property or investments acquired by or invested by the Board.
- D. Other monies and property due and payable to the Fund.

Section 33. The Board shall pay out of the Fund:

- A. Amounts approved by the Board for making loans.

- B. Amounts approved by the Board or the Executive Director for investment.
- C. All expenses, costs and obligations incurred for the administration and operation of the Fund.
- D. Amounts expended or obligated for activities and projects under Section 20.

Section 34. The Board shall require its borrowers to keep records and accounts in accordance with sound and generally accepted accounting principles, and to furnish whatever information on their operations and accounts it deems appropriate. The Board shall also maintain the right to inspect the enterprises it finances, as well as their operations, records, and books of accounts.

Section 35. The Fund will review and determine from time to time the rates of interest and fees to be assessed each borrower.

Section 36. The repayment periods of loans to the Fund including any grace period as appropriate and needed, will be determined taking into account:

- A. The repayment capability of the enterprise;
- B. The useful life of assets to be acquired under the Fund's assistance;
- C. The optimum use of the Fund's resources by means of the turnover of its portfolio.

Section 37. The Board shall set aside as a reserve not less than twenty-five percent of the amount of guaranteed loans.

Section 38. In all cases the applicant must be able to meet the following general credit requirements and credit underwriting criteria:

- A. The applicant must be of good character.
- B. The applicant must show ability to operate his business successfully.

- C. Applicant must be willing to provide the Fund with a reasonable equity in cash or in-kind or by way of collateral to ensure that applicant has an appropriate stake in the venture.
- D. The applicant must show that the proposed loan is of sound value to the respective community in which it will operate.
- E. The applicant must show that the past earnings and future prospects and potential of the company indicate the ability to repay the loan and other fixed debt, if any, out of profits; provided however that where the Board determines that (1) the project or business is one that will substantially affect and facilitate the overall commercial and economic development of a particular industry, (2) that the service or business is not or can not be provided by other government agencies, and (3) that the service business is not otherwise reasonably or readily available locally, the Board in its discretion may make a loan or otherwise fund and participate in a particular economic development project or business meeting the above criteria, and upon consideration of the criteria listed under Sections 3 and 4.
- F. No loan applicant shall be granted a loan if such person has been adjudicated or has filed bankruptcy within three (3) years prior to the date of filing the loan application.
- G. No loan applicant shall be granted a loan if in default of any debt, loan or obligation whatsoever at the time of filing the application or if the loan applicant has a record of defaulting on previous loans or other credit, without justification.

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- H. No loan applicant shall be qualified for a loan in the event any property was actually foreclosed upon, or taken and sold at foreclosure sale to satisfy any debt owed to a creditor by the applicant, if such sale or foreclosure occurred within the last three (3) years before the date of the loan application.
 - I. The Board shall take into consideration any notices of default, collection problems experienced by previous lenders with the applicant, or any other defects in the credit rating or comments made by any other creditors.
 - J. No loan shall be made to any corporation, company, association, partnership or legal entity in which any two (2) directors shall have any interest or benefit therein, whether directly or indirectly. No loan shall be made to a company or business in which two Board members have close relatives or family members who have an ownership interest in the company or business. For the purposes of this provision, close relatives and family members includes mother, father, brothers, mother-in-law, father-in-law, brothers-in-law, sisters, sisters-in-law, or children.
 - K. A loan may be granted by the Board in the event only one (1) Board member has an interest in the granting of such loan provided that no loan shall be granted if such director is an officer, director, partner or major stockholder in the business.

Section 39. In addition to the above, the Board shall not fund or make loans under the following circumstances:

- A. If the funds are otherwise available on reasonable terms.
- B. If any of the applicant's gross income is partly or wholly derived from gambling activities in an area where gambling is not legally authorized.

- C. If the loan finances real property development that is, or is to be, held for sale or speculative investment.
- D. If the loan is to relocate a business for other than sound business purposes.
- E. If the loan is for refinancing a debt not connected with an existing EDLF loan.

Section 40. The Board shall secure its loans and guarantees in accordance with sound lending practices, but in doing so, the Fund shall have due regard to its developmental functions in the economy of the Commonwealth. Such security may consist of one, or a combination of the following at the discretion of the Board:

- A. First mortgage or deed of trust interest in a fee simple interest.
- B. A leasehold mortgage on land, a building, and/or equipment.
- C. Assignment of warehouse receipts for marketable merchandise.
- D. A mortgage on chattels.
- E. Guarantees or personal endorsements, and assignment of current receivables.
- F. Assignment of life insurance.

Section 41. The Board in determining the value of all property being given as security, whether it be real property or personal property, may require an appraisal report by an appraiser acceptable to the Board. The Board shall examine the qualifications of the appraiser to determine whether or not his work product is acceptable. If possible, appraisal reports on real property shall be done by an appraiser whose work product is acceptable to a financial institution other than the Economic Development Loan Fund.

CHAPTER IX. MISCELLANEOUS:

Section 42. Investigation and Audits: The Board or the Executive Director may instruct a representative of the Fund, or may contract with a qualified person to investigate or audit the accounts of any borrower from the Fund or from the commercial banks guaranteed by the Economic Development Loan Fund in order to ascertain:

- A. Whether the loan has been used for the purpose for which it was granted.
- B. Whether there is evidence or indication of future difficulties arising that might prevent the borrower from repaying the loan in accordance with the loan agreement.
- C. Whether management or other assistance is needed to improve the business' operation.

Section 43. Privileged Information:

- A. The Executive Director, Board members and every employee of the Fund shall observe the confidentiality of all matters relating to borrowers' and applicants' financial reports.
- B. The Executive Director, Board members and every employee of the Fund shall not engage in the preparation of any EDLF application and/or accept any compensation from any person, firm or corporation to prepare the loan application and/or make it look favorable to the Board and/or staff of EDLF.

Section 44. The Board may by resolution make rules providing for:

- A. Any matter for which Rules may be made under any other provision of this Policy and Procedure Manual.
- B. The form and manner in which application to the Fund for loans, guarantees or other assistance are to be made;

- C. The fees (if any) to be paid for or in connection with any loan application;
- D. The form and manner in which the receipt of any money from the Fund is to be acknowledge;
- E. The manner in which any document or notice may be served on or by the Fund;
- F. Any fee, rate, matter or thing which is required or desirable or in connection with this Policy and Procedure Manual.

