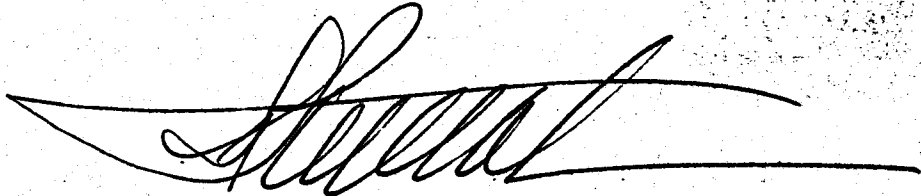


SIXTEENTH GUAM LEGISLATURE
1981 (FIRST) Regular Session

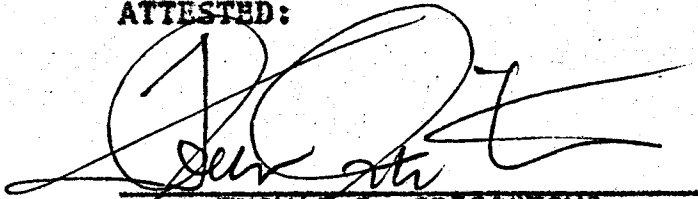
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 417, "An Act to amend Section 20002 (a) and Section 20002 (c) of the Government Code of Guam to delete the term "low-cost", and to amend Section 20003 (m) of the Government Code of Guam to specify types of indebtedness, and to add new Sections 20003.1 and 20003.2 relative to bond obligations and for other purposes," was on the 5th day of October 1981, duly and regularly passed.



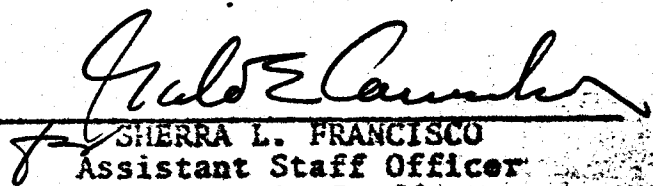
THOMAS V. C. TANAKA
Speaker

ATTESTED:



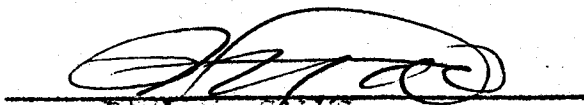
THOMAS C. CRISOSTOMO
Legislative Secretary

This Act was received by the Governor this 5th day of
OCTOBER, 1981, at 6:10 o'clock P..M.



SHERRA L. FRANCISCO
Assistant Staff Officer
Governor's Staff

APPROVED:



PAUL M. CALVO
Governor of Guam

DATED: 10-6-81 2:30 p.m.
P.L. 16-42

SIXTEENTH GUAM LEGISLATURE
1981 (FIRST) Regular Session

Bill No. 417

Introduced by: J. Q. Torres, A. R. Unpingco

AN ACT TO AMEND SECTION 20002 (a) AND SECTION 20002 (c) OF THE GOVERNMENT CODE OF GUAM TO DELETE THE TERM "LOW-COST", AND TO AMEND SECTION 20003 (m) OF THE GOVERNMENT CODE OF GUAM TO SPECIFY TYPES OF INDEBTEDNESS, AND TO ADD NEW SECTIONS 20003.1 AND 20003.2 RELATIVE TO BOND OBLIGATIONS AND FOR OTHER PURPOSES.

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

2 Section 1. Section 20002 (a) of the Government Code is
3 amended to read:

4 "Section 20002. (a) To encourage and promote the
5 investment of private capital in low and moderate income
6 residential housing in Guam. The Housing Corporation shall
7 formulate its policies so as to encourage and promote the
8 investment of capital owned by residents of Guam."

9 Section 2. Paragraph (c) of section 20002 of the Government
10 Code is amended to read:

11 "(c) To encourage and engage in low and moderate income
12 housing activities, including development of residential sub-
13 divisions, construction of housing for rental or resale, and
14 to make loans to any person for the purchase, construction,
15 improvement or repair of a home. All loans so made shall
16 be of such sound value or so secured as reasonably to assure
17 repayment, taking into consideration the policy of the
18 Legislature that the lending powers of the Housing Corporation

