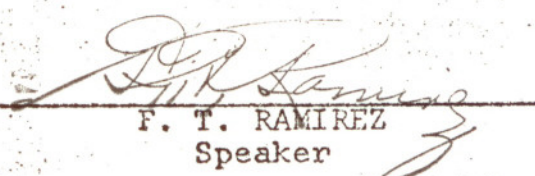


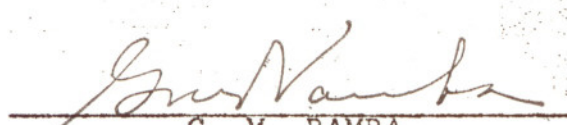
ELEVENTH GUAM LEGISLATURE
1972 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 83, "An Act to add Sub-sections .06 and .07 to Section 12001, and to add Sections 12010 through 12010.7 and Sections 12011 through 12011.3, inclusively, to the Government Code of Guam, to establish the Farmer's Small Loan Revolving Fund the Cooperative Association Revolving Fund and for other purposes", was on the 3rd day of February, 1972, duly and regularly passed.


F. T. RAMIREZ
Speaker

ATTESTED:


G. M. BAMBA
Legislative Secretary.

This Act was received by the Governor this 11th day
of February, 1972 at 3:50 o'clock P.M.

/s/ VINCENT T. PEREZ
VINCENT T. PEREZ
Attorney General of Guam

by /s/ RICHARD D. MAGEE

APPROVED:

/s/ Carlos G. Camacho
CARLOS G. CAMACHO
Governor of Guam

DATED:

FEB 23 1972

3:20 P.M.

Public Law
11-119

ELEVENTH GUAM LEGISLATURE
1971 (FIRST) Regular Session

Bill No. 83
Substituted by the Committee
on Agriculture, Resources &
Development.

Introduced by

P. J. Bordallo
L. S. N. Paulino
T. C. Charfauros
F. G. Lujan
F. R. Santos
V. D. Ada
G. M. Bamba
C. C. Barrett
J. B. Butler
P. M. Calvo
A. L. Cristobal-
O. L. Delfin
J. R. Duenas
W. D. L. Flores
J. A. Perez
P. D. Perez
F. T. Ramirez
A. C. Sanchez
T. R. Santos
A. A. Sekt
T. S. Tanaka

AN ACT TO ADD SUBSECTIONS .06 AND .07
TO SECTION 12001, AND TO ADD SECTIONS
12010 THROUGH 12010.7 AND SECTIONS 12011
THROUGH 12011.3, INCLUSIVELY, TO THE
GOVERNMENT CODE OF GUAM, TO ESTABLISH
THE FARMER'S SMALL LOAN REVOLVING FUND
THE COOPERATIVE ASSOCIATION REVOLVING
FUND AND FOR OTHER PURPOSES.

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

2 Section 1. Subsections .06 and .07 are hereby added to
3 Section 12001 of the Government Code of Guam to read as follows:

4 ".06. 'Farmland' means land in Guam used for
5 agricultural purposes, including general farming, fruit
6 growing, flower growing, grazing, dairying, the production
7 of any other form of livestock or poultry, and any other
8 form of agricultural activity. It includes land required
9 for an adequate farm dwelling and other essential farm
10 buildings, roads, and wasteland.

11 ".07. 'Cooperative Association' means a nonprofit
12 association of farmers or fishermen organized under the

1 'Nonprofit Cooperative Association Act of Guam, Title V
2 of Part IV of Division First of the Civil Code of Guam."
3 Section 2. Sections 12010 through 12010.8 are hereby
4 added to the Government Code of Guam to read as follows:

5 "Section 12010. Farmer's Small Loan Revolving Fund.
6 There is hereby created the Farmer's Small Loan Revolving
7 Fund to grant loans to farmers and fishermen of the
8 territory of Guam. In granting such loans, the Director
9 shall, subject to the Administrative Adjudication Act,
10 promulgate all rules and regulations necessary for the
11 operation of said Fund; provided, that loans granted under
12 said Fund shall not exceed Ten Thousand Dollars (\$10,000)
13 per farmer or fisherman and that interest charged on each
14 loan shall not exceed two percent (2%) per annum.

15 Section 12010.1. Classes of loan. The following
16 classes of loan are hereby established in granting loans:

17 (1) Class A - Improvement of farm lands:

18 (a) Improvement of farm lands;

19 (b) Purchases, construction or improvement of
20 essential buildings on farm lands.

21 (2) Class B - Farm operating loans:

22 (a) Farm operating loans. To carry on and
23 improve a farming or fishing operation, including but
24 not limited to:

25 (1) Purchases of farm and fishing equipment
26 and livestock.

27 (2) Payment of production, harvesting and
28 marketing expenses including materials, supplies,
29 labor and services.

30 (b) Emergency loan. To provide immediate relief
31 and rehabilitation to qualified farmers and fishermen

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crop

covered under the crop insurance

as follows:

(1) in areas stricken by extraordinary rain-storms, winds, draught, tidal wave or other natural catastrophe.

