



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

Refer to
Legislative Secretary

MAY 12 1999

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

OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	10:50 am
Date	5.13.99

Dear Speaker Unpingco:

Enclosed please find Substitute Bill No. 83 (COR), "AN ACT TO ADOPT RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT", which I have signed into law today as Public Law No. 25-07.

These rules and regulations are implemented pursuant to §4610 of Title 4, Guam Code Annotated, relative to the First-Time Homeowner's Relief Program, instituted in Public Law No. 24-180 at the request of the Guam Housing Corporation.

Very truly yours,

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

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

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

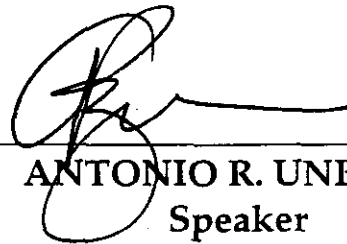
00218

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 5-12-99
Time: 1450
Rec'd by:
Print Name: Charlene

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session


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

This is to certify that Substitute Bill No. 83 (COR), "AN ACT TO ADOPT RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT," was on the 28th day of April, 1999, duly and regularly passed.



ANTONIO R. UNPINGCO
Speaker

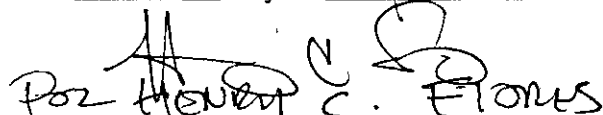
Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

.....

This Act was received by *I Maga'lahen Guahan* this 30TH day of APRIL, 1999,
at 5:38 o'clock P.M.



Roz Henry C. FLORES
Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: 5-12-99

Public Law No. 25-07

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 83 (COR)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs and amended on the Floor.

Introduced by:

J. C. Salas
K. S. Moylan
M. G. Camacho
A. R. Unpingco
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
Mark Forbes
L. F. Kasperbauer
A.C. Lamorena, V
C. A. Leon Guerrero
V. C. Pangelinan
S. A. Sanchez, II

**AN ACT TO ADOPT RULES AND REGULATIONS
TO IMPLEMENT THE FIRST-TIME
HOMEOWNERS RELIEF PROGRAM ACT.**

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

2 **Section 1. Adoption of Guam Housing Corporation Rules and**
3 **Regulations for First-time Homeowners Relief Program. The**
4 administrative rules and regulations for the Guam Housing Corporation
5 (“Corporation”) relative to “First-time Homeowners Relief Program,” as
6 authorized and provided for pursuant to applicable provisions of Article 7 of

1 Chapter 4 of Title 12 of the Guam Code Annotated, are hereby *adopted* to read
2 as follows:

3 **"GUAM HOUSING CORPORATION**
4 **RULES AND REGULATIONS.**

5 **FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT.**

6 **1. AUTHORITY AND PURPOSE.**

7 **Section 1.1. Authority.** Pursuant to the mandate of Public
8 Law Number 24-180, codified as Article 7 of Chapter 4 of Title 12 of the
9 Guam Code Annotated, these Rules and Regulations are promulgated
10 as authorized by §4610 of Title 12 of the Guam Code Annotated, to
11 implement the First-time Homeowners Relief Program Act.

12 **Section 1.2. Purpose.** These Rules and Regulations provide
13 uniform procedures to govern the dissemination of the First-time
14 Homeowners Relief Fund as prescribed by the Act.

15 **2. DEFINITIONS.**

16 **Section 2.1.** For the purpose of the First-time Homeowners
17 Relief Program the following general definitions shall apply:

18 (1) *'Adjusted annual income'* means the total family income less
19 five percent (5%) of such total family income less Four Hundred Eighty
20 Dollars (\$480.00) for each dependent. The income limitation shall be
21 established at two hundred percent (200%) of the median or lower. The
22 median is determined by the United States Department of Housing and
23 Urban Development ('HUD').

24 (2) *'Appraised value'* means the value of the home and lot to be
25 purchased or the value of the home to be constructed.

1 (3) *'Assets'* means all the applicant's liquid assets, *not* limited to
2 cash on hand, cash in bank(s), stocks, bonds, securities, real estate and
3 chattel property.

4 (4) *'Board'* means the Board of Directors of Guam Housing
5 Corporation.

6 (5) *'Construction cost'* means the final and total amount paid,
7 or to be paid, by a homeowner for the construction of a home, including
8 all monies paid for labor and material, contractors fees, fees of an
9 Architect and Engineer, survey costs, utility hook up costs, broker's
10 commissions, attorneys fees and financing fees.

11 (6) *'Corporation'* means the Guam Housing Corporation.

12 (7) *'Dependent'* means: (a) any child or individual under the
13 age of nineteen (19) and for which the head of household of such child
14 or individual has legal guardianship; (b) any child or individual under
15 the age of twenty-five (25) for which the head of household of such
16 child or individual has legal guardianship, if such child or individual is
17 a full time student; *or* (c) any individual, child, relative or parent,
18 regardless of age, for which the head of household of such person has
19 an obligation to provide financial support due to mental or physical
20 incapacity.

21 (8) *'Down payment'* means the equity requirements of the
22 homeowner needed to initiate the mortgage for the purchase or
23 construction of a home.

24 (9) *'Family income'* means the total annual income derived from
25 all sources of each member of the family.

1 (10) *'Family'* means two (2) or more persons related by blood,
2 adoption or marriage, living together as a household.

3 (11) *'FHLMC'* means the Federal Home Loan Mortgage
4 Corporation, also known as 'Freddie Mac.'

5 (12) *'Financial institution'* means any financial institution
6 authorized to make mortgage loans.

7 (13) *'First-time homeowner'* means any individual or family who
8 has *not* had any ownership interest in a residential dwelling within the
9 five (5) years preceding the date of application. A family or individual
10 who has had an ownership interest in residential real property within
11 the five (5) year period preceding the date of application, but such
12 interest was terminated by a decree of divorce or operation of law, does
13 qualify as a first-time homeowner.

14 (14) *'GHC'* means the Guam Housing Corporation.

15 (15) *'Government'* means the government of Guam.

16 (16) *'Grant'* means funds that are otherwise without obligation of
17 repayment.

18 (17) *'Home'* means a permanent, single family dwelling or single
19 family condominium or townhouse, *not* including semi-permanent
20 dwellings made of wood or tin, and is to be physically occupied by the
21 homeowner on a regular and continuous basis, and in which the
22 homeowner intends to exclusively reside.

23 (18) *'Individual'* means any unmarried person.

1 (19) *'Loan'* means the loan made by a financial institution or
2 GHC to a family or individual pursuant to the provisions of this
3 Chapter.

4 (20) *'Loan application'* means the application submitted by a
5 borrower to a financial institution or GHC for the purposes of obtaining
6 a first mortgage.