Section 45. Amendment of Policy and Procedure Manual: This Policy and Procedure Manual may be amended from time to time upon recommendation of the Board and with the approval of the Governor.

Section 46. Effective Date: These Regulation governing the policies and procedures for the Economic Development Loan Fund of the Commonwealth of the Northern Mariana Islands shall be effective upon publication in the Commonwealth Register as provided in Title 17 of the Trust Territory Code.

mm
 Chairman, EDLF Board of Directors

Date: 11/23/81

Camacho
 Carlos S. Camacho, Governor

Date: 12/1/81

LEBLON POLICY YAN PROCEDURE MANUAL
PARA I ECONOMIC DEVELOPMENT LOAN FUND
GI HALOM NORTHERN MARIANAS

Kapitulu I. Tutuhonna i Economic Development Loan Fund:

Seksiona 1. I Trust Territory Economic Development Loan Fund (EDLF) ma tutuhon ma establesi gi 1964, ginen Administrative Directive 65-2 ni mapreba nihi High Commissioner TTPI para hu komplasi i dos lain pupbliku ni mafanahan U.S. Public Law 88-487 yan U.S. Public Law 92-257.

I fonsion yan oporasion i agas na Trust Territory EDLF ma transferi guato gi Gobietnon Commonwealth sa ginagagao nuhi Constitution Commonwealth gi seksiona 2, 3, yan 13 pot asunton i sumangin i Gobietnon Commonwealth ginen Gobietnon Trust Territory. Lokkue fera di este na seksionan Constitution Commonwealth ni asasangan tamano i areklon Sumangin Gobietno Commonwealth, guaha lokkue kontrata ni mahahalok Memorandum of Understanding No.2. entalo Commonwealth yan Gobietnon Trust Territory ni as manifesta huyong este na areklo. I organisasion, fonsion yan areklon EDLF, ni ma atministra gi halom Commonwealth, mana mas sanu gi halom i areklamento yan mandan EDLF ni ma apreba nuhi Magalain Commonwealth, ni ana guahaye otro manera, para uma atministra i Fundo ginen i Economic Development Loan Fund Board (Mas libiano mafanahan Board pat Funds).

Salaapi federat ni maresibi nuhi Commonwealth sigun i seksiona 702(c) gi halom Covenant ni presenti este prinsipat na salapi mahuhusa, yan salapi ginen TTPI patin Commonwealth ni mana hahalom gi fundon Commonwealth Economic Development Loan Fund.

Sigun i seksiona 702(c) gi Covenant, ~~\$500~~ 000.00 mana sangi kada sakkan para manahayao i man guagualu, peskadot, Inenon Coop gualu yan peskadot. \$250,000.00 mana sangi kada sakkan para mana hayan familia ni man tapapa suedon niha para manhasan guma ni ma atministra nuhi Mariana Islands Housing Authority.

Kapitulu II. Intension:

Seksiona 2. Intension i Economic Development Loan Fund

- A. U ma espia inpenu kosa ke sina maas para guaha debalamenton ekonomian Commonwealth para hu abansia mona i ekonomia yan sositat taotao Commonwealth ginen este na inayau salapi EDLF, yan ma nahe nuhi salapi, tetnikat na ayudo yan konsihero para manbibinis gi halom sankattan na islan Marianas.
- B. Uma kompli i maas probechu na debalamenton konomia, gi halom este siha na salaapi EDLF.
- C. Uma abansa mona i teknikat na tiningo gi bandan bisinis yan manean salapi ya uma chogue este ginen i koporasion entalo gobietno yan private ya uma na guaha training.
- D. Uma nahe animu mamatinas, identifikka yan abansa mona man nuebo siha na programa.

Kapitulu III. Debelamento Areklu yan Isensian Oporastion:

Seksiona 3. I Board siha para u detetmina yangin para u guaha salapi para maseha aye na bisinis ni iniebli, para i manbibisinis ni para,

- A. Usa i guaha na matiriat tano.

- B. Usa technologies ni sina ana guaha opotunidad empleao yan training para taotao tano.
- C. Una guaha manera ni para uribaha kosas hiyong anai sina mafatinas gi halom Commonwealth.
- D. Uma ribaha i apas kosas gi halom i Commonwealth yan na maulek i setbisio yan kualidad kosas gi halom Commonwealth.

Seksiona 4. Fera di i criteria ni esta ma mensiona gi papa seksiona 3, I Board para giugue ginen este siha na konsidirasion:

- A. Kao maulek mona i bisinisna, kao mana papasi dibi ni mahegue nuhi Board.
- B. Taimano china balina i bisinis pat kao este na bisinis para usuga yan guaha balina para ekonomian i Commonwealth.
- C. Eskeleran este na bisinis pago pat i man mamaila na tiempo, pat kao usaga gi kanai natibo islas Marianas, U.S. Citizen pat nationals ni esta agas man gaige gi halom Commonwealth.

Seksiona 5. Yanggen parahu cho'gue mona i fonsion yan fuetsanna, Board pat Fund para hu inetekta todo maneran areklamenton konomia gi halom Commonwealth.

Kapitulu IV. I Fuetsanna:

Seksion 6. I Fund pat i Board gai potdet atoridat yan sina a eksesisa i man sigienti siha na areklamento fuetsanna:

- A. Sina mamatinas, manadapta, man amenda yan man appeal ginen i lai ni gobetbetna i kinilamtin checho niniha yan debi machogue hafa i lai sina ngangane siha para ma chogue.

