


ELEVENTH GUAM LEGISLATURE
1971 (FIRST) Regular Session

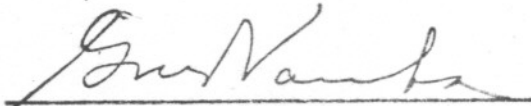
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 346, "An Act to amend Sections 53552(a), 53552(d), 53552(e), 53552(g) and 53553(p) of, and to add Sections 53552(i) and 53553(s) to, Title LIV of the Government Code of Guam, relating to the Guam Economic Development Authority", was on the 2nd day of April, 1971, duly and regularly passed.



F. T. RAMIREZ
Speaker

ATTESTED:



G. M. BAMBA
Legislative Secretary

This Act was received by the Governor this 16th day
of _____, 1971 at _____ o'clock _____ M.

/s/ VINCENT T. PEREZ

VINCENT T. PEREZ
Attorney General of Guam

APPROVED:

/s/ Carlos G. Camacho

CARLOS G. CAMACHO
Governor of Guam

DATED: APR 28 1971

5:00 P.M.

Public Law
11-33

Bill No. 346

Introduced by _____

Committee on Agriculture,
Resources and Development.

AN ACT TO AMEND SECTIONS 53552(a), 53552(d),
53552(e), 53552(g) AND 53553(p) OF, AND TO
ADD SECTIONS 53552(i) AND 53553(s) TO,
TITLE LIV OF THE GOVERNMENT CODE OF GUAM,
RELATING TO THE GUAM ECONOMIC DEVELOPMENT
AUTHORITY.

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

2 Section 1. Section 53552(a) of the Government Code of Guam
3 is hereby amended to read as follows:

4 "(a) It is the purpose of this Act to create a
5 public corporation to assist in the implementation
6 of an integrated program for the economic development
7 of Guam. It is intended for this Corporation to be
8 a catalyst in the economic development which this Act
9 seeks, aiding private enterprise without unfairly
10 competing with it. It is a further purpose of this
11 Act to enable the Corporation to expand the supply
12 of money available in the territory of Guam to finance
13 the construction of residential dwellings, including
14 single family dwellings, multiple family dwellings,
15 condominiums and cooperative apartments. It is hereby
16 declared that there exists in the territory of Guam
17 a substantial and serious shortage of housing in all
18 categories, and that this shortage is inimical to the
19 health and welfare of the residents of the territory
20 and to the economic development of the territory.
21 The inadequate supply of such housing results in the
22 continuing existence and proliferation of substandard
23 and decadent housing, with all its attendant conse-
24 quences of disease, crime, injuries, retardation of

1 education, and high costs of services such as police
2 and fire protection. It will thus serve the public
3 welfare to stimulate an increase in the supply of
4 decent, safe and sanitary housing, not only insofar as
5 it benefits those who live in such housing but in that
6 such housing will materially assist in the prevention
7 of crime, the improvement of education, the reduction
8 of hazards from fire or structurally unsafe buildings,
9 the improvement of the public health and a lowering
10 of the cost of services. The expansion of the supply
11 of housing in Guam is seriously hindered by a sub-
12 stantial, serious and continuing shortage of long-
13 term mortgage money, resulting in part from the
14 inability of United States based insurance companies
15 to provide mortgage money in Guam because of United
16 States income tax reasons. It is, therefore, im-
17 perative that mortgage financing be made available
18 and the supply of available money to finance housing
19 construction be increased. Without the assistance
20 contemplated in this Act, the financing of or con-
21 struction of decent, safe and sanitary housing in
22 sufficient amounts to house the residents of Guam
23 cannot be accomplished. A public exigency exists
24 which makes the assistance contemplated by this Act
25 a public purpose, and the necessity in the public
26 interest for the provisions hereinafter enacted is
27 hereby declared as a matter of legislative deter-
28 mination."