7 (21) *'Loan-to-value ratio'* means the percentage derived from
8 the loan amount divided by the value.

9 (22) *'President'* means the Chief Executive Officer of Guam
10 Housing Corporation.

11 (23) *'Prevailing GHC rate'* means the interest rate as set by the
12 Board of Directors pursuant to the Guam Housing Corporation enabling
13 legislation for use on its regular loan program. For the purpose of these
14 Rules and Regulations, it shall be the existing interest rate at the time of
15 any occurrence pertinent thereto.

16 (24) *'Program application'* means the form that an applicant
17 must submit to GHC to determine eligibility for participation in the
18 First-time Homeowner Relief Program Act.

19 (25) *'Purchase price'* means all of the money paid, or to be paid
20 by the homeowner, or the construction cost, for the home which is
21 subject to the provisions of this Act, *however*, it shall *not* include the
22 value of the land.

23 (26) *'Relief'* means financial assistance granted to a first-time
24 homeowner in his purchase of a home as part of the Program.

1 (\$125,000.00); and (c) clarification that the four percent (4%) program is
2 applicable to fee simple and Chamorro Land Trust properties.

3 **Section 4.2. Expiration of Eligibility Certificate.**

4 Program applicants shall have six (6) months from
5 the date of issuance to qualify at a participating financial institution.
6 GHC may extend the eligibility period for an additional thirty (30) days
7 if the applicant is able to demonstrate need for additional time to secure
8 approval of the loan. Applicants wishing to extend the eligibility term
9 shall express the reasons for needing an extension in writing to the
10 President at least ten (10) days prior to the expiration of the six (6)
11 months eligibility period. All requests for extensions beyond an
12 eligibility period of six (6) months must be approved by GHC's Board of
13 Directors. The Eligibility Certificate is for the sole use of the applicant.

14 In the event an eligible applicant is approved by a participating
15 financial institution and fails to complete loan processing in the time
16 allowed by the institution, the Eligibility Certificate is void.

17 **Section 4.3. Falsification of Information.** Any applicant who
18 intentionally supplies false information on the application for funds
19 under this Program shall be automatically disqualified to participate. In
20 the event that funds are disbursed by GHC on behalf of such applicant:
21 (a) all sums disbursed shall become immediately due and payable; and
22 (b) applicant will be assessed a penalty of five percent (5%).

23 **5. LOAN UNDERWRITING AND ORIGINATION.**

24 **Section 5.1. Notice of Approval and Review by GHC.**

1 Upon approval of the applicant's loan application by a participating
2 financial institution, the financial institution shall submit memoranda or
3 other pertinent information to GHC for processing the Program funds.

4 **Section 5.2. Disbursement of Funds.**

5 **Section 5.2.1. Purchase Loans.** GHC shall disburse the funds
6 to the financial institution upon closing of the loan. Interest earned on
7 all loan funds in escrow accounts prior to disbursement shall be paid to
8 GHC to cover its expense in managing the funds.

9 **Section 5.2.2. Construction Loans.** GHC shall disburse the
10 funds to the financial institution upon closing of the loan for deposit in a
11 trust account. Interest earned on all loan funds in escrow accounts prior
12 to disbursement shall be paid to GHC to cover its expense in managing
13 the funds. The proceeds are to be disbursed *after* the proceeds of the
14 financial institution loan have been disbursed.

15 **6. REPAYMENT OF RELIEF.**

16 **Section 6.1.** A first-time homeowner shall repay to the
17 Program Fund an amount equal to the total relief received by the
18 homeowner with interest at a rate of ten percent (10%) per annum if
19 within two (2) years after receipt of the grant relief the home is: (a)
20 transferred, (b) sold *or* (c) occupied by individuals other than the
21 homeowner or his or her children."

22 **Section 4. Severability.** *If* any provision of this Law or its
23 application to any person or circumstance is found to be invalid or contrary to
24 law, such invalidity shall *not* affect other provisions or applications of this

- 1 Law which can be given effect without the invalid provisions or application,
- 2 and to this end the provisions of this Law are severable.



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910


April 30, 1999

The Honorable Carl T.C. Gutierrez
I Maga'lahaen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910

Dear *Maga'lahi* Gutierrez:

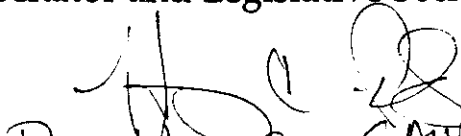
Transmitted herewith are Bill No. 151 (COR) and Substitute Bill Nos. 4 (LS), 83 (COR), 159 (COR) and 180 (COR) which were passed by *I Mina' Bente Singko Na Liheslaturan Guåhan* on April 28, 1999.

Sincerely,


JOANNE M.S. BROWN
Senator and Legislative Secretary

Enclosure (5)

REC:


POR HENRY CAMACHO FLORES
TIME: 5:32 DATE: 4/30/99

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session


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

This is to certify that Substitute Bill No. 83 (COR), "AN ACT TO ADOPT RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT," was on the 28th day of April, 1999, duly and regularly passed.



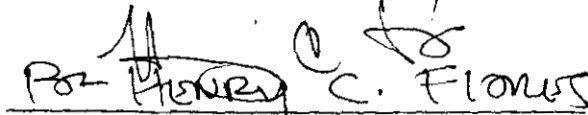
ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 30TH day of APRIL, 1999,
at 5:38 o'clock P.M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____

1 (3) *'Assets'* means all the applicant's liquid assets, *not* limited to
2 cash on hand, cash in bank(s), stocks, bonds, securities, real estate and
3 chattel property.

4 (4) *'Board'* means the Board of Directors of Guam Housing
5 Corporation.

6 (5) *'Construction cost'* means the final and total amount paid,
7 or to be paid, by a homeowner for the construction of a home, including
8 all monies paid for labor and material, contractors fees, fees of an
9 Architect and Engineer, survey costs, utility hook up costs, broker's
10 commissions, attorneys fees and financing fees.

11 (6) *'Corporation'* means the Guam Housing Corporation.

12 (7) *'Dependent'* means: (a) any child or individual under the
13 age of nineteen (19) and for which the head of household of such child
14 or individual has legal guardianship; (b) any child or individual under
15 the age of twenty-five (25) for which the head of household of such
16 child or individual has legal guardianship, if such child or individual is
17 a full time student; *or* (c) any individual, child, relative or parent,
18 regardless of age, for which the head of household of such person has
19 an obligation to provide financial support due to mental or physical
20 incapacity.

21 (8) *'Down payment'* means the equity requirements of the
22 homeowner needed to initiate the mortgage for the purchase or
23 construction of a home.

24 (9) *'Family income'* means the total annual income derived from
25 all sources of each member of the family.

1 (10) *'Family'* means two (2) or more persons related by blood,
2 adoption or marriage, living together as a household.