- B. Para siha uma resebi salape ginen ~~Gobietno~~ Stados Unidos, Gobietno Commonwealth, yan mano siha na lugat ni mana guaha kontribusion salape.
- C. Hu fan hachao salape gi maseha aye na private pat pupbliku ni sina manayao salape, maseha ginen Commonwealth pat Amerika pat mano na nasion yan para ufan testigo gi hafa na salape para uma hayao.
- D. Para ufamatinas yan sina ufan langos bonds para u bendi guato gi pupbliku.
- E. Para ufamatinas, fangonni empleao, yan para u chule kosas ni para u libiano u eksesisa i fuetsana.
- F. Para u chule yan u diteni hafa na interu propriodat pat personat na kosas parehu kosas ni sina un goti gi halom kanaimo yan kosas ni tisisna un goti gi kannaimo, ni nesesario yan libiano para uma chogue i fonsion i Fund.
- G. Para u polo todo konfiansa yan meritu guato gi Fund;
- H. Para una guaha ayao salapi pat sino u testigo nuhi ayao salape para sodudanon Commonwealth yan U.S. pat U.S. National ni esta guaha poku pudimenos. un (1) ano ni residenjian Commonwealth yan ayo siha na taotao Commonwealth ni gaige gi Covenant seksiona 1005(e), pat bisinis dos taotao pat association ni iyon sodudanon Northern Marianas pat sodudanon U.S. pat U.S. Nationals ni taotao Northern Marianas, pat koparasion ni ma organisa gi papa lain Commonwealth yan sinkuentai uno (51%) per sentu na kabun kapitat gaige na iyon i sodudanon Northern Marianas U.S. pat U.S. Nationals ya sina lakkue man bota.

I ganansia and sublan salaapin este na bisinis ma dibidi gi (51%) sinkuentali uno per sentu na kabu.

- I. Para ufan nahe loan para Public Development Corporation, yanggen guaha esta ma establesi, ni sina mahusa gi manera ni gaige gi areklamenton i Fund;
- J. Para uma empleao, komo representatin EDLF, masea manu na banku pat ofisinin pupbliku ni sina ha atministra salape ni mahayao para aye na taotao, koporasion pat (partnership) dos taotao pat koporasion ni enehibli para ufan loan gi papa espisiat na probision para lanchero, peskadot yan familia ni man tapapa suetdon niha ni gaige gi seksionan Covenant 702(c); debi lokkue na i kantidan salape ti para u pos i esta ma ditetmina gi halon Covenant seksiona 702(c).
- K. Para u empleao taotao ni nesesario u chogue i fonsion i Fund.
- L. Para u chule aksion ni nesesario para u chogue i operasion i Fund, atministra i loan salapi yan u hahatan i pumalu na kapitat EDLF.
- M. Para u permiti maseha haye na commercial bank pat pupbliku pat sino private ni mamasalalapi u saonao yanggen uno lokkue gue i para u na hayao huyon salapi komo programan Loan fund.

Kapitulu V. Board of Directors

Seksiona 7. I aktividat i Fund para u gobietna yan u manda gi i Board of Directors. I membro debe di ufan gai ekspirensia pot asunto bisinis, salapi pat asunton konomia, ya ma apunta nuhi magalai.

- A. Representatin Luta;
- B. Representatin Saipan;
- C. Representatin Tinian;
- D. Representatin Depattamenton Commerce yan Labor yan
- E. Representatin Ofisinan Planning and Budget Affairs.

Seksion 9. Tetminon este siha na direktot ni ma apunta: Teminio kada membron i Board para tres(3) anos disti anai ma gangi siha, fera di i membro ni ma gangi pot pot asunton ofisinana gi gobietno ya sina membrogue gi esta ki bumastague gi Ofisinana. Kada direktot nima apunta u kontinua subetbi i Board esta ke umalon i tinaguena. Kada membron i Board sina ma apunta talo para u membro.

Seksion 10. Baganti, bumasta yan Manabasta: I ma apunta na direkted sina kontiempo bumasta yanggen tugi'e i Magalahe. Sina ha mana basta un membro maseha ti mafato i tetminona pot rasion ni ma prebenigi gi i Policy yan Procedure Manual pat rasion na tiha chochogue chechona, taya angoku gi chechona, a kontradisi i chechona, ma kondema na guaha baha bidana, bababa iluna pat tisina ha machocho sa malango tataotaona. Maseha haye na membro Board ni tres biahe ti atendi i miting Board sina ha malangos yanggen 3/4 na botun i board pot para umalangos gi membron i Board, pat mayoria na botun i Board ma rekomemenda halom gi Magala'e ya i Magala'e sinaha aksepta pat arenunsiague na para malangos gi Board. Maseha aye na taotao ni ma apunta para u chule i siya

ni bokanti u setbi este na siya estake munhayan i tetminon i ha tague. Lao yanggen i nuebo na membron Board ha tague un membron Board pot motibon i ofisina ni pa'go a chuchule, uma tulaika gi Board yanggen malangos gue gi este na ofisinana.

Yanggen esta matulaika i Chairman pat i Vice Chairman, i Board para u ayek aye para u Chairman pat Vice Chairman ni maprebeniyi gi seksiona II.

Seksiona 11. Chairman yan Vice Chairman: I Board para u ayek i Chairman yan Vice Chairman gi entalo i membro siha ni sina para u bota aye ufan ganna. Yanggen taigue i Chairman i Vice Chairman gai potdat para chogue checho i Chairman. I Chairman sina ha apunta pat na guaha espisiat na komite yanggen ma nesesita para u chogue i chechona. Membron i Board ni esta chagi nu Chairman pat Vice Chairman sina talo ma bota para chairman pat vice chairman.

Seksiona 12. Miting i Board: I Board debi di mas ki menos sais na miting gi halom kada sakkan finansiat pot i funds, yan u komplasi hafa na resolasion pot areklamenton i miting i Board. I miting para uma kondutta gi lugat yan oran ni maulek para to do i membron i Board. Notisian kada miting ufan manahe i membron pokudosimenos benti kuarto (24) oras antis di i miting.

I chairman pat yanggen taigue, i Vice Chairman hu kondukta miting i Board ya hudalalaki hafa na areklamento pot ma konduktan i miting. Yanggen i Chairman pat Vice Chairman ti presenti gi esta na huntan i Board, i Executive Director sina a kondukta este na hunta.

I chairman, pat yanggen taigue, i Vice Chairman sina ha kondukta i miting i Board. Gi miting ni taigue i

Chairman pat Vice Chairman, sina i Board ha tancho un membro para hu kondukta i miting.

Kada kuestiona ni kumaulu gi duranti i miting, uma desidi gi mayuria na botun i membro. I miting i Board sina mahuchom kontra i pupbliku yanggen este na miting tineteka asunton finansiat pat dibin un taotao pat finansiat un programa ya ma nesesita uma protehe i prebilehon un taotao pat programa.

