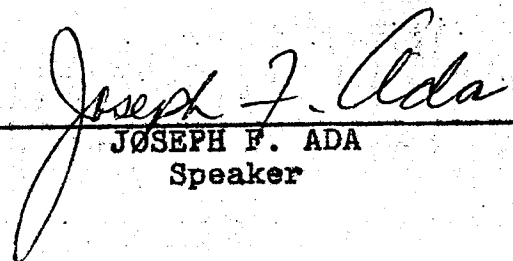


THIRTEENTH GUAM LEGISLATURE
1975 (FIRST) Regular Session

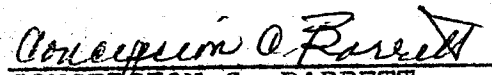
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 261, "An Act to amend Sections 4225.4(c), 4225.5, 4225.13(a)(1), 4225.16(c) (1) of the Government Code of Guam, to add new Sections 4225.17, 4225.18 and 4225.19 to the Government Code of Guam to provide for supplemental financing for single family residential units for members of the Retirement Fund," was on the 9th day of September, 1975, duly and regularly passed.



JOSEPH F. ADA
Speaker

ATTESTED:



CONCEPCION C. BARRETT
Legislative Secretary

This Act was received by the Governor this 11th day
of September, 1975 at 11:50 o'clock AM.

/s/ Ruth F. Won-Pat

RUTH F. WON PAT
Assistant Staff Officer

APPROVED:

/s/ RICARDO J. BORDALLO

RICARDO J. BORDALLO
Governor of Guam

DATED: SEP 22 1975

5:40 P.M.
P.L. 13-56

THIRTEENTH GUAM LEGISLATURE
1975 (FIRST) Regular Session

Substitute
Bill No. 261

Introduced by

F. F. Blas
T. V.C. Tanaka
J. F. Ada
B. V.D. Ada
C. C. Barrett
E. T. Charfauros
A. L. Cristobal
E. R. Duenas
J. R. Duenas
R. P. Duenas
E. M. Espaldon
C. T.C. Gutierrez
B. M. Palomo
J. M. Rivera
G. R. Salas
F. R. Santos
A. A. Sekt
R. F. Taitano
A. C. Ysrael
J. H. Underwood

AN ACT TO AMEND SECTIONS 4225.4(c), 4225.5,
4225.13(a) (1), 4225.16(c) (1) OF THE GOVERNMENT
CODE OF GUAM, TO ADD NEW SECTIONS 4225.17,
4225.18 AND 4225.19 TO THE GOVERNMENT CODE OF
GUAM TO PROVIDE FOR SUPPLEMENTAL FINANCING FOR
SINGLE FAMILY RESIDENTIAL UNITS FOR MEMBERS OF
THE RETIREMENT FUND.

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

2 Section 1. Section 4225.4(c) of the Government Code of
3 Guam is hereby amended to read as follows:

4 "(c) Secured by a chattel mortgage or conditional
5 sales contract and by an unconditional assignment of
6 lease payments by another entity, and the face amount
7 of the bonds or other evidence of indebtedness does not
8 exceed eighty percent (80%) of the purchase price of
9 the property securing the mortgage or contract; provided,
10 however, that under subsections (a), (b) and (c), the
11 bonds or other evidences of indebtedness of the guarantor
12 or lessor are authorized investments under Sections 4225
13 through 4225.17 inclusive."

1 Section 2. Section 4225.5 of the Government Code of
2 Guam is hereby amended to read as follows:

3 "Section 4225.5. Authorized investments. Sections
4 4225.6 through 4225.17, inclusive, identify specific
5 types of investments which are authorized for purchase
6 by the fund subject to the procedures, limitations
7 and authorizations contained in Sections 4225 through
8 4225.4, inclusive. Nothing contained in any section
9 shall be construed to require sale or disposition of
10 an investment, authorized at the time of acquisition,
11 if such investment should subsequently cease to be
12 authorized for purchase."