3 (11) *'FHLMC'* means the Federal Home Loan Mortgage
4 Corporation, also known as 'Freddie Mac.'

5 (12) *'Financial institution'* means any financial institution
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7 (13) *'First-time homeowner'* means any individual or family who
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9 five (5) years preceding the date of application. A family or individual
10 who has had an ownership interest in residential real property within
11 the five (5) year period preceding the date of application, but such
12 interest was terminated by a decree of divorce or operation of law, does
13 qualify as a first-time homeowner.

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15 (15) *'Government'* means the government of Guam.

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17 repayment.

18 (17) *'Home'* means a permanent, single family dwelling or single
19 family condominium or townhouse, *not* including semi-permanent
20 dwellings made of wood or tin, and is to be physically occupied by the
21 homeowner on a regular and continuous basis, and in which the
22 homeowner intends to exclusively reside.

23 (18) *'Individual'* means any unmarried person.

1 (19) *'Loan'* means the loan made by a financial institution or
2 GHC to a family or individual pursuant to the provisions of this
3 Chapter.

4 (20) *'Loan application'* means the application submitted by a
5 borrower to a financial institution or GHC for the purposes of obtaining
6 a first mortgage.

7 (21) *'Loan-to-value ratio'* means the percentage derived from
8 the loan amount divided by the value.

9 (22) *'President'* means the Chief Executive Officer of Guam
10 Housing Corporation.

11 (23) *'Prevailing GHC rate'* means the interest rate as set by the
12 Board of Directors pursuant to the Guam Housing Corporation enabling
13 legislation for use on its regular loan program. For the purpose of these
14 Rules and Regulations, it shall be the existing interest rate at the time of
15 any occurrence pertinent thereto.

16 (24) *'Program application'* means the form that an applicant
17 must submit to GHC to determine eligibility for participation in the
18 First-time Homeowner Relief Program Act.

19 (25) *'Purchase price'* means all of the money paid, or to be paid
20 by the homeowner, or the construction cost, for the home which is
21 subject to the provisions of this Act, *however*, it shall *not* include the
22 value of the land.

23 (26) *'Relief'* means financial assistance granted to a first-time
24 homeowner in his purchase of a home as part of the Program.

1 (27) *'Resident'* means an individual or a family who permanently
2 resides on Guam for a period of *not less than* five (5) consecutive years
3 preceding the date of application for the Program.

4 (28) *'Residential real property'* means real property consisting of
5 land and a dwelling which has been used as a family's or individual's
6 place of residence.

7 (29) *'Rules and Regulations'* means the First-time Homeowners
8 Relief Program Act Rules and Regulations.

9 **3. LENDER'S PARTICIPATION.**

10 **Section 3.1. Participation Agreement.** GHC shall enter
11 into a participation agreement with each financial institution who
12 desires to participate in the Program. The participation agreement
13 should cover both GHC's and the financial institution's responsibilities
14 under the Program.

15 **Section 3.2. Lender's Information.** All participating financial
16 institutions shall provide to GHC, on a periodic basis, all information
17 pertaining to rates, qualifying ratios and other policies that may affect
18 an applicant's ability to qualify for a mortgage loan.

19 **4. ELIGIBILITY.**

20 **Section 4.1. Eligibility Certificate.** GHC shall
21 issue an Eligibility Certificate to all pre-qualified applicants. The
22 participating financial institutions shall qualify Program applicants only
23 upon receipt of the Eligibility Certificate. The Certificate will include:
24 (a) certification of first-time home ownership; (b) qualification the
25 property costs less than One Hundred Twenty-five Thousand Dollars

1 (\$125,000.00); *and* (c) clarification that the four percent (4%) program is
2 applicable to fee simple and Chamorro Land Trust properties.

3 **Section 4.2. Expiration of Eligibility Certificate.**

4 Program applicants shall have six (6) months from
5 the date of issuance to qualify at a participating financial institution.
6 GHC may extend the eligibility period for an additional thirty (30) days
7 if the applicant is able to demonstrate need for additional time to secure
8 approval of the loan. Applicants wishing to extend the eligibility term
9 shall express the reasons for needing an extension in writing to the
10 President at least ten (10) days prior to the expiration of the six (6)
11 months eligibility period. All requests for extensions beyond an
12 eligibility period of six (6) months must be approved by GHC's Board of
13 Directors. The Eligibility Certificate is for the sole use of the applicant.

14 In the event an eligible applicant is approved by a participating
15 financial institution and fails to complete loan processing in the time
16 allowed by the institution, the Eligibility Certificate is void.

17 **Section 4.3. Falsification of Information.** Any applicant who
18 intentionally supplies false information on the application for funds
19 under this Program shall be automatically disqualified to participate. In
20 the event that funds are disbursed by GHC on behalf of such applicant:
21 (a) all sums disbursed shall become immediately due and payable; *and*
22 (b) applicant will be assessed a penalty of five percent (5%).

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9 **Section 5.2.2. Construction Loans.** GHC shall disburse the
10 funds to the financial institution upon closing of the loan for deposit in a
11 trust account. Interest earned on all loan funds in escrow accounts prior
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14 financial institution loan have been disbursed.

15 **6. REPAYMENT OF RELIEF.**

16 **Section 6.1.** A first-time homeowner shall repay to the
17 Program Fund an amount equal to the total relief received by the
18 homeowner with interest at a rate of ten percent (10%) per annum if
19 within two (2) years after receipt of the grant relief the home is: (a)
20 transferred, (b) sold *or* (c) occupied by individuals other than the
21 homeowner or his or her children."

22 **Section 4. Severability.** *If* any provision of this Law or its
23 application to any person or circumstance is found to be invalid or contrary to
24 law, such invalidity shall *not* affect other provisions or applications of this

- 1 Law which can be given effect without the invalid provisions or application,
- 2 and to this end the provisions of this Law are severable.

6

I MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN

1999 (FIRST) Regular Session

Date: 4/29/99

VOTING SHEET

S Bill No. 83 (COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT ROLL CALL
AGUON, Frank B., Jr.	✓				
BLAZ, Anthony C.	✓				
BERMUDES, Eulogio C.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Marcel G.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LAMORENA, Alberto C., V	✓				
LEON GUERRERO, Carlotta A.	✓				
MOYLAN, Kaleo Scott	✓				
PANGELINAN, Vicente C.	✓				
SALAS, John C.	✓				
SANCHEZ, Simon A., II	✓				
UNPINGCO, Antonio R.					EA ✓

TOTAL

14

1

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

April 26, 1999
(DATE)

Memorandum

FILE
COPY

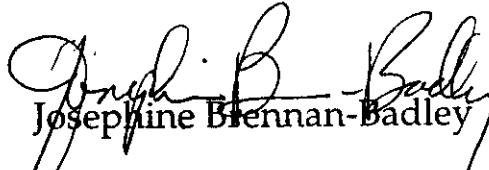
To: Senator JOHN C. SALAS

From: Clerk of the Legislature

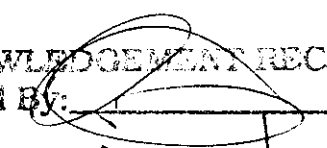
Subject: Report on Bill No. 83 (COR)

Pursuant to §7.04 of Rule VII of the 25th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 83 (COR) for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.