I Board para una guaha minutun kada miting i Board ya i Board lokkue hu disidi para u taimano i fotman i minutu yan mano ni para uma popolu.

I ma tugi na resulasion ya ma fitma yan ma apreba nuhi mayoria na membron i Board, sina efectibu yan gai fuetsan lai taimano ha yanggin man miting i Board. I Board sina mamatinas areklamenton gi manera ni atungo na propio yan dinanchi, taimano ha ginagaogao gi Policy Procedure Manual.

Seksiona 13. Quorum: Debi di mayoria gi membron i Board ni para uguaha quorum ya sina kondukta i miting. I Chairman para ma tufuo lokkue yanggen bibota kosaki sina i miting ma kondukta.

Seksiona 14. Proxies: Un membro ni tisina ha atendi i miting, sina ha desikna un taotao komo proxies para hu representague gi miting i Board yan sinaha man nahe pudet ni para u sina bota eyo na uniko na agenda para ayo na miting. Taya membrom i Board sina ha ayek un petsona para u representague maski tres na miting i Board.

Seksiona 15. I apas i Membron i Board: Membron i Board ni ti empleao gobietno para uma pasegue nu ayo na pas ni i Board para una guaha yan establesis para kada miting ni ha atendi.

Membron i Board ni empleao gobietno sina ha mapase siha para ayo na ora ni ma atendi i miting gi finapo i checho.

Todo i membron i Board para uma apasi siha nuhi gasto niha ni gasto ni esta ma apreba ginen i Chairman pat Vice Chairman pat sino Executive Director anai timattu i Chairman pat Vice Chairman. Areklamento travel yan perdiem para uma establesi ginen i membron i Board.

Seksiona 16. Nalie i pupbliku yanggen guaha interest personat: Maseha haye na direktod ni gai interest personat nu hafa na planu ni i Board ha konsidera, debi di este na direktod anai anak i ebidensia na gai interest personat hu insigidas deklarague guato gi i Board pot este na interest personat. Debe di ma tape yan mana anak este gi halom i minutun i miting i Board, solo ha taya gi halom areklamento i Board, debi di este na direktod ti para hu saunao gi hafa na disision i Board para hu chogue, lao sina sumaga ya hu atendi i miting ya ma tufonggue na presentu guine na miting kosake u guaha quorum.

Seksiona 17. Atoridad na Empleao: I Executive Director pat i Chairman/ Vice Chairman gai potded pat atoridad para ufan empleao taotao ni nesesario para operasion i fundo, pot ihemplo i ma atministran i garantian i Loan, yan hafa na kontrata ni nesesario para operasion i fundo.

Seksiona 18. Atoridad Leave of Absence: I Board gai potded n ufan nahe leave of absence para maseha haye na membro gi kondision yan tetmino ni i Board ha desidi.

Seksiona 19. I Board gai potded gi sigente siha na areklamento:

A. Para ma manea i oporasion i Fundo gi manera ni sina mas ma dilanta mona i intension siha;

- B. Para ma chule aksion ni nesesarion uma atministra i fuetsa pat pudet i fundo.
- C. Para m adopta lai yan uma dalalaki i areklamenton operasion ya hu asigua i lalan i finansiat fundo yan mas ma adanta mona i debalamento i intension;
- D. Para ma risetba siha komo siha i ultimo na disision para huyong gi hafa na aplikasion loan yan pumalu siha na propositu yan programa ni magagaogao salapi EDLF.
- E. Para uatan i administran todo i salapie ni ma ayao yan i pumalo siha na fundon salapi yan para uasigura na madalalalake i ginagagao na reglamenton i confotmalidad yan,
- F. Para uma prepara i report kada ultimon i sakan (fiscal year) pot i atibidad i fundu gi duranten ayo na sakan yan i sakan anai para uma satmite i ultimo na financial status guato gi lehishtibo yan i Gobietno.

Sectiona 20. I Board gai potded yan sina a eksesisa i man sigiente siha na areklamento:

- A. Para ukksesisa todo i pudet ni aanok gi sectiona 6 ni nesisario yan propio na ukumple i obligasion gi papa sectiona 19.
- B. Para ma empleao un Executive Director, empleao, i pumalo na profesot yan abugao yan para uma difina todo i obligasion yan sina umana fan para manmachocho este siha segun i areglamento ni gaige gi leblon i Policy yan Procedure Manual.

- C. Para uma deside mausaña i EDLF Fund gi todo manera inkluso i putded ni sina ma ditetmina taimano machoguena yan maneana i salapi ni ti sumetbe kapitatna.
- D. Para umana guahaye salapi ya umana setbe para uma pasi i obligation ni na guhayè ni Fund segun sectiona 6; yan
- E. Para ukontrata yan para uapasi i enistudian i ekonomia, ma balue i planu, estudia ni sina ulibiano i checho, uikluso i planu ni para uguha koporasion i gobietno guato gi private organization pat ahensian i gobietno gi nesesario yan propio na uancho i masetbena i salapin i EDLF.
- F. Para uma preba salape kada sakkan ni para uma usa para operasion ofisinin yan i Fundo EDLF.
- G. I Board sina kuntempo man anyo komite konsiste gi 3 pat mas na direktod pat ofisiales i Fundo.
- H. I Board sina kuntempo a derihi pudetna para masea haye na komitena pat i Executive Directors, pat masea haye na ofisiales i Fundo nui alimento gi papa i areglamento yan lai ni man gaige gi leblo Kuat ket komite pat petsona ni gai potded sina a ekseksisa ayo na fuetsa gi pareho na manera komo pareho hiniyongno taimona ha komo masede direktamente segun areklamento i lai gi leblon fundo.

Seksiona 21. I ofisiales i Fundo siha para direktod Fundo yan i pumalo na ofisiales anai i Board para u dinirih siha komo para dinanche mona i oprasion in fundu.

