

GOVERNOR OF GUAM

Refer to Legislative Secretary

DEC 28 1998

The Honorable Antonio R. Unpingco Speaker Mina'Bente Kuåttro na Liheslaturan Guåhan Twenty-Fourth Guam Legislature Guam Legislature Temporary Building 155 Hesler Street Hagåtña, Guam 96910

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 748 (LS), "AN ACT TO AMEND §2 OF P.L. NO. 20-113, RELATIVE TO THE EXCHANGE AND REFINANCING OF LOTS WITHIN THE AS TUMBO SUBDIVISION", which I have signed into law today as Public Law No. 24-317.

This legislation was requested by the Guam Housing and Urban Renewal Authority (GHURA) in order to allow homeowners to refinance existing mortgages to take care of lower interest rates, and to allow for an exchange of property between family members, i.e. between a parent and child or between siblings.

Very truly yours,

Carl T. C. Gutierrez

Carl T. C. Gutierrez I Maga'lahen Guåhan Governor of Guam

OFFICE OF THE	LEGISLATIVE SECRETARY
ACKNOWLE	PGMENT RECEIPT
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Attachment:	copy attached for signed bill
	original attached for vetoed bill

cc: The Honorable Joanne M. S. Brown Legislative Secretary

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Office of the Speaker
ANTONIO R. UNPINGCO
Date: Aumher 29, 1908
Time: 11:52
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MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN 1998 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 748 (LS), "AN ACT TO AMEND §2 OF P.L. NO. 20-113, RELATIVE TO THE EXCHANGE AND REFINANCING OF LOTS WITHIN THE AS TUMBO SUBDIVISION," was on the 11th day of December, 1998, duly and regularly passed.

ANTONIO R. UNPINGCO Speaker

Attested

/IOANNE'M.S. BROWN Senator and Legislative Secretary

This Act was received by I Maga'lahen Guahan this 16th day of December . 1998.

Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ I Maga'lahen Guahan

Date: <u>12-28-98</u> Public Law No. <u>24-317</u>

MINA'BENTE KUATTRO NA LIHESLATURAN GUAHAN 1998 (SECOND) Regular Session

Bill No. 748 (LS)

As substituted by the Committee on Agriculture, Land, Housing, Community and Human Resources Development, and as amended on the Floor.

Introduced by:

J. C. Salas E. J. Cruz L. F. Kasperbauer T.C.Ada F. B. Aguon, Jr. A. C. Blaz I. M.S. Brown Felix P. Camacho Francisco P. Camacho M. C. Charfauros W. B.S.M. Flores Mark Forbes A. C. Lamorena, V C. A. Leon Guerrero L. A. Leon Guerrero V. C. Pangelinan A. L.G. Santos F. E. Santos A. R. Unpingco J. T. Won Pat

AN ACT TO AMEND §2 OF P.L. NO. 20-113, RELATIVE TO THE EXCHANGE AND REFINANCING OF LOTS WITHIN THE AS TUMBO SUBDIVISION.

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BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. I Liheslaturan Guahan finds that the government of Guam created the As Tumbo subdivision in order to provide safe and affordable housing for the people of Guam. Restrictions exist on the conveyance of As Tumbo Subdivision property in order to protect the integrity of the program and its residents, so that an unqualified party cannot take advantage of the unique opportunity As Tumbo Subdivision provides for low income families to own land.

9 A situation has arisen in which two (2) family members, who have been 10 granted property within the As Tumbo Subdivision, have reason to exchange 11 the property with one another. This is in no way a violation of the intent to 12 secure affordable housing for qualified people, and the exchange of granted 13 As Tumbo Subdivision property between a parent and child, or between 14 siblings, should be allowable by law.

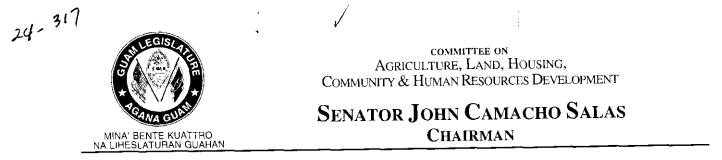
Further, the restrictions of §2 of Public Law Number 20-113 do *not* allow a property owner to refinance his home. Whereas mortgages are permitted, the owner runs into trouble if he wishes to refinance. This amendment allows the flexibility As Tumbo residents need.

Section 2. Section 2 of Public Law Number 20-113 is hereby *amended* to
read as follows:

21 "Section 13950. Rules. The Board shall promulgate
 22 reasonable rules and regulations, pursuant to the Administrative
 23 Adjudication Law, to effect the purpose of this Chapter, which
 24 regulations shall include requirements that: (i) the grantee(s) must

personally occupy the property conveyed and not lease it to others, (ii) 1 the property may not be conveyed by the grantee(s) to a third party, 2 except that a deed-for-deed exchange with another grantee who is a 3 parent, child or sibling, or a mortgage to a bona fide lending institution to 4 5 secure funds to construct or refinance a residence on the property, shall not be in violation of such rule, even if such mortgage is foreclosed, and 6 (iii) each deed of conveyance shall contain a right of reverter clause to 7 the Authority in the event such regulations are violated." 8

9 Section 3. Severability. *If* any provision of this Law or its 10 application to any person or circumstance is found to be invalid or contrary to 11 law, such invalidity shall *not* affect other provisions or applications of this 12 Law which can be given effect without the invalid provisions or application, 13 and to this end the provisions of this Law are severable.