Josephine Brennan-Badley

Attachment

ACKNOWLEDGEMENT RECEIPT
Received By: 
Time: _____
Date: 4/26/99

Senator Kaleo S. Moylan
Chairperson, Committee on Housing,
General Government Services and Foreign Affairs
Mina' Bente Singko Na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature

April 23, 1999

Honorable Antonio R. Unpingco
Speaker
Mina' Bente Singko Na Liheslaturan Guåhan
Hagåtña, Guam 96910

VIA: Chairperson, Committee on Rules, Government Reform, Reorganization
and Federal Affairs

Dear Mr. Speaker:

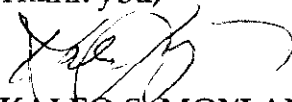
The Committee on Housing, General Government Services and Foreign Affairs, to which was referred Bill No. 83 (COR), "AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO IMPLEMENTING THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12 OF THE GUAM CODE ANNOTATED AND TO CITE THE ACT AS THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT RULES AND REGULATIONS," 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:

<u>10</u>	To Do Pass
<u>0</u>	Not to Pass
<u>0</u>	Abstain
<u>0</u>	Inactive File

A copy of the Committee Report and other pertinent documents are attached for your immediate reference and information.

Thank you,

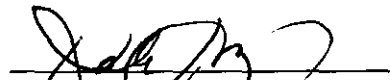
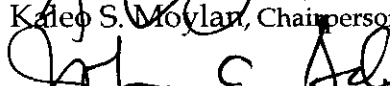
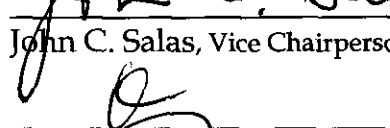
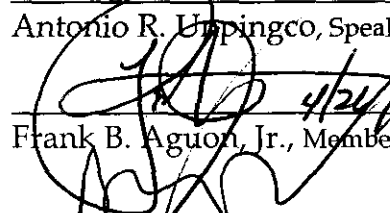
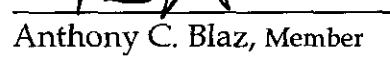
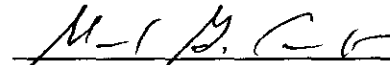
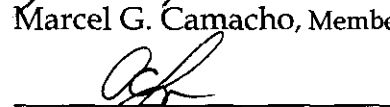

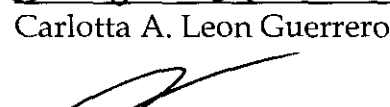
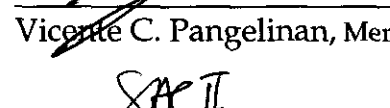

KALEO S. MOYLAN
Chairperson

Enclosure:

Committee on Housing, General Government Services and Foreign Affairs
Vote Sheet on
Substitute Bill No. 83 (COR)

AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO
IMPLEMENTING THE FIRST-TIME HOMEOWNERS RELIEF
PROGRAM ACT, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12 OF
THE GUAM CODE ANNOTATED AND TO CITE THE ACT AS THE
FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT RULES AND
REGULATIONS.

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
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 Kaleo S. Moylan, Chairperson	✓			
 John C. Salas, Vice Chairperson	✓			
 Antonio R. Umpingco, Speaker & Ex-Officio	✓			
 Frank B. Aguon, Jr., Member	✓			
 Anthony C. Blaz, Member				
 Marcel G. Camacho, Member	✓			
 Alberto C. Lamorena, V, Member	✓			
 Carlotta A. Leon Guerrero, Member	✓			
 Vicente C. Pangelinan, Member	✓			
 Simon A. Sanchez, Member	✓			

Profile on Bill No. 83 (COR)

- Brief Title:** "First-time Homeowners Relief Program Act Rules and Regulations."
- Date Introduced:** February 4, 1999.
- Main Sponsor(s):** Senators J. C. Salas, K. S. Moylan and M. G. Camacho.
- Committee Referral:** April 1, 1999, from the Committee on Rules, Government Reform, Reorganization and Federal Affairs to the Committee on Housing, General Government Services and Federal Affairs.
- Public Hearing:** April 21, 1999, at the Legislative Public Hearing Room.
- Official Title:** AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO IMPLEMENTING THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12 OF THE GUAM CODE ANNOTATED AND TO CITE THE ACT AS THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT RULES AND REGULATIONS.
- Co-sponsors:** Senator A. R. Unpingco.
- Witnesses:** Mr. James G. Sablan, President Guam Housing Corporation testifying in support of Bill No. 83.
- Notices to Department(s):** Adequate notice were given to the media and to the affected department(s) and/or agency(ies).
- Recommendation:** To do pass as substituted by the Committee.

OVERVIEW: The adoption of the First-time Homeowner Relief Program Act Rules and Regulations will create direct incentives for first-time homeowners to build typhoon-resistant homes, to enhance the general welfare of our residents, and at the same time, give a much-needed boost to a major local industry, the construction sector. The provision of such additional incentives to build has been declared a public priority and is in the best interest of our community to encourage the construction of sturdy concrete houses vis-a-vis tin and wooden structures.

Committee on Housing, General
Government Services and Foreign Affairs
Report On
Substitute Bill No. 83 (COR)

**AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO
IMPLEMENTING THE FIRST-TIME HOMEOWNERS RELIEF
PROGRAM ACT, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE
12 OF THE GUAM CODE ANNOTATED AND TO CITE THE ACT
AS THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT
RULES AND REGULATIONS.**

Introduced by Senators
J. C. Salas, K. S. Moylan, M. G. Camacho, A R. Unpingco

PUBLIC HEARING: The Committee on Housing, General Government Services and Foreign Affairs, to which was referred Bill No. 83 (COR) "AN ACT TO ESTABLISH RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT, PURSUANT TO PUBLIC LAW NUMBER 24-180, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED," conducted a public hearing on Wednesday, April 21, 1999, at the Legislative Public Hearing Room.

MEMBERS PRESENT: Senator Kaleo S. Moylan, Chairperson of the Committee on Housing, General Government Services and Foreign Affairs convened the hearing promptly at 8:30 a.m. Committee members and other Senators present were: John C. Salas, Vicente C. Pangelinan, Frank B. Aguon, Jr., Alberto C. Lamorena, V., Eddie B. Calvo, Eulogio Bermudes, Marcel G. Camacho, and Lawrence F. Kasperbauer.