Seksiona 22. I Executive Director para siha uma chogue i sigiente na funsion (kinalamten):

- A. U kundukta yan u hatan i henerat na operasion i Fundu, kontodo i administran todo i salapen ma ayao yan obligasion ni ma finitike gi i nakonfotmi na inayao, yan i monihanten i empleao i Fondo.
- B. Uma kontinua imadahe i kinalamten yan i estao i fainansial i planu ni managuhahe salape gi kantida pat patte ha ginen i Fundu.
- C. Uma na tungo i Board kada Board miting i estao fundun i ma ayao yan i aktibidad siha gi Fundu.
- D. Uma natungo i Board ni disision pot todo i aplicasion i man hayao yan haye na aplikante elehible na umana ayao salape.
- E. Uma prepara planu un ano na operasion yan salape ni para uma usa ni Fondu ni sina in apreba nui board.
- F. Ufan mangane empleao pat i man profesot na petsonas komo i Board pat Personnel Committee sina a derihi i fuetsa ni para uchogue.
- G. Uma chogue i otro na obligasion ni man tinago nui Board.

Seksion 23. I Executive Director yan i-pumalo siha na ofisiales in Fundo sina ninafan para nui Board yanginti ma kumple i checho.

Seksion 24. I Board para guiya huestablesi Personnel Committee ni para konsiste 4 na membron i Board. I chairman i Board giya para utancho i Chairman i Personnel Committee. I Chairman i Personnel Committee para utancho dos na membron Board para husetbe i Committee. I Executive

Director guiya i mina kuarto na membron Personnel Committee. I Personnel Committee para huestablesi i sistema yan areklo ni para uginibetna i rilasion i empleao yan uguaha antoridad gi hilo i kausan empleao solamente i setbision i abugao ni i Board para udinirihi.

- Seksiona 25. I Board tisina muna hayao, muna garentia inayao pat pumatisipao gi maseha hafa na inayao, transakсион i tatat na fondu ni ma ayao, garentian in ayao yan participation inayao para ufan hayao umas ke 25% gi kapitat Fondu.
- Seksiona 26. I solamente na kausan i meritu nai sina mane un espesiat na konsideration, ni kinikibri gi papa seksiona 25 buenti sinaha ha inipos i 25% yangin para uma ayao na salape kinikibri ni para u nahong inaisiguran i mayao.
- Seksiona 27. I salapi ni para uma usa gi aktividad i planu siha ni ha nesesita mas ke i ginagagao na inayao gi papa seksiona 25, sina ha i FONDU kumuntrate yan i finansial i institusion gi bandan i guinahata yan i otro na nasion, ha na menos i dibin i Fondu gi kausa ni ma riferi gi segun Seksiona 25.
- Seksiona 28. Todo i checks ni linangos i Fondu debe na uguaha (2) dos na fitman membron i Board. I para ufinitma nui check i Executive Director pat i Chairman i Board yan i Vice Chairman, o sino i otro siha na ofisiales i Fondu yangin man sinede nui Board of Directors.
- Seksiona 29. I Board guiya para uchengle i man propio na kuenta yan kabales na report pot i bandan i finansial na manera yan para uprepara kada sakan, taimano ha ni mapratitika gi bandan i accounting. I Board para guiya hutanchi i Auditor pat sina lokue ha usa setbision i Commonwealth public wealth.

Seksiona 30. I salapi i Fondu ni ti ensegidas para uma usu gi obligasion Board, sina ha ma inuesta mano nai ditetmina nui Board.

Seksiona 31. I Board ubaba yan u sistiene i leblon i kuenta gi banko pat Savings yan i salapi i ayao ni i membron i Federal Reserve System pat Federal Insurance Deposit Corp. komo ma konsidera na nesesario na u fukcion kabales. I salapi ni nirisibe nui Board para uma pase halom i Account ni sinistetene nui Board.

Seksiona 32. I Board para unaguahaye koleksion yan umantiene:

- A. Todo salapi segun i Atikulo II, Seksiona 702(c) gi halom i Covenant, yan segun Atikulo II, Seksiona 25, yan Atikulo III, Seksiona 9A ni aanok gi Constitution i NMI.
- B. Todo salapi ni rinisibe nui Fondu para i apas i inayao yan i Interest inayao anai mapase Tate.
- C. Todo salapie ni ginen i propiedad ni ma investa ni i Board a investa.
- D. Yan i pumalo siha na salapi in muta ni ma pase halom gi Fondu.

Seksiona 33. I Board para uhapase huyong ginen i Fondu:

- A. Salapi ni maayao ya ina pruba ni Board.
- B. I salapi ni inapreba nui Board na para uma investa.
- C. Todo i gasto yan ipumalo na obligasion pot para gaston Administration yan operasion Fondu.
- D. Salapie ni magasta para planu yan actibidat gi papa Seksiona 20.

- Seksiona 34. I Board huafuetsas imanhayae salape na unot todo kinalamten i aktivitat i inayao na salape gi sanu yan akseptao na manera yan una anak gi leblo masea hafa na infotmasion gi operasion i salapi. I Board gai pudet na hu rikinosi i salapen industria, yan kontodo operasion yan masea hafa na infotmasion ni a naanok i kinalamten i industria.
- Seksiona 35. I Fondu para u ma yan u ditetmina seso i masmentun i ganon siha yan i apas ni para uma konsidera para kada petsona ni para ufan hayao.
- Seksiona 36. I tiempo ni pra uma pase i inayao na salapen i Fondu aekluluso nesisidat ni para uditetmina sigiente na konsiderasion:
- A. I kapasidat i industrial yanggen para ufan apase;
 - B. I balen i propiedat ni para uma usa komo para proteksion i salape ni ma ayao ginen Fondu.
 - C. I mas favorable na uson i guinahan i Fondu gi anai para uma nanalo tate i investa.
- Seksiona 37. I Board para una sange ti humenos ki 25% na kontidan salape para garentia na inayao.
- Seksiona 38. I kandidato ni para ufan hayao salape nesesario na udalalake sigiente.
- A. I kandidato u maulek sensiana.
 - B. I kandidat nesesario na ugai abilidad bumisininis.
 - C. I kandidato u boluntaria na unaguahaye un resonable na guinaha ni para hu usa komo proteksion ni para uma sigura na propio i hinananaona mona i aplikomte gi bisinis.

