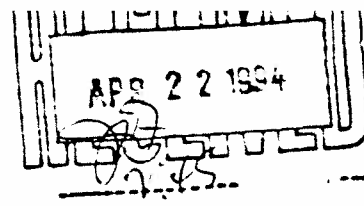




Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
UFISINAN UMAGA LAHE
AGANA, GUAM 96910 U.S.A.



APR 22 1994

The Honorable John P. Aguon
Acting Speaker, Twenty-Second Guam Legislature
155 Hesler Street
Agana, Guam 96910

Dear Mr. Speaker:

Transmitted herewith is Bill No. 892 which I have signed into law this date as
Public Law 22-113.

Sincerely yours,

A handwritten signature in cursive script.

FRANK F. BLAS
Governor of Guam
Acting

220642

Attachment

00 26 44

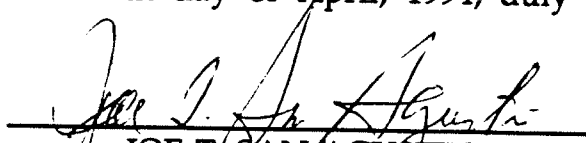


Commonwealth Now!

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

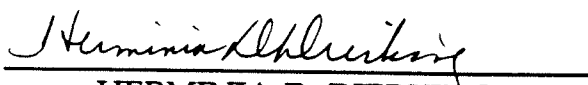
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 892 (LS), "AN ACT TO APPROVE THE LOAN AGREEMENT FOR REFINANCING TEN MILLION TWO HUNDRED SIXTY- TWO THOUSAND DOLLARS IN NOTES OF THE GUAM HOUSING CORPORATION; TO AUTHORIZE THE USE OF ADVANCES FROM THE FEDERAL HOME LOAN BANK FOR LENDING PROGRAMS OF THE GUAM HOUSING CORPORATION; TO ADD NEW §§4105.1, 4105.2 AND 4115 TO TITLE 12, GUAM CODE ANNOTATED, AND TO AMEND PARAGRAPH (c) OF §4103 OF SAID TITLE, TO WAIVE CERTAIN FEES, TO AUTHORIZE SUCH FHLB ADVANCES, TO AUTHORIZE THE GUAM HOUSING CORPORATION TO ISSUE GENERAL OBLIGATIONS, AND TO RAISE HOUSING LOAN LIMITATIONS; AND TO ESTABLISH AND FUND THE GUAM SOUTH PACIFIC GAMES COMMISSION," was on the 14th day of April, 1994, duly and regularly passed.




JOE T. SAN AGUSTIN
Speaker

Attested:




HERMINIA D. DIERKING
Senator and Acting Legislative Secretary

This Act was received by the Governor this 15th day of April, 1994, at
5:12 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



FRANK F. BLAS
Governor of Guam
Acting

Date: APR 22 1994

Public Law No. 22-113

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

Bill No. 892 (LS)

As substituted by the Committee on
Economic-Agricultural Development
and Insurance and the Committee on
Ways and Means and as further
substituted by the Committee on Rules

Introduced by:

V. C. Pangelinan
E. D. Reyes
P. C. Lujan
F. E. Santos
M. D. A. Manibusan
T. S. Nelson
C. T. C. Gutierrez
H. D. Dierking
T. C. Ada
J. P. Aguon
E. P. Arriola
M. Z. Bordallo
D. Parkinson
D. L. G. Shimizu
J. G. Bamba
A. C. Blaz
D. F. Brooks
F. P. Camacho
T. V. C. Tanaka
A. R. Unpingco

AN ACT TO APPROVE THE LOAN AGREEMENT FOR
REFINANCING TEN MILLION TWO HUNDRED SIXTY-
TWO THOUSAND DOLLARS IN NOTES OF THE GUAM
HOUSING CORPORATION; TO AUTHORIZE THE USE OF
ADVANCES FROM THE FEDERAL HOME LOAN BANK
FOR LENDING PROGRAMS OF THE GUAM HOUSING
CORPORATION; TO ADD NEW §§4105.1, 4105.2 AND 4115
TO TITLE 12, GUAM CODE ANNOTATED, AND TO

AMEND PARAGRAPH (c) OF §4103 OF SAID TITLE, TO WAIVE CERTAIN FEES, TO AUTHORIZE SUCH FHLB ADVANCES, TO AUTHORIZE THE GUAM HOUSING CORPORATION TO ISSUE GENERAL OBLIGATIONS, AND TO RAISE HOUSING LOAN LIMITATIONS; AND TO ESTABLISH AND FUND THE GUAM SOUTH PACIFIC GAMES COMMISSION.