TESTIMONY: Appearing before the Committee was Mr. James G. Sablan, President of the Guam Housing Corporation [Exhibit "A"].

Mr. Sablan informed the Committee that Guam Housing supports the establishment of rules and regulations to implement the First-time Homeowners Relief Program. The rules, according to Mr. Sablan, were promulgated by Guam Housing Corporation pursuant to Administrative Adjudication Law. In closing he urged the Committee to adopt the rules contained in Bill No. 83.

During questioning by Committee members on the implementation status of the program, Mr. Sablan responded saying that the prompt adoption of the rules will allow for immediate and full implementation of the First-time Homeowners Relief Program Act.

There being no further witnesses, the Chairperson of the Committee adjourned the hearing on Bill No. 83 and moved on to the next item of the hearing Agenda.

A CLOSER LOOK: Bill NO. 83 (COR) provides for the adoption of the First-time Homeowner Relief Program Act Rules and Regulations. The regulations will create direct incentives for first-time homeowners to build typhoon-resistant homes, to enhance the general welfare of our residents, and at the same time, give a much-needed boost to a major local industry, the construction sector. The provision of such additional incentives to build has been declared a public priority and is in the best interest of our community to encourage the construction of sturdy concrete houses vis-a-vis tin and wooden structures.

FINDINGS: The Committee finds that:

1. Under the Program, the government shall provide relief to First-time Homeowners for the purchase or construction of a home, which shall be paid directly to the financial institution as part of the down payment and/or closing costs, for the purpose of reducing the First-time Homeowner's financial requirement to secure a mortgage loan.
2. The relief shall be available to each family or individual in addition to any other grants or loans that the family or individual may receive from Guam Housing.
3. As part of the Program, a First-time Homeowner Relief Fund, was created. To insure the integrity of the Program, the Fund, it was established separate and apart from any other funds of the government of Guam, and under the administration and control of the Guam Housing Corporation and one-tenth percent (0.10%) of all Gross Receipts Taxes collected shall be deposited in the First-time Homeowner Relief Fund.
4. The Fund was to be used exclusively for the granting payments of four percent (4%) of the purchase price of a home to the financial institutions for First-time Homeowners who are residents of Guam.




RECOMMENDATION: The Committee, having reviewed the testimonies presented at the public hearing, does hereby recommend to *I Liheslatura* that Bill No. 83 (COR) "AN ACT TO ADOPT RULES AND REGULATIONS RELATIVE TO IMPLEMENTING THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12 OF THE GUAM CODE ANNOTATED AND TO CITE THE ACT AS THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT RULES AND REGULATIONS," be passed as substituted.

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
1999 (FIRST) Regular Session

Bill No. 83 (COR)

As substituted by the Committee on
Housing, General Government Services
and Foreign Affairs.

Introduced by:

J. C. Salas
K. S. Moylan 
M. G. Camacho
A. R. Unpingco 
F.B. Aquino, Jr. 

**AN ACT TO ADOPT RULES AND REGULATIONS
RELATIVE TO IMPLEMENTING THE FIRST-TIME
HOMEOWNERS RELIEF PROGRAM ACT,
CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12
OF THE GUAM CODE ANNOTATED AND TO
CITE THE ACT AS THE FIRST-TIME
HOMEOWNERS RELIEF PROGRAM ACT RULES
AND REGULATIONS.**

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

2 **Section 1.** Adoption of Guam Housing Corporation Rules and
3 Regulations for First-time Homeowners Relief Program. The administrative
4 rules and regulations for the Guam Housing Corporation ("Corporation")
5 relative to "First-time Homeowners Relief Program," as authorized and
6 provided for pursuant to applicable provisions of Article 7, Chapter 4, Title 12
7 of the Guam Code Annotated, are hereby *adopted* to read as follows:

1 "GUAM HOUSING CORPORATION
2 RULES AND REGULATIONS.
3 FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT.
4

5 1. AUTHORITY AND PURPOSE.

6 Section 1.1. Authority. Pursuant to the mandate of Public
7 Law No. 24-180, codified as Article 7, Chapter 4, Title 12 of the Guam
8 Code Annotated, these Rules and Regulations are promulgated as
9 authorized by §4610 of Title 12, Guam Code Annotated, to implement
10 the First-time Homeowners Relief Program Act.

11 Section 1.2. Purpose. These Rules and Regulations provide
12 uniform procedures to govern the dissemination of the First-time
13 Homeowners Relief Fund as prescribed by the Act.

14 2. DEFINITIONS.

15 Section 2.1. For the purpose of the First-time Homeowners
16 Relief Program the following general definitions shall apply:

17 (1) "*Adjusted annual income*" means the total family income
18 less five percent (5%) of such total family income less Four Hundred
19 Eighty Dollars (\$480.00) for each dependent. *The income limitation shall*
20 *be established at two hundred percent (200%) of the median or lower. The*
21 *median is determined by the United States Department of Housing and Urban*
22 *Development (HUD).*

23 (2) "*Appraised value*" means the value of the home and lot to
24 be purchased or the value of the home to be constructed.

1 (3) "*Assets*" means all the applicant's liquid assets, not limited
2 to cash on hand, cash in bank(s), stocks, bonds, securities, real estate,
3 and chattel property.

4 (4) "*Board*" means the Board of Directors of Guam Housing
5 Corporation.

6 (5) "*Construction cost*" means the final and total amount paid,
7 or to be paid, by a homeowner for the construction of a home including
8 all monies paid for labor and material, contractors fees, fees of an
9 Architect and Engineer, survey costs, utility hook up costs, broker's
10 commissions, attorneys fees and financing fees.

11 (6) "*Corporation*" means the Guam Housing Corporation.

12 (7) "*Dependent*" means (a) any child or individual under the
13 age of nineteen (19) and for which the head of household of such child
14 or individual has legal guardianship; (b) any child or individual under
15 the age of twenty five (25) for which the head of household of such child
16 or individual has legal guardianship, if such child or individual is a full
17 time student; or (c) any individual, child, relative, or parent, regardless
18 of age, for which the head of household of such person has an obligation
19 to provide financial support due to mental or physical incapacity.

20 (8) "*Down payment*" means the equity requirements of the
21 homeowner needed to initiate the mortgage for the purchase or
22 construction of a home.

23 (9) "*Family income*" means the total annual income derived
24 from all sources of each member of the family.

1 (10) "*Family*" means two (2) or more persons related by blood,
2 adoption or marriage, living together as a household.

3 (11) "*FHLMC*" means the Federal Home Loan Mortgage
4 Corporation, also known as "Freddie Mac."

5 (12) "*Financial institution*" means any financial institution
6 authorized to make mortgage loans.

7 (13) "*First-time homeowner*" means any individual or family
8 who has not had any ownership interest in a residential dwelling within
9 the five (5) years preceding the date of application. A family or
10 individual who has had an ownership interest in residential real
11 property within the five (5) year period preceding the date of
12 application, but such interest was terminated by a decree of divorce or
13 operation of law, does qualify as a first-time homeowner.