November 30, 1998

The Honorable Antonio R. Unpingco Speaker Mina' Bente Kuattro na Liheslaturan Guahan 155 Hesler Street Hagatna, Guam 96910

Dear Mr. Speaker:

The Committee on Agricultural, Land, Housing, Community & Human Resources Development to which was referred Bill No. 748, has had the same under consideration and now wishes to report back the same with the recommendation **TO DO PASS**, as substituted.

The Committee votes are as follows:

To Do Pass	<u> </u>
Not To Pass	
Abstain	

Other (Off-Island)

A copy of the Committee's report and other pertinent documents are attached for your reference and information.

Sincerely,

Ada C

Senator John Camacho Salas Chairman



COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY & HUMAN RESOURCES DEVELOPMENT

SENATOR JOHN CAMACHO SALAS CHAIRMAN

November 27, 1998

To: Senator Thomas C. Ada, Member • Senator Frank B. Aguon, Member Senator Felix P. Camacho, Member • Senator Francisco P. Camacho, Member Senator William B. Flores, Member Senator Carlotta Leon Guerreo, Member Senator Larry F. Kasperbauer, Member Speaker Antonio R. Unpingco, Ex-Officio

From: Chairman & Vice Chairman

Subject: Voting

Please find the attached committee reports and voting sheets for the following bills:

Bill 748: An act to amend Section 2 of Public Law 20-113, Section 2, relative to the exchange of lots within the As-Tumbo Subdivision.

Bill 750: An act to amend Public Law 23-38, (Senator Paul Bordallo Rules and Regulations for the Chamorro Land Trust Commission) relative to commercial crop production.

Bill 753: An act to establish the eligibility of bona fide farmers to procure equipment through the General Services Agency.

If you have any questions on the above, please contact staff member John Meno for assistance. Thank you for your cooperation.

John C. Salar

Senator John Camacho Salas Chairman

attachments

Senator Edwardo J. Cruz, M.D. Vice-Chairman



SENATOR JOHN CAMACHO SALAS

CHAIRMAN

COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY AND HUMAN RESOURCES DEVELOPMENT

VOTING SHEET

BILL NUMBER 748

TITLE AN ACT TO AMEND SECTION 2 OF PUBLIC LAW 20-113, SECTION 2, RELATIVE TO THE EXCHANGE OF LOTS WITHIN THE AS-TUMBO SUBDIVISION

	TO DO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
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John Camacho Salas, Chairman				
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Edwardo J. Cruz, M.D.) Vice-Chairman				
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Frank B. Aguon, Jr., Member				
Felix P. Camacho, Member				
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Francisco P. Camacho, Member				
William B.S.M. Flores, Member				
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Carlotta A. Leon Guerrero, Member	<u> </u>			<u>.</u>
Larry F. Kasperbauer, Member		<u></u>		

Committee on Agriculture, Land, Housing, Community & Human Resources Development Committee Report on Bill 748 Publicly Heard Friday, October 30, 1998

Bill 748: An act to amend Section 2 of Public Law 20-113, Section 2, relative to the exchange of lots within the As-Tumbo Subdivision.

- I. ATTENDANCE • Senator John C. Salas, Chairman
- II. MAIN SPONSORS Senator John C. Salas Senator Edwardo J. Cruz Senator Larry F. Kasperbauer

III. SYNOPSIS

Bill 748 allows for individual family members who have been granted property in the As-Tumbo Subdivision to exchange property with one another, while keeping the integrity of the program and its residents. Exchanges are allowed between a parent and child or between siblings.

IV. TESTIMONY

Mr. Ronald Lujan, GHURA, provided testimony supporting the bill.

Ms. Taling Taitano, Executive Director of GHURA, also provided written testimony supporting Bill 748 with an additional provision to the bill. GHURA requested that the Committee change existing law to allow homeowners to refinance existing mortgages to take advantage of lower interest rates. Current law allows for the mortgage of homes, but not the refinancing of such loans.

Chairman Salas asked Mr. Lujan if this bill would lend itself to abuse. Mr. Lujan noted that it would not as long as GHURA continues to control and monitor the program.

V. COMMITTEE FINDINGS & RECOMMENDATION

The Committee finds Bill 748 is a reasonable amendment to the As-Tumbo Subdivision program which allows immediate family members who are participating in the program to exchange lots for the betterment of all concerned. Further, the Committee also understands the need for participants to refinance mortgage loans to take advantage of better interest rates currently available. Therefore, the Committee recommends that Bill 748 be amended to include the a provision allowing a participant to convey title for the purpose of refinancing an existing home mortgage.