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

2 **Section 1. Legislative findings.** The Legislature recognizes that current
3 interest rates make it favorable for the Guam Housing Corporation ("GHC")
4 to refinance its outstanding loan obligation with the Government of Guam
5 Retirement Fund, and that timing is essential in obtaining the best possible
6 terms for the refinancing. GHC and the Guam Economic Development
7 Authority ("GEDA") have through the request for proposals process received
8 favorable refinancing proposals. The Legislature finds such refinancing to be
9 beneficial to GHC and the people it serves, since it will allow GHC to free up
10 additional resources that can be used to providing new mortgages for eligible
11 Guam residents.

12 **Section 2. Approval of loan agreement.** GEDA and the board of
13 directors of GHC have approved the loan agreement refinancing that GHC
14 indebtedness in the principal amount not to exceed Ten Million Two Hundred
15 Sixty-Two Thousand Dollars (\$10,262,000) between the Bank of Guam and
16 GHC. Pursuant to paragraph (k) of §2103, Title 12, Guam Code Annotated,
17 the Legislature hereby approves the terms and conditions of such refinancing
18 loan agreement between GHC and the Bank of Guam for a term of five (5)
19 years in the amount not exceeding Ten Million Two Hundred Sixty-Two
20 Thousand Dollars (\$10,262,000) at an interest rate equal to the New York
21 Money Center Prime Rate plus One Hundred (100) Basis Points (1%), not to

1 exceed Nine Percent (9%), that shall be fixed for the first three (3) years. On
2 the third (3rd) anniversary date of the loan the interest rate shall be adjusted
3 to the New York Money Center Prime Rate plus One Hundred (100) Basis
4 Points (1 %), not to exceed Nine Percent (9%), and shall remain fixed at that
5 rate for the remainder of the term of the loan. The loan agreement so
6 approved shall be without prepayment penalties or fees of any kind, **except**
7 that a commitment fee payable upon closing of the loan to the Bank of Guam
8 of one eighth of one percent (.125 %) of the loan amount disbursed is
9 approved.

10 **Section 3. Waiver of fees.** A new §4105.1 is hereby added to Chapter 4,
11 Title 12, Guam Code Annotated, to read:

12 **"§4105.1. Waiver of recordation and other fees.** All fees
13 charged by the Department of Land Management to any party in the
14 recordation or release of any documents pursuant to the
15 administration, pledge, assignment or collateralization of any loan
16 between the Guam Housing Corporation and any of its creditors are
17 hereby waived. Any fee charged by the Guam Economic
18 Development Authority for any service rendered in regard to a loan
19 agreement between the Guam Housing Corporation and the Bank of
20 Guam is also hereby waived."

21 **Section 4. Authorization to use Federal Home Loan Bank Advances.** A
22 new §4115 is hereby added to Chapter 4, Title 12, Guam Code Annotated, to
23 read:

24 **"§4115. Authorization to accept direct advances from the**
25 **Federal Home Loan Bank.** The Federal Housing Finance Board has
26 authorized the Federal Home Loan Bank of Seattle to lend to the
27 Housing Corporation as a non-member mortgagee. Pursuant to the

1 provisions of the Financial Institution Reform Recovery and
2 Enforcement Act authorizing the Federal Home Loan Banking
3 System to extend advances to state housing finance authorities, the
4 provisions of §10b of the Federal Home Loan Bank Act, and the rules
5 and regulations of the Federal Housing Finance Board, the Housing
6 Corporation is hereby authorized to periodically borrow funds from
7 the Federal Home Loan Bank of Seattle ("FHLB") as needed to
8 finance the Housing Corporation's lending and real estate
9 development activities in the form of direct FHLB advances under
10 FHLB's rules regarding non-member mortgagees without further
11 legislative approval. The Housing Corporation shall use all such
12 FHLB advances according to the following preferences: First, to
13 qualified applicants who have submitted applications to the Housing
14 Corporation and are awaiting funding, and second, to all other
15 eligible applicants.

16 Section 5. §4105.2 is hereby added to Chapter 4, Title 12, Guam Code
17 Annotated, to read:

18 **"§4105.2. Bonds as general obligations of the Housing**
19 **Corporation.** Notwithstanding the provisions of §4105 of this
20 chapter, the Housing Corporation is authorized to issue debt as a
21 general obligation of the Housing Corporation on an unsecured
22 basis, payable from the Housing Corporation's general operating
23 cash inflows. The amount of such general obligation debt
24 outstanding at any one time shall not exceed the Housing
25 Corporation's net worth as determined by Generally Accepted
26 Accounting Principles ("GAAP"). Every such bond or other evidence
27 of such debt shall recite that it is not a public indebtedness of the

1 territory of Guam as the term is used in Section 11 of the Organic Act
2 of Guam."