14 (14) "*GHC*" means the Guam Housing Corporation.

15 (15) "*Government*" means the Government of Guam.

16 (16) "*Grant*" means funds that are otherwise without obligation
17 of repayment.

18 (17) "*Home*" means a permanent, single family dwelling or
19 single family condominium or townhouse, not including semi-
20 permanent dwellings made of wood or tin, and is to be physically
21 occupied by the homeowner on a regular and continuous basis, and in
22 which the homeowner intends to exclusively reside.

23 (18) "*Individual*" means any unmarried person.

1 (19) "*Loan*" means the loan made by a financial institution or
2 GHC to a family or individual pursuant to the provisions of this
3 chapter.

4 (20) "*Loan application*" means the application submitted by a
5 borrower to a financial institution or GHC for the purposes of obtaining
6 a first mortgage.

7 (21) "*Loan-to-value ratio*" means the percentage derived from
8 the loan amount divided by the value.

9 (22) "*President*" means the Chief Executive Officer of Guam
10 Housing Corporation.

11 (23) "*Prevailing GHC rate*" means the interest rate as set by the
12 Board of Directors pursuant to the Guam Housing Corporation enabling
13 legislation for use on its regular loan program. For the purpose of these
14 Rules and Regulations, it shall be the existing interest rate at the time of
15 any occurrence pertinent thereto.

16 (24) "*Program application*" means the form that an applicant
17 must submit to GHC to determine eligibility for participation in the
18 First-time Homeowner Relief Program Act.

19 (25) "*Purchase price*" means all of the money paid, or to be paid
20 by the homeowner, or the construction cost, for the home which is
21 subject to the provisions of this Act, however, it shall not include
22 the value of the land.

23 (26) "*Relief*" means financial assistance granted to a first-time
24 homeowner in his purchase of a home as part of the Program.

1 gross monthly income. Housing expense shall be defined as the sum of
2 the principal and interest payment on the financial institution loan, the
3 interest free loan payment, property insurance and real estate tax
4 payment. As a general rule, the total debt-to-income ratio shall not
5 exceed thirty-six percent (36%) of the borrower's gross monthly income.

6 Total monthly debt includes the housing expense and all debt
7 payments exceeding one (1) year to maturity. Exceptions may be
8 granted by GHC, but these ratios may not exceed thirty-three percent
9 (33%) and thirty-eight percent (38%), respectively. The Board of GHC
10 may make periodic changes to the maximum qualifying ratio ceilings as
11 market conditions change.

12 **Section 4.2. Eligibility Certificate.** GHC shall issue an
13 Eligibility Certificate to all prequalified applicants pending availability
14 of funds. The participating financial institutions shall qualify Program
15 applicants only upon receipt of the Eligibility Certificate. The Certificate
16 will include: (a) certification of first-time home ownership; (b)
17 qualification the property costs less than one hundred twenty-five
18 thousand dollars (\$125,000.00); and (c) clarification that the four percent
19 (4%) program is applicable to fee simple and Chamorro Land Trust
20 properties.

21 **Section 4.3. Expiration of Eligibility Certificate.** Program
22 applicants shall have sixty (60) days from the date of issuance to qualify
23 at a participating financial institution. GHC may extend the eligibility
24 period for an additional thirty (30) days if the applicant is able to
25 demonstrate need for additional time to secure approval of the loan.

1 Applicants wishing to extend the eligibility term shall express the
2 reasons for needing an extension in writing to the President at least ten
3 (10) days prior to the expiration of the sixty (60) day eligibility period.
4 All requests for extensions beyond an eligibility period of ninety (90)
5 days must be approved by GHC's Board of Directors. The Eligibility
6 Certificate is for the sole use of the applicant.

7 In the event an eligible applicant is approved by a participating
8 financial institution and fails to complete loan processing in the time
9 allowed by the institution, the Eligibility Certificate is void.

10 **Section 4.4. Falsification of Information.** Any applicant who
11 intentionally supplies false information on the application for funds
12 under this Program shall be automatically disqualified to participate. In
13 the event that funds are disbursed by GHC on behalf of such applicant:
14 (a) all sums disbursed shall become immediately due and payable; and
15 (b) applicant will be assessed a penalty of five percent (5%).

16 **5. LOAN UNDERWRITING AND ORIGINATION.**

17 **Section 5.1. Notice of Approval and Review by GHC.** Upon
18 approval of the applicant's loan application by a participating financial
19 institution, the financial institution shall submit memoranda or other
20 pertinent information to GHC for processing the Program funds.

21 **Section 5.2. Disbursement of Funds.**

22 **Section 5.2.1. Purchase Loans.** GHC shall disburse the funds
23 to the financial institution upon closing of the loan. Interest earned on
24 all loan funds in escrow accounts prior to disbursement shall be paid to
25 GHC to cover its expense in managing the funds.



MINA' BENTE SINGKO NA LIHESLATURAN GUAHAN
Kumitean Areklamento, Refotman Gubetnamento Siha, Inetnon di Nuebu, yan Asunton Fidirat

*Senadot Mark Forbes, Gehilu
Kabisiyon Mayurdát*

APR 01 1999

MEMORANDUM

TO: Chairman
Committee on Housing, General Government Services and Foreign Affairs

FROM: Chairman *[Signature]*
Committee on Rules, Government Reform, Reorganization
and Federal Affairs

SUBJECT: Principal Referral – Bill No. 83

The above bill is referred to your Committee as the Principal Committee. In accordance with Section 6.04.05. of the Standing Rules, your Committee "shall be the Committee to perform the public hearing and have the authority to amend or substitute the bill, as well as report the bill out to the Body." It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

Attachment

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session

Bill No. 83 (CJR)

Introduced by:

J. C. Salas *JCS*
K. S. Moylan *KSM*
M. G. Camacho *MGC*
A. R. Unpingco *ARU*

AN ACT TO ESTABLISH RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT PURSUANT TO PUBLIC LAW 24-180, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:
2 Section 1. Legislative Findings and Intent. *I Liheslaturan Guahan*
3 finds that §4610 of Article 7, Chapter 4, Title 12, Guam Code Annotated
4 mandates the Guam Housing Corporation to make Rules and Regulations to
5 implement the First-time Homeowners Relief Program Act. Pursuant to
6 Public Law 22-96, for the convenience of *I Liheslaturan Guahan*, Rules and
7 Regulations are submitted to *I Liheslaturan Guahan* in bill form. Unless
8 changed by statute, the Rules and Regulations submitted in bill form shall be
9 approved pursuant to the Administrative Adjudication Law and be effective
10 as Rules and Regulations subject to further change according to the
11 provisions of the Administrative Adjudication Law.