- D. I kandidato una anak na i propositon i inayao salape sano yan gai probechoso i kominidat.
- E. I kandidato una anak i man maresibe na salape yan para uma resibe potensial para i kompania sa gai abilidat na huapase tate i inayao na salape yan i pumalo siha na dibi yangen guaha ganansiã (profits). Ayo mina i Board a ditetmina na (1) i plano pat i bisinis guiya para unifekta mas gi talo bandan komesiya yan i ekonomian i industria, (2) ayo na setbision pat bisinis ti tisina hana guahaye otro siha na hensian i gobietno yan (3) i setbisio yan i bisinis ni ti pumisibli gumaha ginen in komunidad, i Board ufama decision ya una fan hayao pat patisipao gi un patikulat na debelamenton planon ekonomia yan bisinis ni akumple i sistema ni monhayan ma mensiona yan konsiderasion i sistema ni ma lista gi papa Seksiona 3 yan 4.
- F. Taya aplikante ma sede ni hayao salape yanggen adeklara pat umanok na Brok gi halom 3 anos antes de i haane anai para uma sumite i aplikasion.
- G. Taya aplikante ma sede ni hayao salape yanggen ti empas i dibina pat otro siha na obligasion duranten anai ma sumit i aplikasion o sino i aplikante gai nota sa pot ti apase i mofona na inayao.
- H. Ti kualifikao i aplikante para huayao salape yanggen propiedatna ma amot pat machule yama bende para uhapase otro siha na dibi, ya este siha ima mensima masusede 3 anos de i haane anai i aplikante a sumite aplikasiona.
- I. I Board para hu konsidera mase hafa na notisian i dilinkuenti na apas, i problema yan i eksprinsan i

man hagas ni anai manayao i aplikante pat otro siha na difekto ni gumaha ginen i munahayao in man hayao.

- J. Taya salape para umana ayao mase hafa na Korporasion, kompania, grupo, kompanerio pat legad na asosiesun gi anai dos (2) na direktod man gai interes pat benefisio direktamente pat indirektamente. Taya salape umanae i kompania pat bisinis yanggen i dos (2) na membron i Board man gai parentes pat i membron i familia inkluso, nana, tata, maneluna lalahe, sogra, sogru, kunao, maneluna famalauan, kinada pat famaguon man gai interes gi kompania pat bisinis.
- K. Sina ma ayao i salape yanggen uno (1) gi membron i Board gai interes solamente ha yanggen i membrom i Board uno na ofisiales, direktot, kompanero pat uno ni mi kabu gi halom i bisinis.

Seksiona 39. Para umentan i sanhilo na areklu, I Board tisina man nai fondu pat una ayao salape gi papa i sigiente na serkumstansia:

- A. Yanggen guaha fondu ni sina ma ayao gi rasonabli na tetmino.
- B. Yanggen i salapi ni aplikante ha resibe ginen i salapen umaposta ni ti sinedi ni lai sa ti ligat.
- C. Yanggen i salapi ni maayao mausa para hu nakabal i propiedat ni para hufaan pat para ma investa.
- D. Yanggen para mana setbe i salape para umatulaika i lugat bisinis pot para usant mona i operasion yan i binalamten.

- E. Yanggen para uma usa salape para uma pase i dibi ni taigue gi papa i EDLF.

Seksiona 40. I Board para huadahe i salape yan hugarentia un praktiko yan sano na ayao salape, i Fondu para hukonsidera i funsion ekonomia gi halom Commonwealth. I proteksion hu konsisti gi una pat kombinasion i sigiente na dis-pusision i Board:

- A. I mofona na atmoneda (mortgage) pat i finatinas na angokko para interes in salapi.
- B. I inkilination atmonedan i tano, guma pat makeneria.
- C. I masakna na kantida ni aanok gi resibo pot i man ma bende na fektos.
- D. I atmonedan (mortgage) i propriedat.
- E. I magarentia pat petsonat na endosta yan i nuebo na hanalom salape.
- F. Madesigna na uguaha asiguridat na linala.

Seksiona 41. I Board para huditetmina i presum i propriedat ni manae

Board komo para asiguridad, maseha propio pat personal na propiedat, I Board para una guahaye studia ni para uma rekinose yan ditetmina i kualifikasion i para ufan rekonose kau unina septa ni Board. Yanggen posible i riport i para ufan rikenose propiedat para uniona ni EDLF.

Seksiona 42. Inbestigasion yan Audita: I Board pat i Executive Direktot sina fina chalane i representanten i Fondu, pat sina ha emplea i kualifikao na petsona ni sina ha rekonose

yan huenbestiga pat u audit i kuentan i man ayao ginen i Fondu, o sino ginen komesiat na banku ni ginarentia ni EDLF na para una seguro na propio yan kabales:

- A. Mausana i salapi sa mausa gi dipotsi ni ginagagao ni proposito.
- B. Pat guaha ebidensia pat indikasion na tiu mapot man apase i man ayao i salape segun i areklamento ni gaige gi proponiton i salape ni maayao.
- C. Manehante pat otro na ayudo ni hanesesita i man ayao pot para huadelanta i kinalamten i bisinis.

Seksiona 43. Pribileho Na Infotmasion:

- A. I Executive Director, i membron Board yan i pumalo siha na empleao i Fondu nesenario na umasis-tiene todo i report, yan i sikreto siha yan infotmasion ni tineteka i petsona ni man ayao salape.
- B. I Executive Director, i membron Board yan i pumalo siha na empleao Fondu, tisina man ayuda man prepara aplikasion yan man aksepta apas ginen petsona, kompania koporasion pot para u fabirabli i salapi ni para uma ayao ginen i EDLF.

Seksiona 44. I Board sina aresolasion mamatinas lai pot:

- A. Maseha hafa nai sina i areklamento umana guaha gi papa i probision i Manual.
- B. I fotma yan i moduni aplikasion guato gi Fondu, garentia pat otro na asisten i umayao ni para umafatinas.

- C. I apas (yangin fee guaha) ni para uma pase pot i preparasion i inayao.
- D. I manera yan i fotma anai i risibon i salape ginen i Fondu umanok,
- E. I manera anai masea hafa na dokumento yan notisia para usinetki ni Fondu;
- F. Masea hafa na apas, kosta (cost) basu (case) pat kosas ni fuetsao yan na malago segun areeko gi manual.