3 **Section 6.** Subsection (c) of §4103 of Chapter 4, Title 12, Guam Code
4 Annotated, is hereby amended to read:

5 "(c) To encourage and engage in low and moderate income
6 housing activities, including development of residential subdivisions,
7 construction of housing for rental or resale, and to make loans to any
8 person for the purchase, construction, improvement or repair of a
9 home. All loans so made shall be of such sound value or so secured as
10 reasonably to assure repayment, taking into consideration the policy
11 of the Legislature that the lending powers to the Guam Housing
12 Corporation (the "Corporation") shall be administered as a means of
13 accomplishing the purposes stated in §4101 of this Chapter, and shall
14 bear interest at a rate to be determined by the Board of Directors of
15 the Corporation but not exceeding the Federal Housing
16 Administration rate.

17 Loans should be made to the residents of Guam to enable them to
18 purchase or construct permanent homes which are insurable under a
19 standard Guam Home Owner's insurance policy to include but not be limited
20 to the perils of tropical cyclones, earthquakes, and fire. All loans for the
21 purchase, construction, or purchase of land and construction of such home
22 shall not exceed the Federal Housing Administration loan limit established by
23 the U.S. Department of Housing and Urban Development for Guam. No
24 loan may be used exclusively for the purchase of land. Loans shall be given
25 only to residents who have been unable to obtain conventional financing from
26 commercial lending institutions, including but not limited to banks and
27 savings and loan associations. At least three (3) written loan refusals from

1 commercial lending institutions shall be presented upon application for a
2 Corporation loan."

3 **Section 7. Legislative findings.** The Legislature has been apprised that
4 officials from the Guam National Olympic Committee ("GNOC") are
5 scheduled to depart Guam for Papeete, Tahiti to present Guam's bid for
6 hosting the **1999 South Pacific Games**. After the resounding success of the
7 **1994 Micronesian Games**, the Legislature finds that Guam can and will be
8 prepared to host the **1999 South Pacific Games** in a manner which will do
9 justice to the Games and provide short and long term benefits to the island.
10 The Legislature also finds that a bid for the hosting of the **1999 South Pacific**
11 **Games** would be more successful if the bid were submitted under the auspices
12 of a commission created by law and supported by both the executive and
13 legislative branches of the government of Guam.

14 **Section 8. Commission created.** There is hereby established, under the
15 Office of the Governor of Guam, the **Guam South Pacific Games**
16 **Commission**, whose duties and responsibilities shall include:

17 (a) The submission of Guam's bid and proposal to the **South**
18 **Pacific Games Council** at its April 19, 1994 meeting in Papeete, Tahiti,
19 for Guam to host the **1999 South Pacific Games**;

20 (b) The organization of committees and sub-committees for
21 the implementation of programs and other work deemed necessary
22 and requisite for the successful conduct of the **1999 South Pacific**
23 **Games** by Guam;

24 (c) The preparation and execution of plans, programs and
25 budgets requisite for the preparation for and successful conduct of
26 the **1999 South Pacific Games** by Guam;

1 (d) The management of funds, equipment and other
2 properties, appropriated, loaned, contributed to or raised for the
3 purpose of preparing for and conducting the 1999 South Pacific
4 Games in Guam;

5 (e) The submission of regular reports to the Governor of
6 Guam and to the Speaker of the Legislature itemizing and detailing
7 the progress being made for and towards the purposes set out in this
8 Section 8;

9 (f) The submission of such other reports as may be, from time
10 to time, required by the Governor or the Speaker of the Legislature.

11 **Section 9. Composition.** The following shall constitute the
12 membership of the Guam South Pacific Games Commission (the
13 "Commission"):

14 (a) The President, First Vice President, Secretary-General and
15 Treasurer of GNOC;

16 (b) Three (3) members to be appointed by the Governor;

17 (c) The Speaker of the Legislature, who may appoint a
18 representative;

19 (d) The Chairperson of the Committee on Ways and Means of
20 the Legislature;

21 (e) The Chairperson of the Committee on Youth, Senior
22 Citizens and Cultural Affairs of the Legislature; and

23 (f) The Chairperson of the Committee on Tourism and
24 Transportation of the Legislature.