- 1 (2) "*Appraised value*" means the value of the home and lot to be purchased or
2 the value of the home to be constructed.
- 3 (3) "*Assets*" means all the applicant's liquid assets, not limited to cash on
4 hand, cash in bank(s), stocks, bonds, securities, real estate, and chattel
5 property.
- 6 (4) "*Board*" means the Board of Directors of Guam Housing Corporation.
- 7 (5) "*Construction cost*" means the final and total amount paid, or to be paid,
8 by a homeowner for the construction of a home including all monies paid for
9 labor and material, contractors fees, fees of an Architect and Engineer, survey
10 costs, utility hook up costs, broker's commissions, attorneys fees and
11 financing fees.
- 12 (6) "*Corporation*" means the Guam Housing Corporation.
- 13 (7) "*Dependent*" means (a) any child or individual under the age of nineteen
14 (19) and for which the head of household of such child or individual has legal
15 guardianship; (b) any child or individual under the age of twenty five (25) for
16 which the head of household of such child or individual has legal
17 guardianship, if such child or individual is a full time student; or (c) any
18 individual, child, relative, or parent, regardless of age, for which the head of
19 household of such person has an obligation to provide financial support due
20 to mental or physical incapacity.
- 21 (8) "*Down payment*" means the equity requirements of the homeowner
22 needed to initiate the mortgage for the purchase or construction of a home.
- 23 (9) "*Family income*" means the total annual income derived from all sources
24 of each member of the family.
- 25 (10) "*Family*" means two (2) or more persons related by blood, adoption or
26 marriage, living together as a household.

- 1 (11) "*FHLMC*" means the Federal Home Loan Mortgage Corporation, also
2 known as "Freddie Mac."
- 3 (12) "*Financial institution*" means any financial institution authorized to
4 make mortgage loans.
- 5 (13) "*First-time homeowner*" means any individual or family who has not
6 had any ownership interest in a residential dwelling within the five (5) years
7 preceding the date of application. A family or individual who has had an
8 ownership interest in residential real property within the five (5) year period
9 preceding the date of application, but such interest was terminated by a
10 decree of divorce or operation of law, does qualify as a first-time
11 homeowner.
- 12 (14) "*GHC*" means the Guam Housing Corporation.
- 13 (15) "*Government*" means the Government of Guam.
- 14 (16) "*Grant*" means funds that are otherwise without obligation of
15 repayment.
- 16 (17) "*Home*" means a permanent, single family dwelling or single family
17 condominium or townhouse, not including semi-permanent dwellings made
18 of wood or tin, and is to be physically occupied by the homeowner on a
19 regular and continuous basis, and in which the homeowner intends to
20 exclusively reside.
- 21 (18) "*Individual*" means any unmarried person.
- 22 (19) "*Loan*" means the loan made by a financial institution or GHC to a
23 family or individual pursuant to the provisions of this chapter.
- 24 (20) "*Loan application*" means the application submitted by a borrower to a
25 financial institution or GHC for the purposes of obtaining a first mortgage.

- 1 (21) *"Loan-to-value ratio"* means the percentage derived from the loan
2 amount divided by the value.
- 3 (22) *"President"* means the Chief Executive Officer of Guam Housing
4 Corporation.
- 5 (23) *"Prevailing GHC rate"* means the interest rate as set by the Board of
6 Directors pursuant to the Guam Housing Corporation enabling legislation
7 for use on its regular loan program. For the purpose of these Rules and
8 Regulations, it shall be the existing interest rate at the time of any occurrence
9 pertinent thereto.
- 10 (24) *"Program application"* means the form that an applicant must submit to
11 GHC to determine eligibility for participation in the First-time Homeowner
12 Relief Program Act.
- 13 (25) *"Purchase price"* means all of the money paid, or to be paid by the
14 homeowner, or the construction cost, for the home which is subject to the
15 provisions of this Act, however, it shall not include the value of the land.
- 16 (26) *"Relief"* means financial assistance granted to a first-time homeowner in
17 his purchase of a home as part of the Program.
- 18 (27) *"Resident"* means an individual or a family who permanently resides in
19 the Territory of Guam for a period of not less than five (5) consecutive years
20 preceding the date of application for the Program.
- 21 (28) *"Residential real property"* means real property consisting of land and a
22 dwelling which has been used as a family's or individual's place of residence.
- 24 (29) *"Rules and Regulations"* means the First-time Homeowners Relief
25 Program Act Rules and Regulations.

26

3. LENDER'S PARTICIPATION

1
2
3 3.1 Participation Agreement. GHC shall enter into a participation
4 agreement with each financial institution who desires to participate in the
5 Program. The participation agreement should cover both GHC's and the
6 financial institution's responsibilities under the Program.

7 3.2 Lender's Information. All participating financial institutions shall
8 provide to GHC, on a periodic basis, all information pertaining to rates,
9 qualifying ratios and other policies that may affect an applicant's ability to
10 qualify for a mortgage loan.

4. ELIGIBILITY

11
12 4.1 Prequalification by GHC. Guam Housing Corporation shall prequalify
13 all applicants on the basis of income, repayment ability and available
14 underwriting information from the financial institution. As a general rule,
15 the total monthly housing expense shall not exceed twenty-eight percent
16 (28%) of the borrower's gross monthly income. Housing expense shall be
17 defined as the sum of the principal and interest payment on the financial
18 institution loan, the interest free loan payment, property insurance and real
19 estate tax payment. As a general rule, the total debt-to-income ratio shall not
20 exceed thirty-six percent (36%) of the borrower's gross monthly income.

21 Total monthly debt includes the housing expense and all debt payments
22 exceeding one (1) year to maturity. Exceptions may be granted by GHC, but
23 these ratios may not exceed thirty-three percent (33%) and thirty-eight
24 percent (38%), respectively. The Board of GHC may make periodic changes
25 to the maximum qualifying ratio ceilings as market conditions change.

26 4.2 Eligibility Certificate. GHC shall issue an Eligibility Certificate to all
27 prequalified applicants pending availability of funds. The participating

1 financial institutions shall qualify Program applicants only upon
2 receipt of the Eligibility Certificate. The Certificate will include: (a)
3 certification of first-time home ownership; (b) qualification the property costs
4 less than one hundred twenty-five thousand dollars (\$125,000.00); and (c)
5 clarification that the four percent (4%) program is applicable to fee simple
6 and Chamorro Land Trust properties.

7 **4.3 Expiration of Eligibility Certificate.** Program applicants shall have sixty
8 (60) days from the date of issuance to qualify at a participating financial
9 institution. GHC may extend the eligibility period for an additional thirty
10 (30) days if the applicant is able to demonstrate need for additional time to
11 secure approval of the loan. Applicants wishing to extend the eligibility term
12 shall express the reasons for needing an extension in writing to the President
13 at least ten (10) days prior to the expiration of the sixty (60) day eligibility
14 period. All requests for extensions beyond an eligibility period of ninety (90)
15 days must be approved by GHC's Board of Directors. The Eligibility
16 Certificate is for the sole use of the applicant.

