

MINA'BENTE OCHO NA LIHESLATURAN GUÅHAN
2005 (FIRST) Regular Session

Bill No. 126 (EC)

Introduced by:

L.A. Leon Guerrero *LJR.*

AN ACT TO IMPROVE THE LIVING STANDARDS OF
OUR PEOPLE BY AMENDING 21 GCA §§75112(b) AND
75112(g).

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guahan*
3 finds that when the Chamorro Home Repair Loan Fund and the
4 Chamorro Home Loan Fund—which feeds into the Chamorro Home
5 Development Fund and the Chamorro Education Assistance Fund, were
6 created, *I Liheslaturan Guahan* had every intention of appropriating
7 funds into these accounts in order to provide initial capital. Such
8 intention is evidenced by *I Liheslatura's* attempt to authorize an
9 appropriation in the existing law.

10 The Chamorro Home Repair Loan Fund provides a beneficiary the
11 ability to borrow money for the repair or expansion of his or her
12 residential structure, which sits on a Chamorro Land Trust property.

13 The Chamorro Home Loan Fund allows the Chamorro Land Trust
14 Commission to loan or guarantee a loan to any native Chamorro for the
15 construction of a residential home, either on or outside of a Chamorro
16 Land Trust property.

17 The Chamorro Home Development Fund provides funding for the
18 construction of sanitary sewage facilities, construction of roads through

1 and over Chamorro homelands, and for other non-revenue producing
2 improvements.

3 The Chamorro Education Assistance Fund would fund for projects
4 or programs that would result in educational improvements of children
5 of beneficiaries.

6 It is therefore the intent of *I Liheslatura* to fulfill the intention of
7 previous legislatures by not just authorizing an appropriation to these
8 funds, but rather, actually making an appropriation. Such
9 appropriation would tremendously improve the living standards of our
10 people, ensuring a more secured and better future for them and the
11 island.

12 **Section 2.** Section 75112(b) of Chapter 75 of Subpart E of Title 21,
13 Guam Code Annotated, is hereby amended to read:

14 “(b) Chamorro Home Loan Fund. There is hereby
15 ~~authorized to be~~ appropriated from the ~~Unappropriated~~
16 ~~Surplus~~ of the General Fund the sum of One Million Dollars
17 (\$1,000,000) as initial capital to said Fund. In furtherance of the
18 purposes herein, the Commission may do any one or more of
19 the following with moneys from this Fund and any borrowed
20 moneys under (6) herein below.

21 (1) The Commission may extend the benefits of the
22 Fund only to native Chamorros as defined in
23 this Chapter.

24
25 (2) The Commission may loan, or guarantee the
26 repayment of or otherwise underwrite any
27 authorized loan, up to a maximum amount not
28 to exceed the financial ability of the borrower to

1 satisfy the indebtedness as approved by the
2 lender; provided, that where, upon the death of
3 a lessee living on Chamorro homelands who
4 leaves no relatives qualified to be a lessee of
5 Chamorro homelands, or in the event of the
6 cancellation of a lease by the lessee or by the
7 Commission for cause, then the Commission
8 shall be authorized to make payment and to
9 permit assumption of loans, subject to the
10 provisions of § 75113(b).

11
12 (3) The Commission may loan, or guarantee the
13 repayment of or otherwise underwrite any
14 authorized loan, up to a maximum amount not
15 to exceed the financial ability of the borrower to
16 satisfy the indebtedness as approved by the
17 lender; provided, that where, upon the death of
18 a lessee living on Chamorro homelands who
19 leaves no relatives qualified to be a lessee of
20 Chamorro homelands, or in the event of the
21 cancellation of a lease by the lessee or by the
22 Commission for cause, then the Commission
23 shall be authorized to make payment and to
24 permit assumption of loans, subject to the
25 provisions of § 75113(b).