25 **Section 10. Officers.** The Commission shall elect its chairperson, who
26 shall be the Commission's presiding officer, its vice chairperson, its secretary
27 and its treasurer, and shall assign such duties to each office as it deems

1 necessary. The Commission shall establish such rules of order or procedure
2 as it deems appropriate.

3 **Section 11. Appropriation.** Twenty-Five Thousand Dollars (\$25,000)
4 are hereby reappropriated from the appropriation of Nine Million Five
5 Hundred Sixty Thousand Thirty-Eight Dollars (\$9,560,038) previously made
6 in Section 26 of Public Law 22-41 to fund the expenses associated with the
7 travel of officials of the Commission and the submission of the Guam
8 proposal for the hosting of the **1999 South Pacific Games**. For the purpose of
9 this section and because of the time constraints on the submission of the
10 Guam proposal, the Governor may authorize the officers of GNOC to
11 represent the Commission. The Governor may authorize the travel of such
12 officers of GNOC as he deems necessary and appropriate for the submission
13 of the Guam proposal for the hosting of the **1999 South Pacific Games**.

14 **Section 12. Authorization for appropriation.** There is hereby
15 authorized to be appropriated such sums as are justified by the Commission
16 for the successful conduct of the **1999 South Pacific Games** on Guam. For the
17 purposes of this section, justification shall mean the submission of a line item
18 budget, with justification for each line item, for all expenditures to be funded
19 by said appropriations.

6

TWENTY-SECOND GUAM LEGISLATURE
1993 (FIRST) Regular Session

Date: 4/14/94

VOTING SHEET
(AS REVISED)

Bill No. 892
Resolution No. _____
Question: _____

NAME	AYE	NO	NOT VOTING/ ABSTAINED	ABSENT/ OUT DURING ROLL CALL
ADA, Thomas C.	✓			
AGUON, John P.	✓			
ARRIOLA, Elizabeth P.	✓			
BAMBA, J. George	✓			
BLAZ, Anthony C.	✓			
BORDALLO, Madeleine Z.	✓			
BROOKS, Doris F.	✓			
CAMACHO, Felix P.	✓			
DIERKING, Herminia D.	✓			
GUTIERREZ, Carl T. C.	✓			
LUJAN, Pilar C.	✓			
MANIBUSAN, Marilyn D. A.	✓			
NELSON, Ted S.	✓			
PANGELINAN, Vicente	✓			
PARKINSON, Don	✓			
REYES, Edward D.	✓			
SAN AGUSTIN, Joe T.			✓	
SANTOS, Francis E.	✓			
SHIMIZU, David L. G.	✓			
TANAKA, Thomas V. C.	✓			
UNPINGCO, Antonio R.	✓			

TOTAL 20 1

Twenty-Second Guam Legislature

155 Hesler Street
Pacific Arcade
Agana, Guam 96910
Telephone: (671) 472-3407 thru 9
Fax: 477-3161



Chairman, Committee
on Ways & Means

Vice-Chairman, Committee
on Rules

Vice-Chairman, Committee
on Tourism & Transportation

CARL T.C. GUTIERREZ
Senator

March 11, 1994

Honorable Speaker Joe T. San Agustin
Speaker, Twenty-Second Guam Legislature
155 Hesler St.
Agana, Guam 96910

Dear Mr. Speaker:


The Committee on Ways & Means wishes to report out its findings on **BILL NO. 892 "AN ACT TO APPROVE THE LOAN AGREEMENT FOR THE REFINANCING OF TEN MILLION TWO HUNDRED SIXTY TWO THOUSAND DOLLARS IN NOTES OF THE GUAM HOUSING CORPORATION IN FAVOR OF THE GOVERNMENT OF GUAM RETIREMENT FUND BY THE BANK OF GUAM AND TO AUTHORIZE THE USE OF FHLB ADVANCES FOR GHC LENDING PROGRAMS"** to the full Legislature with the recommendation to do Pass as Substituted by the Committee on Ways and Means.

The Committee Voting Record is as follows:

TO PASS:	<u>11</u>
NOT TO PASS:	<u>0</u>
ABSTENTIONS:	<u>1</u>
INACTIVE FILE:	<u>0</u>

Copies of the Committee Report and all pertinent documents are attached for your information.

Sincerely,


CARL T. C. GUTIERREZ
Chairman, Committee on
Ways & Means

Twenty-Second Guam Legislature
Committee on Ways & Means

VOTING SHEET

BILL NO.