29 Section 2. Section 53552(d) of the Government Code of
30 Guam is hereby amended to read as follows:

31 "(d) The Corporation is authorized to promote
32 investments of entrepreneurial capital in Guam, if

1 need be form and operate its own industries, invest
2 in and provide technical assistance in support of its
3 objectives, develop and maintain facilities for lease
4 or sale and provide for the expansion of agricultural,
5 industrial, housing and tourist facilities through
6 financial assistance and other means."

7 Section 3. Section 53552(e) of the Government Code of
8 Guam is hereby amended to read as follows:

9 "(e) Except as specifically prohibited herein;
10 the Corporation is authorized to make loans or
11 guarantees of loans to any persons, firm, partner-
12 ship or corporation licensed to do business in Guam
13 in furtherance of the purposes and activities stated
14 in this Act. All loans so made shall be of such
15 sound value or so secured as to reasonably assure
16 repayment, or shall be of such vital need to the
17 economy of Guam as to warrant additional risks or
18 subsidies. Each loan made by the Corporation may
19 be sold to a commercial lending institution for a
20 sum not less than the principal balance of said loan
21 and the proceeds thereof returned to the capital
22 fund of the Corporation, subject to the terms of
23 any resolution of the Board of Directors of the
24 Corporation authorizing the issuance of revenue
25 bonds. Each loan made by the Corporation shall
26 include, wherever possible, an option on the part
27 of the Corporation to convert up to fifty percent
28 (50%) of the total loan so made into equity of one
29 form or another."

30 Section 4. Section 53552(g) of the Government Code of
31 Guam is hereby amended to read as follows:

32 "(g) The Corporation is authorized to invest

1 its funds in any enterprise, undertaking or other
2 activity which, in its judgment, will further the
3 development of desirable agriculture, industry,
4 housing and commerce, and of tourism in this
5 territory."

6 Section 5. Section 53552(i) is added to Chapter I of Title
7 LIV of the Government Code of Guam, to read as follows:

8 "(i) The Corporation is authorized to purchase
9 from any person, firm, corporation or governmental
10 entity mortgages on residential real property, including
11 single family dwellings, multiple family dwellings,
12 condominiums and cooperative apartments, which are
13 insured by an agency or instrumentality of the United
14 States of America or by the territory of Guam. The
15 Corporation is also authorized to make commitments
16 to purchase mortgages, conditioned upon the insurance
17 of such mortgages by an agency or instrumentality of
18 the United States of America or by the territory of
19 Guam.

20 Notwithstanding any thing to the contrary herein,
21 the Corporation is not authorized to make direct loans
22 to any person, firm, corporation or governmental entity
23 on residential real property, including single family
24 dwellings, multiple family dwellings, condominiums
25 and cooperative apartments."

26 Section 6. Section 53553(p) of the Government Code of Guam
27 is hereby amended to read as follows:

28 "(p) The Corporation shall submit to the
29 Legislature, through the Governor of Guam, from
30 time to time such legislation as it deems necessary
31 to expeditiously and effectively foster desirable
32 industry, commerce, housing and tourism in this

1 territory."

2 Section 7. Section 53553(s) is added to Chapter 1 of
3 Title LIV of the Government Code of Guam, to read as follows:

4 "(s) To purchase from any person, firm, cor-
5 poration or governmental entity mortgages on resi-
6 dential real property, including single family
7 dwellings, multiple family dwellings, condominiums
8 and cooperative apartments, which are insured by an
9 agency or instrumentality of the United States of
10 America or by the territory of Guam; to make
11 commitments to purchase mortgages, conditioned
12 upon the insurance of such mortgages by an agency
13 or instrumentality of the United States of America
14 or by the territory of Guam; to impose fees and
15 charges for its services; and, through its Board,
16 to issue such rules and regulations as may be
17 necessary to carry out the provisions of this
18 Chapter."

19 Section 8. This Act is an urgency measure.