(2) On farmlands stricken by livestock disease epidemic and crop blights.

Section 12010.2. Eligibility requirements for loans.

To be eligible for loans under Section 12010, an applicant shall be:

(1) A qualified farmer or fisherman.

(2) A citizen of the United States who has resided in Guam for at least three (3) consecutive years.

(3) Willing to carry out recommended farm and fishing management practices.

compliant

Section 12010.3. Security of loans. Mortgages. Any

loan in excess of Five Thousand Dollars (\$5,000) shall be secured by duly recorded first mortgage upon the following property within the territory:

(1) Fee simple farmland.

(2) Leaseholds of farmland where the lease has an unexpired term of at least two (2) years longer than the term of loan.

(3) Crops, livestock and equipment.

(4) Other chattels.

Section 12010.4. Conditions. Every borrower who is granted a loan under Section 12010 shall comply with the following conditions:

(a) Expend no portion of his loan for purposes other than those sanctioned by the Department of Agriculture.

(b) Carry out recommended farm management practices, including the keeping of proper records.

1 (c) Not sell or otherwise dispose of the mortgaged
2 property except on written consent of the lender and upon
3 written conditions as may be prescribed by the lender.

4 (d) Undertake to pay, when due, all taxes, liens,
5 judgments or assessments which may be lawfully assessed
6 against the property mortgaged, together with costs and
7 expenses of any foreclosure of such mortgage.

8 Section 12010.5. Repayment and refinancing. (a) Loans
9 made under Section 12010 shall be repaid in accordance with
10 a payment plan specified by the Department with payments
11 applied first to the interest and then to the principal.

12 (b) Additional payments in any sums, or the payment
13 of the entire principal may be made at any date within the
14 time period of the loan.

15 (c) The Department may, for satisfactory cause and at
16 its discretion, extend the time within which the install-
17 ment payment on the principal may be paid for a period not
18 to exceed one (1) year.

19 (d) For loans made for crops, poultry and livestock
20 requiring six (6) months or more before maturing or
21 in production, the Department may defer the first payment
22 of the principal until the crop, poultry or livestock ma-
23 tures or is in production, but not to exceed one (1) year.

24 Section 12010.6. Revolving Fund Loan Trustee,
25 creation, term, etc. There is within the Government of
26 Guam a Board of Trustees of the Revolving Fund Loan here-
27 after, referred to as the 'Board of Trustees' to consist
28 of seven (7) members, of which one shall be a represen-
29 tative of the Department appointed by the Director, one
30 a representative of the banking institutions, and five (5)
31 members appointed by the Governor. The members of the Board

1 of Trustees shall elect one of its members as Chairman. The
2 members shall receive no compensation. The duties of the
3 Board of Trustees shall be as follows:

- 4 (a) To establish administrative loan policies;
5 (b) To review and act on all loan applications;
6 (c) To require periodic examination and audit of the
7 books and accounts of the Fund.

8 Section 12010.7. All loans shall be paid out on
9 warrants signed by the Director of Agriculture.

10 Section 12010.8. There is hereby authorized to be
11 appropriated Three Hundred Fifty Thousand Dollars (\$350,000)
12 to the Farmer's Small Loan Revolving Fund. All assets and
13 liabilities of the Farmer's Small Loan Revolving Fund as
14 established by Public Law 9-121, Ninth Guam Legislature,
15 as amended are hereby transferred to the Farmer's Small
16 Loan Revolving Fund of this Act."

17 Section 3. Sections 12011 through 12011.3 are hereby added
18 to the Government Code of Guam to read as follows:

19 "Section 12011. Cooperative Association Revolving
20 Fund. There is hereby created a Cooperative Association
21 Revolving Fund for the purpose of granting loans to
22 farmer's and fisherman's cooperative associations.

23 Section 12011.1. Loans to cooperative. Loans may be
24 granted to Cooperative Associations engaged in production,
25 marketing, purchasing, processing and providing farm
26 business services, including:

27 (a) Facility loans to purchase or improve land,
28 buildings, and equipment for an amount not to exceed
29 Fifty Thousand Dollars (\$50,000), and a term not to
30 exceed twenty (20) years.

31 (b) Operating loans to finance inventories of supplies
32 warehousing, and other normal operating expenses for an

1 amount not to exceed Thirty-Five Thousand Dollars (\$35,000)
2 and a term not to exceed five (5) years.

3 Section 12011.2. Board of Trustees. The Revolving Fund
4 Loan Board of Trustees set forth in Section 12010.6 shall
5 administer the Fund in accordance with the provisions of
6 that section.

7 Section 12011.3. All assets and liabilities of the
8 Guam Farmers Cooperative Association Revolving Fund as
9 established by P. L. 9-121 are hereby transferred to the
10 Cooperative Association Revolving Fund established by
11 this Act."

12 Section 4. Public Laws 9-121, 10-67 and 10-139 are hereby
13 repealed in their entirety.