892

AN ACT TO APPROVE THE LOAN AGREEMENT FOR THE REFINANCING OF TEN MILLION TWO HUNDRED SIXTY TWO THOUSAND DOLLARS IN NOTES OF THE GUAM HOUSING CORPORATION IN FAVOR OF THE GOVERNMENT OF GUAM RETIREMENT FUND BY THE BANK OF GUAM AND TO AUTHORIZE THE USE OF FHLB ADVANCES FOR GHC LENDING PROGRAMS.

	<u>TO PASS</u>	<u>NOT TO PASS</u>	<u>ABSTAIN</u>	<u>TO PLACE IN INACTIVE FILE</u>
<i>[Signature]</i> Senator Carl T. C. GUTIERREZ Chairman	✓			
<i>[Signature]</i> Senator Herminia D. DIERKING Vice-Chairman	✓			
<i>[Signature]</i> Senator John P. AGUON Member	✓			
<i>[Signature]</i> Senator Elizabeth P. ARRIOLA Member	✓			
<i>[Signature]</i> Senator Thomas C. ADA Member	✓			
<i>[Signature]</i> Senator J. George BAMBA Member	✓			
Senator Anthony BLAZ Member				
<i>[Signature]</i> Senator Pilar C. LUJAN Member	✓			
<i>[Signature]</i> Senator Marilyn MANIBUSAN Member	✓ w/ reservation			
Senator Ted S. NELSON Member	✓			
Senator Vicente C. PANGELINAN Member	✓			
<i>[Signature]</i> Senator David SHIMIZU Member	✓			
Senator Antonio R. UNPINGCO Member				
<i>[Signature]</i> Speaker Joe T. SAN AGUSTIN Ex-Officio Member			✓	

**COMMITTEE ON WAYS AND MEANS
COMMITTEE REPORT ON**

BILL NO. 892

AN ACT TO APPROVE THE LOAN AGREEMENT FOR THE REFINANCING OF TEN MILLION TWO HUNDRED SIXTY TWO THOUSAND DOLLARS IN NOTES OF THE GUAM HOUSING CORPORATION IN FAVOR OF THE GOVERNMENT OF GUAM RETIREMENT FUND BY THE BANK OF GUAM AND TO AUTHORIZE THE USE OF FHLB ADVANCES FOR GHC LENDING PROGRAMS.

PURPOSE AND ESSENTIAL ELEMENTS

Bill No. 892 consists of three sections. Section 1 contains the Legislative findings, which indicate that it is desirable to refinance the outstanding loan obligation of the Guam Housing Corporation with the Government of Guam Retirement Fund to take advantage of the more favorable interest rates. Section 1 (a) indicates that refinancing was done previously on December 13, 1993. This section also formally approves the terms of the loan of \$10,262,000 at an interest rate of the prime rate plus 1% points not to exceed 9%, fixed, for the first 3 years. After that, the rate shall be adjusted to the prime rate plus 1% points, and remain fixed.

Section 1(b) of the bill adds a new Subsection (a) to §4105 of Chapter 4 of Title 12, Guam Code Annotated, to waive recordation and other fees charged by the Department of Land Management.

Section 2 of the bill authorizes the Guam Housing Corporation to periodically borrow funds from the Federal Home Loan Bank of Seattle.

Section 2 (a) sets up a preference system for the applicants who have already submitted applications to Guam Housing Authority and are awaiting funding.

Section 3 of the Bill adds a new Subsection (b) to §4105 of Chapter 4 of Title 12, Guam Code Annotated, authorizing Guam Housing Corporation to issue debt as a general obligation of the Guam Housing Corporation, up to the amount of its net worth. The bonds so issued shall not be public indebtedness as described under Section 11 of the Organic Act of Guam.

PUBLIC HEARING

The Committee on Ways and Means has determined that another public hearing on Bill 892 is unnecessary, and adopts the committee report findings of the Committee on Economic-Agricultural Development and Insurance.

COMMITTEE ACTION

The Committee on Ways and Means, after consideration of the testimony offered at the public hearing conducted by the Committee on Economic-Agricultural Development, decided to adopt the changes as recommended by that committee in their committee report dated March 11, 1994.