Seksiona 45. I Amendasion i areklamento ni gaige gi Manual:

I areklamento yan i obligasion ni gaige gi Manual sina ma amenda seso segun i rekomendasion i Board yan inapreban Governor.

Seksiona 46. Efektibo na Fuetsa: Este siha na areklamento ginibebetna nui regulasion yan i sisteman i EDLF i Commonwealth i man sankatan na Islas Marianas par efektibu anai matugi halom gi Commonwealth Register sigun i kondision ni aanok gi titulu 17 gi kodigon Trust Territory.



NORTHERN MARIANA ISLANDS
RETIREMENT FUND
BOARD OF TRUSTEES

P.O. BOX 222, CHRB
Saipan, CM 96950

Phone: 7228

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VICE-CHAIRMAN

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MEMBER

Guillermo C. Borja
Virginia Dlg. Demapan
Dimas A. Hocog
Luis M. Limes
Nicolas Santos

ADMINISTRATOR

George A. Sablan

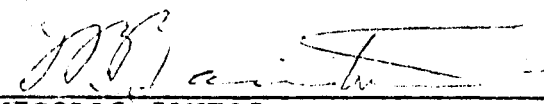
NOTICE OF INTENT TO
PROMULGATE RULES AND REGULATIONS
FOR THE NORTHERN MARIANA ISLANDS RETIREMENT FUND

Pursuant to Public Law 1-43, Section 4(f) and in accord with Title 17 of the Trust Territory Code, the Board of Trustees for the Northern Mariana Islands Retirement Fund hereby gives notice of its intent to promulgate administrative rules and regulations. The said rules and regulations will provide procedures to be followed for appeals from adverse actions by the Fund which concern individual rights to Fund annuities or other benefits.

Copies of the rules and regulations are available at the offices of the Retirement Fund, located in the Wakin's Building, Saipan, CNMI.

The Northern Mariana Islands Retirement Fund solicits comments and suggestions concerning the proposed rules and regulations. Written comments will be accepted, and should be mailed to Northern Mariana Islands Retirement Fund, P.O. Box 222, CHRB, Saipan, CNMI.

DATED this 3rd day of December, 1981.



NICOLAS SANTOS
Chairman, Board of Trustees,
Northern Mariana Islands Retirement Fund



NORTHERN MARIANA ISLANDS RETIREMENT FUND
BOARD OF TRUSTEES

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Manuel Q. Sablan, MEMBER
Michael A. White, MEMBER

George A. Sablan, ADMINISTRATOR
Randall T. Fennell, LEGAL COUNSEL

NOTICIA POT INTENCION PARA
UMANA' GUAHAYI AREKLAMENTO PARA I
NORTHERN MARIANA ISLANDS RETIREMENT FUND

SEGUN I GINAGAGAO NU I SECTIONA 4(F) GI LAI PUBLIKU 1-43
YAN TITULU 17 GI TRUST TERRITORY CODE, I BOARD OF TRUSTEES
PARA I NORTHERN MARIANA ISLANDS RETIREMENT FUND MAN NANAI
NOTICIA POT I INTENCIONA NI PARA UNA GUAHAYI AREKLAMENTO
PARA I ADMINISTRACION I PROGRAMA. ESTE NA AREKLAMENTO PARA
UNA' GUAHAYI SISTEMA NI PARA UMA TATIYI YAN SIAKASU NA I
APLIKACIONMO PARA BENEFICIO GINEN I PROGRAMA TI MA AKSEPTA
YA PARA UN APELA I DISISION.

COPIAN ESTE NA AREKLAMENTO GUAHA GI OFICINAN I RETIREMENT
FUND GI WAKINS' BUILDING, GUALO RAI, SAIPAN, CNMI.

I NORTHERN MARIANA ISLANDS RETIREMENT FUND HA SOSOYU COMENTU
YAN REKOMENDACION MIYU POT ESTE NA AREKLAMENTO. NA HANAO
TODO REKOMENDACION MIYU PARA I NORTHERN MARIANA ISLANDS
RETIREMENT FUND, P. O. BOX 222, CHRB, SAIPAN, CNMI, 96950.

ESTE NA HA'ANE DIA 20 DE October, 1981.



NICOLAS B. SANTOS
CHAIRMAN, BOARD OF TRUSTEES
NORTHERN MARIANA ISLANDS RETIREMENT FUND

ADMINISTRATIVE RULES AND REGULATIONS
FOR THE NORTHERN MARIANA ISLANDS RETIREMENT FUND

Pursuant to Public Law 1-43, Section 4(f), and in accord with the procedural requirements of Title 17 of the Trust Territory Code, the Board of Directors of the Northern Mariana Islands Retirement Fund hereby gives notice of its intent to adopt the following administrative rules and regulations. Interested parties are invited to submit written comments, proposed amendments or other data to the offices of the Northern Mariana Islands Retirement Fund, located in the Wakins Building, P.O. Box 222, CHRB, Saipan, CNMI, 96950, within thirty (30) days of publication hereof.

PART 10 - ADVERSE ACTIONS, APPEALS

10.1. Definitions: The following words and terms, as used in these rules and regulations, shall have the meanings indicated unless the context clearly indicates otherwise:

- a. "Administrator". The word "Administrator" means the administrator for the Northern Mariana Islands Retirement Fund.
- b. "Adverse Action". The term "adverse action" means any action taken by the Northern Mariana Islands Retirement Fund, or representative thereof, which denies, limits, or revokes any coverage or benefits available from the Northern Mariana Islands Retirement Fund.
- c. "Board" or "Trustees". The words "Board" or "Trustees" refer to the Board of Trustees for the Northern Mariana Islands Retirement Fund.
- d. "Fund". The word "Fund" means the Northern Mariana Islands Retirement Fund.

10.2. Adverse Actions: In the event that the Administrator denies any Fund benefits or coverage to an individual after application therefor, such individual will have a right to appeal such decision.

10.3. Notice of Right to Appeal: Upon denial of any benefits to an individual after application therefor, the Administrator shall, in writing, serve notice to the individual of his right to appeal the Administrator's decision by filing a petition for a hearing.