1 shall be administered as a means for accomplishing the
2 purposes stated in Section 20000 of this Chapter, and shall
3 bear interest at a rate to be determined by the Board of
4 Directors of the Guam Housing Corporation but not exceeding
5 the Federal Housing Administration rate. Loans should be
6 made to the residents of Guam to enable them to purchase or
7 construct permanent homes which are typhoon resistant. All
8 loans for the purchase or construction of such homes shall
9 not exceed Forty-Eight Thousand Dollars (\$48,000.00). An
10 additional sum of not to exceed Five Thousand Dollars
11 (\$5,000.00) may be borrowed for the purchase of land upon
12 which the building is to be constructed. Loans shall be
13 given only to residents who have been unable to obtain
14 conventional financing from commercial lending institutions
15 including but not limited to banks and savings and loan
16 associations. At least three (3) written loan refusals from
17 commercial lending institutions shall be presented upon
18 application for a Guam Housing Corporation loan."

19 Section 3. Paragraph (m) of section 20003 of the Government
20 Code is amended to read:

21 " (m) To borrow funds required to
22 finance or refinance its revenue producing projects by the
23 issuance, from time to time, of bonds, notes or other
24 evidences of indebtedness under such terms and conditions as
25 the Housing Corporation may prescribe, and to dedicate revenue
26 derived therefrom to the repayment of such bonds, notes or
27 other evidences of indebtedness."

1 Section 4. Section 20003.1 is added to the Government Code
2 to read:

3 "Section 20003.1. Bonds As Special Obligations. Every
4 bond, note or other evidence of indebtedness shall recite
5 that it is not a general indebtedness of the Housing Corpora-
6 tion but rather is a special obligation of the Housing Corpo-
7 ration payable solely from the revenues specified in the
8 indenture or resolution providing for its issuance. Every
9 bond shall recite that it is not public indebtedness of the
10 territory of Guam as that term is used in Section 11 of the
11 Organic Act."

12 Section 5. Section 20003.2 is added to the Government
13 Code to read:

14 "Section 20003.2. Trustee For Board And Bondholders.

15 (a) The Housing Corporation may appoint a bank or trust
16 company to act as trustee for the Board and the holders of
17 the bonds issued hereunder, and the Board may authorize the
18 trustee to act on behalf of the holders of the bonds, or any
19 stated percentage thereof, and to exercise and prosecute on
20 behalf of the holders of the bonds such rights and remedies
21 as may be available to the holders.

22 (b) The indenture or resolution pursuant to which any
23 bonds are issued may provide for (i) the deposit of all
24 revenues with the trustee and for the holding thereof by the
25 trustee in one or more separate funds or accounts and (ii) the
26 transfer to such trustee of such portions of revenues as are
27 provided as security for the bonds and for the holding thereof
28 by such trustee in one or more separate funds or accounts.
29 All money in such fund or account shall be disbursed only as
30 provided in the indenture or resolution pursuant to which the
31 bonds are issued.

1 (c) Any indenture or resolution pursuant to which bonds
2 of the Housing Corporation are issued may provide for the pay-
3 ment of the principal and interest of the bonds at one or
4 more places in the Territory or in the United States and in
5 any specified coin or currency of the United States."

6 Section 6. Section 13914(a) of the Government Code is
7 amended to read:

8 "(a) Bonds of the Authority shall be authorized by its
9 resolution, may be issued in one or more series and shall be
10 offered, awarded and executed in such manner, bear such date
11 or dates, nature at such time or times, bear interest at such
12 rate or rates, not exceeding the most recently published rate
13 at which the U. S. Department of Treasury sells its treasury
14 bills per annum, be in such denomination or denominations, be
15 in such form, bearer, order, coupon or registered, carry such
16 conversion or registration privileges, have such rank or
17 priority, be payable in such medium of payment, at such place
18 or places, and be subject to such terms of redemption (with
19 or without premium), as such resolution of the Authority,
20 trust indenture, or mortgage may provide, and shall be fully
21 negotiable."

22 Section 7. A new Subsection (e) is added to Section 13914 of
23 the Government Code to read:

24 "(e) (1) When the Authority sells bonds at a private
25 sale, no person standing in a fiduciary relationship with
26 the Authority shall purchase any of the bonds.

27 (2) As used in this Subsection, 'person' means a
28 natural person, corporation, partnership, trust or the
29 employer of a natural person.

30 (3) If the provisions of this subsection are violated
31 then the sale of the bonds to the violating person shall be
32 deemed null and void ab initio."