COMMITTEE RECOMMENDATION

The Committee on Ways and Means wishes to report out Bill 892 to the full legislature to **do pass, as substituted.**

TWENTY-SECOND GUAM LEGISLATURE
1994 (SECOND) Regular Session

Bill No 892 (LS)
Substitute Bill by Committee on
Economic-Agricultural Development
and Insurance and the Committee
on Ways and Means

Introduced by:

V. C. Pangelinan

E. D. Reyes

P. C. Lujan

F. E. Santos

C. T. C. Gutierrez

AN ACT TO APPROVE THE LOAN AGREEMENT FOR
REFINANCING TEN MILLION TWO HUNDRED SIXTY-TWO
THOUSAND DOLLARS IN NOTES OF THE GUAM HOUSING
CORPORATION; TO AUTHORIZE THE USE OF ADVANCES
FROM THE FEDERAL HOME LOAN BANK FOR LENDING
PROGRAMS OF THE GUAM HOUSING CORPORATION; TO
ADD NEW §§4105.1, 4105.2 AND 4115 TO TITLE 12,
GUAM CODE ANNOTATED, AND TO AMEND PARAGRAPH
(C) OF §4103 OF SAID TITLE, TO WAIVE CERTAIN FEES,
TO AUTHORIZE SUCH FHLB ADVANCES, TO AUTHORIZE
THE GUAM HOUSING CORPORATION TO ISSUE GENERAL
OBLIGATIONS, AND TO RAISE HOUSING LOAN
LIMITATIONS.

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

2 Section 1. **Legislative findings.** The Legislature
3 recognizes that current interest rates make it favorable for the
4 Guam Housing Corporation ("GHC") to refinance its outstanding
5 loan obligation with the Government of Guam Retirement Fund,
6 and that timing is essential in obtaining the best possible

1 terms for the refinancing. GHC and the Guam Economic Development
2 Authority ("GEDA") have through the request for proposals process received
3 favorable refinancing proposals. The Legislature finds such refinancing to be
4 beneficial to GHC and the people it serves, since it will allow GHC to free up
5 additional resources that can be used to providing new mortgages for eligible
6 Guam residents.

7 **Section 2. Approval of loan agreement.** GEDA and the board of
8 directors of GHC have approved the loan agreement refinancing that GHC
9 indebtedness in the principal amount not to exceed Ten Million Two
10 Hundred Sixty Two Thousand Dollars (\$10,262,000) between the Bank of
11 Guam and GHC. Pursuant to paragraph (k) of §2103, Guam Code
12 Annotated, the Legislature hereby approves the terms and conditions of such
13 refinancing loan agreement between GHC and the Bank of Guam for a term
14 of five (5) years in the amount not exceeding Ten Million Two Hundred Sixty
15 Two Thousand Dollars (\$10,262,000) at an interest rate equal to the New
16 York Money Center Prime Rate plus One Hundred (100) Basis Points (1%),
17 not to exceed Nine Percent (9%), that shall be fixed for the first three (3) years.
18 On the third (3rd) anniversary date of the loan the interest rate shall be
19 adjusted to the New York Money Center Prime Rate plus One Hundred (100)
20 Basis Points (1 %), not to exceed Nine Percent (9%), and shall remain fixed at
21 that rate for the remainder of the term of the loan. The loan agreement so
22 approved shall be without prepayment penalties or fees of any kind, except
23 that a commitment fee payable upon closing of the loan to the Bank of Guam
24 of one eighth of one percent (.125 %) of the loan amount disbursed is
25 approved.

1 **Section 3. Waiver of fees.** A new §4105.1 is hereby added to Chapter 4,
2 Title 12, Guam Code Annotated, to read:

3 **"§4105.1. Waiver of recordation and other fees.** All fees
4 charged by the Department of Land Management to any party in the
5 recordation or release of any documents pursuant to the
6 administration, pledge, assignment or collateralization of any loan
7 between the Guam Housing Corporation and any of its creditors are
8 hereby waived. The fee charged by Guam Economic Development
9 Authority for any service rendered in regard to a loan agreement
10 between the Guam Housing Corporation and the Bank of Guam are
11 hereby waived."

12 **Section 4. Authorization to use Federal Home Loan Bank Advances.** A
13 new §4115 is hereby added to Chapter 4, Title 12, Guam Code Annotated, to
14 read:

15 **"§4115. Authorization to accept direct advances from the Federal**
16 **Home Loan Bank.** The Federal Housing Finance Board has authorized the
17 Federal Home Loan Bank of Seattle to lend to the Housing Corporation as a
18 non- member mortgagee. Pursuant to the provisions of the Financial
19 Institution Reform Recovery and Enforcement Act authorizing the Federal
20 Home Loan Banking System to extend advances to state housing finance
21 authorities, the provisions of §10b of the Federal Home Loan Bank Act, and
22 the rules and regulations of the Federal Housing Finance Board, the Housing
23 Corporation is hereby authorized to periodically borrow funds from the
24 Federal Home Loan Bank of Seattle ("FHLB") as needed to finance the
25 Housing Corporation's lending and real estate development activities in the
26 form of direct FHLB advances under FHLB's rules regarding non-member

1 mortgagees without further legislative approval. The Housing Corporation
2 shall use all such FHLB advances according to the following
3 preferences: First, to qualified applicants who have submitted applications
4 to the Housing Corporation and are awaiting funding, and second, to all
5 other eligible applicants.