13 Section 3. Section 4225.13(a)(1) is hereby amended to
14 read as follows:

15 "Section 4225.13(a)(1). All publicly held prior
16 obligations and prior preferred stock, if any, of such
17 institution at the date of acquisition are eligible
18 as investments under Sections 4225 through 4225.17,
19 inclusive; and"

20 Section 4. Section 4225.16(c)(1) is hereby amended to
21 read as follows:

22 "Section 4225.16(c)(1). The repayment of principal
23 and interest on such mortgages or the rental income
24 from such real property or interest therein is guaranteed
25 by, or secured by direct or assigned obligations of,
26 any institution or entity whose bonds or other evidences
27 of indebtedness are authorized investments under Sections
28 4225 through 4225.17, inclusive; and"

29 Section 5. A new Section 4225.17 is hereby added to the
30 Government Code of Guam to read as follows:

31 "Section 4225.17. Supplemental Residential
32 Financing for Members. In cases of demonstrated need,

1 loans or loan guarantees not secured by real property
2 interests may be made to members of the Retirement Fund
3 who are then currently employed by the Government of
4 Guam for the purpose of facilitating purchase and owner-
5 ship of single-family residential units located in the
6 Territory of Guam, to be occupied by such members, or
7 for repairs, remodeling or extension of single-family
8 units, provided that:

9 (a) Such loans or loan guarantees shall be referred
10 to herein as supplemental loans;

11 (b) The long-term financing for such residential
12 units is arranged by a qualified institutional lender
13 subject to the approval of the Board of Trustees of
14 the Retirement Fund;

15 (c) The term of a supplemental loan or loan
16 guarantee may not extend beyond the normal or elected
17 early retirement date of a borrower, or fifteen years,
18 whichever is earlier;

19 (d) Supplemental loans or loan guarantees shall
20 be an amount of fifteen percent (15%) or less of the
21 fair market value, as established by a qualified real
22 estate appraiser acceptable to the Board, of the
23 residential unit to be purchased, repaired, remodeled,
24 or extended by the member;

25 (e) No loan or loan guarantee shall exceed an
26 amount equal to one hundred twenty-five percent (125%)
27 of the lump sum cash amount which would be payable
28 under the provisions of the Retirement Plan to such a
29 member if he were to terminate his employment on the
30 date of his supplemental loan or loan guarantee
31 application. Supplemental loans or loan guarantees
32 shall be made to members of the Fund who have served

1 the Government of Guam and contributed to the Fund at
2 least five years and have at least Two Thousand Five
3 Hundred Dollars (\$2,500) in membership contribution;

4 (f) All payments for principal, interest and other
5 charges owing with respect to a supplemental loan or
6 loan guarantee shall be withheld from the salary of the
7 borrower by the Government of Guam for the Retirement
8 Fund and remitted directly to said Fund;

9 (g) Each loan or loan guarantee shall be secured
10 by an absolute assignment of the entire present and
11 future interest of the borrowing member in the Retirement
12 Fund, and by an absolute assignment of any other amounts
13 payable or to be payable to such member by the Government
14 of Guam or any department or agency thereof upon termina-
15 tion of employment of the member;

16 (h) Credit life insurance and disability insurance
17 or an approved equivalent, payable to the Retirement
18 Fund in the event of death or permanent disability of
19 borrowing members, shall be procured and maintained by
20 the Board of Trustees of the Retirement Fund in behalf
21 of, and at the expense of, the borrower in amounts
22 determined by the Board;

23 (i) Financing under this subsection shall be
24 administered in accordance with policies and procedures
25 established by the Board."

26 Section 6. A new Section 4225.18 is added to the
27 Government Code to read:

28 "Section 4225.18. Administration of the Loan or
29 Loan Guarantee. The Director of the Retirement Fund
30 shall institute such arrangements as are necessary with
31 the respective lending institutions to facilitate
32 processing and servicing of the loan or loan guarantee."

1 Section 7. A new Section 4225.19 is added to the
2 Government Code to read:

3 "Section 4225.19. For the purposes of obtaining
4 a supplemental loan or loan guarantee to facilitate
5 the purchase, repair, remodeling or extension of an
6 owner-occupied single-family dwelling by a member of
7 the Retirement Fund, and only for these purposes, the
8 restriction in Section 4229 of the Government Code
9 against assignment or transfer, the restriction against
10 the annuity, benefit or refund answering for debts
11 contracted by a member of the Retirement Fund, and the
12 restriction against attachment or affectation by judicial
13 proceeding shall not apply."