The Committee therefore recommends **TO DO PASS Bill 748**, as substituted.



COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY & HUMAN RESOURCES DEVELOPMENT

SENATOR JOHN CAMACHO SALAS CHAIRMAN

AGENDA

FRIDAY, OCTOBER 30, 1998 LEGISLATIVE PUBLIC HEARING ROOM 1:00 P.M. - 3:00 P.M.

PUBLIC HEARINGS

<u>Bill 748</u>: An act to amend Section 2 of Public Law 20-113, Section 2, relative to the exchange of lots within the As-Tumbo Subdivision.

<u>Bill 750</u>: An act to amend Public Law 23-38, (Senator Paul Bordallo Rules and Regulations for the Chamorro Land Trust Commission) relative to commercial crop production.

<u>Bill 753</u>: An act to establish the eligibility of bona fide farmers to procure equipment through the General Services Agency.



Senator John Camacho Salas chairman

COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY AND HUMAN RESOURCES DEVELOPMENT

ESTIMONY SIGN IN SHEET

Friday, October 30, 1998

Bill Number 748

TitleAN ACT TO AMEND SECTION 2 OF PUBLIC LAW 20-113, SECTION 2, RELATIVE TO
THE EXCHANGE OF LOTS WITHIN THE AS-TUMBO SUBDIVISION

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Guam Housing and Urban Renewal Authority Aturidat Ginima' Yan Rinueban Siudat Guahan 117 Bien Venida Avenue • Sinajana, Guam 96926 Phones: (671) 477-9851 to 4 • Fax: (671) 472-7565 • TTY # (671) 472-3701

October 28, 1998



Carl T. C. Gutierrez Governor

Madeleine Z. Bordallo Lieutenant Governor

> Taling M. Taitano Executive Director

Jose T. San Nicolas Deputy Director

Board of Commissioners

David N. Sanford Chairman

Glorina Q. Perez Vice Chairperson

Soledad A. Lujan Member

Jaime D. S. Paulino Member

> Jesus S. Okada Member

Juan C. Wusstig Member

Luis L. G. Paulino Member Senator John Camacho Salas Mina' Bente Kuattro Na Liheslaturan Guahan 155 Hesler Street Hagatna, Guam 96910

Re: Bill 748 An Act to Amend Section 2 of Public Law 20-113

Honorable Senator Salas:

Thank you for permitting us to comment on Bill 748.

We wholeheartedly support Bill 748. We strongly believe that the deed-for-deed exchange with another grantee who is a parent, child or sibling is within the bounds of the statute. The eligibility of the grantees is not compromised because they are both recipients of the lottery.

We would also like your committee to consider amending the statute that would allow the homeowners the ability to refinance their existing mortgages. The statute as it is written does not permit grantees to refinance their existing mortgages. We have had several inquiries from Astumbo homeowners who would like to take advantage of the low interest mortgage loans the banks are currently offering. These are tough economic times for some of our homeowners and they would like to lower their monthly mortgage payments. Some grantees would also like to put an addition to the house but without the ability to refinance, it would be impractical.

We must continue finding creative ways for our families to maintain homeownership and avoid ending back into the public housing program. If we do not help these families now, we are sure that we will see an increase in mortgage foreclosures within the Astumbo Subdivision Project. Moreover, we must continue revisiting P.L. 20-113 and find creative and innovative solutions before the problem occurs.

Please find attached our proposed amendment to be included in Bill 748.

Sincerely,

Attachment.

ATTACHMENT

Section 2. Amendment. Section 2 of Public Law 20-113 is hereby amended to read as follows:

"Section 2. 13950. Rules. The Board shall promulgate reasonable rules and regulations, pursuant to the Administrative Adjudication Law, to effect the purpose of this chapter, which regulations shall include requirements that (I) the grantee(s) must personally occupy the property conveyed and not lease it to others, (ii) the property may not be conveyed by the grantee(s) to a third party, except that <u>a deed-for-deed exchange</u> with another grantee who is a parent, child or sibling, or a mortgage to a bona fide lending institution to secure funds to construct <u>or refinance</u> a residence on the property, shall not be in violation of such rule even if such mortgage is foreclosed, and (iii) each deed of conveyance shall contain a right of reverter clause to the Authority in the event such regulations are violated."



COMMITTEE ON AGRICULTURE, LAND, HOUSING, COMMUNITY & HUMAN RESOURCES DEVELOPMENT

SENATOR JOHN CAMACHO SALAS CHAIRMAN

October 29, 1998

MEMORANDUM

To: Director, Bureau of Budget & Management Research

From: Senator John Camacho Salas

Subject: Request for Fiscal Notes

Please find attached Committee Bill 748, Bill 750, and Bill 753, for which I respectfully request issuance of Fiscal Notes.

Your issuance of these fiscal notes will be greatly appreciated. Thank you for your very kind assistance.

John C. Salar

Senator John Camacho Salas Chairman

Attachments

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