6 **Section 5.** §4105.2 is hereby added to Chapter 4, Title 12, Guam Code
7 Annotated, to read:

8 "**§4105.2. Bonds as general obligations of the Housing**
9 **Corporation.** Notwithstanding the provisions of §4105 of this
10 chapter, the Housing Corporation is authorized to issue debt as a
11 general obligation of the Housing Corporation on an unsecured
12 basis, payable from the Housing Corporation's general operating
13 cash inflows. The amount of such general obligation debt
14 outstanding at any one time shall not exceed the Housing
15 Corporation's net worth as determined by Generally Accepted
16 Accounting Principles (GAAP). Every such bond or other evidence of
17 such debt shall recite that it is not a public indebtedness of the
18 territory of Guam as the term is used in Section 11 of the Organic
19 Act."

20 **Section 6.** Subsection (c) of §4103 of Chapter 4, Title 12, Guam Code
21 Annotated, is hereby amended to read:

22 "(c) To encourage and engage in low and moderate income
23 housing activities, including development of residential subdivisions,
24 construction of housing for rental or resale, and to make loans to any
25 person for the purchase, construction, improvement or repair of a
26 home. All loans so made shall be of such sound value or so secured as

1 reasonably to assure repayment, taking into consideration the policy
2 of the Legislature that the lending powers to the Guam Housing
3 Corporation (the "Corporation") shall be administered as a means of
4 accomplishing the purposes stated in §4101 of this Chapter, and shall
5 bear interest at a rate to be determined by the Board of Directors of
6 the Corporation but not exceeding the Federal Housing
7 Administration rate.

8 Loans should be made to the residents of Guam to enable them to
9 purchase or construct permanent homes which are [~~typhoon resistant~~]
10 insurable under a standard Guam Home Owner's insurance policy to include
11 but not be limited to the perils of tropical cyclones, earthquakes, and fire. All
12 loans for the purchase, [~~or~~] construction, or purchase of land and construction
13 of such home shall not exceed [~~Eighty thousand Dollars (\$80,000).~~ An
14 additional sum, not to exceed Fifty Thousand Dollars (\$50,000), may be
15 borrowed for the purchase of land upon which the building is to be
16 constructed. If the borrower already owns land upon which to construct a
17 building, the Fifty Thousand Dollars (\$50,000) to purchase land may be
18 applied for purchase or construction of a building. the Federal Housing
19 Administration loan limit established by the U.S. Department of Housing and
20 Urban Development for Guam. No loan may be used exclusively for the
21 purchase of land. Loans shall be given only to residents who have been
22 unable to obtain conventional financing from commercial lending institutions,
23 including but not limited to banks and savings and loan associations. At least
24 three (3) written loan refusals from commercial lending institutions shall be
25 presented upon application for a Corporation loan."

MAR 08 '94

Twenty Second Guam Legislature
1994 (Second) Regular Session

Bill No. 11-1 (S)
Introduced by:

V.C. Pangelinan
E.R. Reyes
P.C. Lujan
F.E. Santos

AN ACT TO APPROVE THE LOAN AGREEMENT FOR THE REFINANCING OF TEN MILLION TWO HUNDRED SIXTY TWO THOUSAND DOLLARS IN NOTES OF THE GUAM HOUSING CORPORATION IN FAVOR OF THE GOVERNMENT OF GUAM RETIREMENT FUND BY THE BANK OF GUAM AND TO AUTHORIZE THE USE OF FHLB ADVANCES FOR GHC LENDING PROGRAMS.

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

2 **Section 1 . Legislative Findings.** The Legislature recognizes that current
3 interest rates make it favorable for the Guam Housing Corporation to refinance its
4 outstanding loan obligation with the Government of Guam Retirement Fund, as
5 outlined in Section 2 of this Act. The Legislature further recognizes that timing is
6 essential in obtaining the best possible terms for the refinancing. The Guam
7 Housing Corporation and the Guam Economic Authority has through the request
8 for proposal process received refinancing proposals outlining the terms and
9 conditions and found the refinancing to be beneficial to the Corporation and the
10 people it serves.. The refinancing will allow the Guam Housing Coporation to free
11 up additional resources that can be dedicated to providing new mortgages for
12 eligible Guam residents.