26
27 (4) Where the dwelling is on Chamorro homelands,
28 anything in the Chapter to the contrary

1 notwithstanding, either the Commission or
2 other governmental agencies may make loans,
3 and the loans made in connection with the
4 repair or maintenance or purchase or erection or
5 improvement of dwellings shall be subject to, all
6 applicable provisions of the Chapter, including
7 but not limited to the provisions of §§ 75107,
8 75108, 75109, 75110, 75113, 75114 and 75116, and
9 to such legislative amendments of the Chapter
10 herein or thereafter enacted, provided such
11 amendments do not change the qualifications of
12 lessees or constitute a reduction or impairment
13 of the Chamorros Home Loan Fund, or
14 Chamorro Home Development Fund or
15 otherwise required the consent of the United
16 States. Loans made to lessees by governmental
17 agencies shall be approved by the Commission,
18 and the Commission may assure the payment of
19 such loans, provided that the Commission shall
20 reserve the following rights, among others: the
21 right of succession to the lessee's interest and
22 assumption of the contract of loan; right to
23 require that written notice be given to the
24 Commission immediately upon default or
25 delinquency of the lessee; and any other rights
26 necessary to protect the monetary and other
27 interests of the Commission.
28

1 (5) Where the dwelling is on non-Chamorro
2 homelands, anything in the Chapter to the
3 contrary notwithstanding, either the
4 Commission or financial institutions may make
5 loans, and in connection with such loans, the
6 Commission shall be governed by, and the loans
7 made in connection with the repair or
8 maintenance or purchase or erection or
9 improvement of dwellings shall be subject to,
10 such terms and conditions as the Commission
11 may, by rules and regulations promulgate,
12 provided, the Commission shall require any
13 loan made or guaranteed or otherwise
14 underwritten to be secured adequately and
15 suitably by a first or second mortgage or other
16 securities;

17
18 (6) The Commission shall establish interest rate or
19 rates at two and one-half per cent (2-1/2%) a
20 year or higher, in connection with authorized
21 loans on Chamorro homelands or non-
22 Chamorro homelands, and where the going rate
23 of interest on loans made by financial
24 institutions to native Chamorros is higher, pay
25 from the Fund or the moneys borrowed, the
26 difference in interest rates;

1 (7) The Commission may borrow and deposit funds
2 into a special revolving account for the purposes
3 of repairing, maintaining, purchasing, erecting
4 or improving dwellings on Chamorro
5 homelands and non-Chamorro homelands and
6 related purposes from financial institutions,
7 governmental, or private; The Commission may
8 purchase or otherwise acquire, or agree so to do,
9 before or after default, any notes and mortgages
10 or other securities, covering loans under this
11 program made by financial institutions, and
12 guarantee the repayment of or otherwise under
13 write the loans, and accept the assignment of
14 any notes and mortgages or other securities in
15 connection therewith;

16
17 (8) The Commission may exercise the functions and
18 reserved rights of a lender of money or
19 mortgagee of residential property in all loans by
20 financial institutions made to Chamorros under
21 this program. The functions and reserved rights
22 shall include but not be limited to, the
23 purchasing, repurchasing, servicing, selling,
24 foreclosing, buying upon foreclosure,
25 guaranteeing the repayment or otherwise
26 underwriting, of any loan, protecting of security
27 interest, and after foreclosure, the repairing,
28 renovating or modernization and sale of the

1 property covered by the loan and mortgage, to
2 achieve the purposes of this program while
3 protecting the monetary and other interests of
4 the Commission.”

5 **Section 3.** Section 75112(g) of Chapter 75 of Subpart E of Title 21,
6 Guam Code Annotated, is hereby amended to read:

7 “(g) Chamorro Home Repair Loan Fund. There is hereby
8 ~~authorized to be~~ appropriated from the ~~Unappropriated~~
9 ~~Surplus of the~~ General Fund the sum of ~~One Hundred~~
10 ~~Thousand Dollars (\$100,000)~~ One Million Dollars (\$1,000,000)
11 for the Chamorro Home Repair Loan Fund. The moneys in this
12 Fund shall be used to make loans in amounts not in excess of
13 Five Thousand Dollars (\$5,000) to lessees for repairs to their
14 existing homes and for necessary additions to such homes due
15 to increase in family size. Such loans may be made for periods
16 not to exceed five (5) years.”

17 **Section 4. Severability.** If any of the provisions of this Act or the
18 application thereof to any person or circumstance is held invalid, such
19 invalidity shall not affect any other provision or application of this Act
20 which can be given effect without the invalid provision or application,
21 and to this end the provisions of this Act are severable.