10.4. Content of Notice: The notice to an individual of his right to appeal an adverse decision by the Administrator shall be in the form provided in the appendix to these rules.

10.5. Petition for a Hearing: Along with a notice of right to appeal, the Administrator shall provide the individual with a petition for a hearing, in such form as is provided in the appendix to these rules. In lieu of completing the said form petition, the individual or his representative may, in writing, request a hearing on the matter in any form which fairly serves notice to the Fund that the individual wishes a hearing on the denial of any benefit.

10.6. Time for Filing Petition for a Hearing: A petition for a hearing must be filed within thirty (30) days after the service of the notice of the right to appeal the decision of the Administrator. Any petition received after the expiration of the 30-day period shall be deemed ineffective, and the individual will be deemed to have waived his right to appeal, unless good cause may be shown for failure to timely file the petition.

10.7. Notice of Hearing: Not later than thirty (30) days after the receipt of a petition for a hearing, the Administrator shall notify the petitioner of the time and place a hearing will be held. Such hearing shall be held no less than ten (10) days nor more than thirty (30) days from service of the notice of hearing.

10.8. Hearing Officer: The Chairman of the Board of Trustees may serve as the hearing officer, or appoint any other member of the Board to serve as the hearing officer. The legal counsel for the Board may assist and advise the appointed hearing officer during the course of the hearing as to rulings on evidence or procedure.

10.9. Conduct of Hearing: The Administrator or his designee shall represent the Fund at the hearing. The aggrieved individual may represent himself, or designate any other individual as representative. Evidence may be presented in the form of documents or testimony. The hearing officer shall decide what offered testimony or other evidence shall be admitted into evidence. Examination and cross-examination of witnesses, including parties, shall be permitted. The hearing officer may also examine or cross-examine witnesses. Final statements by the parties or their representatives shall be allowed. Presentation of evidence and questioning of witnesses shall be in a manner prescribed by the hearing officer. The hearing officer may require individuals disturbing the hearing to leave the hearing room. Failure by a party to appear or be represented at a hearing shall not prejudice the hearing officer in considering any other information provided by or about the party, nor shall

it delay the hearing officer's ruling, except upon a showing of good cause for failure to appear.

10.10. Record of Hearing: A complete record of the hearing shall be kept. Testimony shall be preserved by any reliable method that the hearing officer may prescribe. All documents offered (including those excluded from evidence) shall be preserved as part of the record. If testimony is offered but excluded from evidence by the hearing officer, the party offering the testimony shall make an offer of proof of a short summary of what the offered testimony would have been. The offer of proof shall be part of the record.

10.11. Rulings: Not later than ten (10) working days after the adjournment of the hearing, the hearing officer shall issue a written ruling on the adverse action being appealed. The ruling shall state the name of the party making the appeal and the individuals who represented the Fund and the claimant. The ruling shall contain findings of fact and law, and the reasoning followed in making the ruling. Attached to the ruling shall be a notice of the right to appeal the decision. Either the Fund or the claimant may appeal an adverse ruling. The form of the notice of the right to appeal is included in the appendix to these rules.

10.12. Appeal of Adverse Ruling by the Hearing Officer: An appeal of an adverse ruling by the hearing officer may be taken to the Board of Trustees. Any individual who acted as a hearing officer in any hearing shall recuse himself from participation in such an appeal to the Board of any ruling he or she rendered.

10.13. Appeal to Board - How Taken: An appeal to the Board is taken by filing a notice of appeal in writing with the Fund no later than ten (10) working days after service of the ruling of the hearing officer. A form for such notice is provided in the appendix hereto, but a party may file a notice in writing in any form so long as it fairly identifies the party making the appeal, the ruling appealed from, and is signed by the party or his/her authorized representative.

10.14. Review by Board - Standard of Review: The Board shall, upon receiving a timely notice of appeal from a decision made by the hearing officer, review the decision within thirty (30) days thereof. On review, the Board shall examine the record of the hearing in totality. Unless unsupported by the record, the Board shall accept the findings of fact made by the hearing officer. Evidentiary rulings shall be upheld unless clearly erroneous. The Board shall consider the application of law to the facts, and may reverse the hearing officer's conclusions if in the opinion of the Board, the decision was incorrect.

10.15. Decision of the Board: After reviewing of the record, the Board shall, no later than ten (10) days from its review, serve upon the parties to the appeal its decision. The Board in its decision may affirm, modify or reverse all or any part of the ruling of the hearing officer. If the Board deems it appropriate, the matter may be remanded to the hearing officer for further proceedings. If the ruling of the hearing officer is affirmed, the decision of the Board need only notify the parties of such. If the decision of the hearing officer is reversed, remanded or modified, in total or in part, the decision shall contain a brief statement of the facts, or may incorporate by reference the facts found by the hearing officer. The decision shall further apply the law to the facts, and give a statement of the reasoning behind such application. The decision shall designate the Board members participating in the review, and shall identify each as concurring in or dissenting from the decision.

10.16. Quorum for Board Review: At least four (4) Board members shall participate in the review of a ruling issued by the hearing officer. For any decision to be issued by the Board, a majority of members participating in the review must concur with the decision. If no majority decision can be had, the ruling of the hearing officer will be deemed affirmed. If the Board fails to act within the time herein provided, the decision of the hearing officer will be deemed affirmed.

10.17. Service of Notice: Any notice required to be given pursuant to these rules may be served on the individual personally, or by United States mail, postage prepaid, sent to the last known address of the individual. Service is complete upon mailing.

10.18. Judicial Review: Upon the rendering of a final decision or upon the time in which the Board may act having expired, judicial review may be had to the extent the laws of the Commonwealth of the Northern Mariana Islands so permit.

PART 11 - GENERAL

11.1. Headings: Headings or titles of sections contained herein are for convenience and shall not be used in construction or application of any section contained herein.

11.2. Severability: If a part or section of these rules and regulations are invalid, all valid portions that are severable shall remain in effect. If a part or section hereof is invalid in one or more of its applications, that part remains in effect in all valid applications that are severable from its invalid

applications.

11.3. Effective Date: These rules shall be effective on the 30th day after notice of the proposed adopted for these rules is published in the Commonwealth Register.