13 **Section 1 (a). Approval of Loan Agreement Pursuant to 12 GCA 2103.** The
14 Guam Economic Development Authority approved the refinancing of the
15 indebtedness as structured in the principal amount not to exceed Ten Million Two
16 Hundred Sixty Two Thousand Dollars (\$10,262,000) between the Bank of Guam and
17 the Guam Housing Corporation on December 13, 1993. Furthermore, the Guam

1 Housing Corporation Board of Directors on December 15, 1993 also approved the
2 refinancing terms and conditions as presented.

3 Pursuant to 12 GCA 2103, the Legislature hereby approves the terms and
4 conditions of the loan agreement between the Guam Housing Corporation and
5 the Bank of Guam for a term of five (5) years in the amount not exceeding Ten
6 Million Two Hundred Sixty Two Thousand Dollars (\$10,262,000) at an interest rate
7 equal to the New York Money Center Prime Rate plus One Hundred (100) Basis
8 Points not to exceed Nine Percent (9%) that shall be fixed for the first three years. On
9 the third anniversary date of the loan the interest rate shall be adjusted to the New
10 York Money Center Prime Rate plus One Hundred (100) Basis Points (1 %) not to
11 exceed Nine Percent (9%) and shall remain fixed at that rate for the remainder of
12 the term of the loan. The loan agreement authorized herein shall be without
13 prepayment penalties or fees of any kind. A commitment fee payable upon closing
14 of the loan to the Bank of Guam of one eighth (1 /8) of one percent (.125 %) of the
15 loan amount disbursed is further authorized.

16 **Section 1 (b).** A new subsection (a) is hereby added to §4105 of Chapter 4 of
17 Title 12, GCA to read:

18 "§4105 (a) Waiver of Recordation and other Fees. All fees charged by the
19 Department of Land Management to any party in the recordation or release of any
20 documents pursuant to the administration, pledge assignment and collateralization
21 of any loan between the Guam Housing Corporation and any of its creditors shall be
22 waived. The fee charged by Guam Economic Development Authority for any service
23 rendered in regard to the loan agreement between Guam Housing Corporation and
24 the Bank of Guam shall be waived."

25 **Section 2 Authorization to use Federal Home Loan Bank Advances.** A new
26 §4115 of Chapter 4 of Title 12, GCA is hereby added to read:

27 "§4115 Authorization to Borrow Direct Advances from the Federal Home
28 Loan Bank. On December 30, 1993, The Federal Housing Finance Board authorized
29 the Federal Home Loan Bank of Seattle to lend to the Guam Housing Corporation as
30 a non- member mortgagee. Pursuant to the provisions of the Financial Institution
31 Reform Recovery and Enforcement Act "FIRREA" authorizing the Federal Home
32 Loan Banking System to extend advances to state housing finance authorities, the
33 provisions of Section 10b of the Federal Home Loan Bank Act and the rules and
34 regulations of the Federal Housing Finance Board recorded in the Federal Register
35 on May 20, 1993, the Guam Housing Corporation is hereby authorized to
36 periodically borrow funds from the Federal Home Loan Bank of Seattle. GHC is

1 authorized to obtain such funds as needed to finance its housing lending and real
2 estate development activities in the form of direct FHLB advances under the banks
3 rules regarding non-member mortgagees subject to legislative approval. "

4 **Section 2 (a)** The Guam Housing Corporation shall use all FHLB advances for
5 housing lending authorized in Section 2 of this Act according to the following
6 preferences: first, to qualified applicants who have submitted applications to the
7 Guam Housing Authority and awaiting funding; and second, to all other eligible
8 applicants.

9 **Section 3.** A new subsection (b) is hereby added to §4105 Chapter 4 of Title
10 12, GCA to read:

11 "§4105 (b) **Bonds as General Obligations.** Notwithstanding the
12 provisions §4105 of this Chapter, the Corporation is authorized to issue debt as a
13 general obligation of the Corporation on an unsecured basis payable from the
14 Corporation's general operating cash inflows. The amount of such general
15 obligation debt outstanding at any one time shall not exceed the Corporation's net
16 worth as determined by Generally Accepted Accounting Principals (GAAP). Every
17 bond shall recite that it is not a public indebtedness of the territory of Guam as the
18 term is used in Section 11 of the Organic Act."
19