17 In the event an eligible applicant is approved by a participating financial
18 institution and fails to complete loan processing in the time allowed by the
19 institution, the Eligibility Certificate is void.

20 **4.4 Falsification of Information.** Any applicant who intentionally supplies
21 false information on the application for funds under this Program shall be
22 automatically disqualified to participate. In the event that funds are disbursed
23 by GHC on behalf of such applicant: (a) all sums disbursed shall become
24 immediately due and payable; and (b) applicant will be assessed a penalty of
25 five percent (5%).

26

5. LOAN UNDERWRITING AND ORIGINATION

5.1 Notice of Approval and Review by GHC. Upon approval of the applicant's loan application by a participating financial institution, the financial institution shall submit memoranda or other pertinent information to GHC for processing the Program funds.

5.2 Disbursement of Funds.

5.2.1 Purchase Loans. GHC shall disburse the funds to the financial institution upon closing of the loan. Interest earned on all loan funds in escrow accounts prior to disbursement shall be paid to GHC to cover its expense in managing the funds.

5.2.2 Construction Loans. GHC shall disburse the funds to the financial institution upon closing of the loan for deposit in a trust account. Interest earned on all loan funds in escrow accounts prior to disbursement shall be paid to GHC to cover its expense in managing the funds. The proceeds are to be disbursed *after* the proceeds of the financial institution loan have been disbursed.

6. REPAYMENT OF RELIEF

A first-time homeowner shall repay to the Program Fund an amount equal to the total relief received by the homeowner with interest at a rate of ten percent (10%) per annum if within two (2) years after receipt of the grant relief the home is: (a) transferred, (b) sold, or (c) occupied by individuals other than the homeowner or his or her children.

Section 4. Severability. If any provision of this Law or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this

- 1 Law which can be given effect without the invalid provisions or application,
- 2 and to this end the provisions of this Law are severable.



Guam Housing Corporation

P.O. Box 3457 Hagåtña, Guam 96932

TESTIMONY ON BILL NO. 83
JAMES G. SABLAN
PRESIDENT GUAM HOUSING CORPORATION

Mr. Chairman and members of the Committee on Housing, General Government Services and Foreign Affairs. Hafa Adai and Good Morning. I am James G Sablan, President of Guam Housing Corporation and on behalf of the Corporation we are submitting our written testimony on bill #83.

I submit this testimony in support of Bill 83, An Act to establish the rules and regulations to implement the first time homeowners relief program act pursuant to Public Law 24-180, codified as Article 7, Chapter 4, Title 12, Guam Code Annotated.

The Rules and Regulations, which are the subject of Bill 83, were originally promulgated by Guam Housing Corporation pursuant to statutory mandate. They were submitted pursuant to the Administrative Adjudication Law and amended by the Legislature. GHC has no objections to any of the provisions therein, and urges prompt adoption of the Bill, as approval of these rules will allow for immediate and full implementation of the First-Time Homeowners Relief Program Act.

I would like to thank the Committee for allowing Guam Housing Corporation to submit this testimony and to pursue the adoption of the rules and regulation for the First-Time Homeowners Relief Act. To the sponsor of Bill 83, thank you for your good intentions and I encourage the members of the committee on housing for the passage of Bill 83.

Si Yu'us Ma'ase

James G. Sablan
James G Sablan
President

**FIRST-TIME HOMEOWNER RELIEF PROGRAM ACT.
P.L. 24-180**

**AN ACT TO ADD §4103(f) AND TO ADD A NEW ARTICLE 7
TO CHAPTER 4 OF TITLE 12 OF THE GUAM CODE
ANNOTATED, RELATIVE TO ENCOURAGING THE
CONSTRUCTION AND PURCHASE OF AFFORDABLE
HOMES BY FIRST-TIME HOMEOWNERS.**

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Statement. The Guam Legislature finds that, of the thousands of homes recently either destroyed or damaged by the fury of Super Typhoon Paka, semi-permanent structures of wood and tin predominate the list of houses with major damages and total destructions.

The Guam Legislature further finds that realizing the dream for many hopeful, prospective, first-time homeowners, including the recipients of the Chamorro Land Trust lots, of building safe and typhoon-resistant homes remain doubtful due to the lack of financial resources to immediately begin construction. Although there exist a number of commendable government programs and ongoing efforts to grant tax abatements and rebates to developers and contractors, they have not always translated into real direct savings for the consumers.

It is the intent of the Guam Legislature to create direct incentives for first-time homeowners to build typhoon-resistant homes, to enhance the general welfare of our residents, and at the same time, to give a much-needed boost to a major local industry, the construction sector. Financial assistance provided to first-time homeowners also partially alleviates the potential financial problems confronting the beneficiaries of the Chamorro Land Trust Act. The provision of such additional incentives to build is declared a public priority and is in the best interest of our community to encourage the construction of sturdy concrete houses vis-à-vis tin and wooden structures.

Section 2. Section 4103(f) is hereby added to Article 1, Chapter 4 of Title 12 of the Guam Code Annotated to read as follows:

“(f) To encourage and promote the purchase or construction of affordable, typhoon-resistant, permanent homes by the residents of Guam who have not previously been homeowners, by utilizing a special fund to provide financial grants.

Section 3. A new Article 7 is hereby added to Chapter 4 of Title 12 of the Guam Code Annotated to read as follows:

"ARTICLE 7.

FIRST-TIME HOMEOWNER RELIEF PROGRAM ACT.

- Section 4601. Title.**
- Section 4602. Definitions.**
- Section 4603. First-time Homeowner Relief Program.**
- Section 4604. Qualifications.**
- Section 4605. Certificate of First-time Homeownership.**
- Section 4606. Certificate Nontransferable.**
- Section 4607. Repayment of Relief.**
- Section 4608. First-time Homeowner Relief Fund.**
- Section 4609. Continuing Appropriations.**
- Section 4610. Development of Rules and Regulations.**
- Section 4611. List of Participating Financial Institutions.**
- Section 4612. No Transfer Authority by the Governor.**

Section 4601. Title. This Article shall be known as the '*First-time Homeowners Relief Program Act*,' ('Program').

Section 4602. Definitions. For purposes of this Article, the following terms are defined to mean:

(a) '*Construction cost*' means the final and total amount paid, or to be paid, by a homeowner for the construction of a home and shall include all monies paid for labor and material, contractor's fees, fees of an architect and engineer, survey costs, utility hook-up costs, broker's commissions and attorney fees.

(b) '*Down payment*' means the equity requirements of the homeowner needed to initiate the mortgage for the purchase or construction of a home. It shall include points and fees charged by the financial institution.

(c) '*Family*' means two (2) or more persons related by blood, adoption or marriage, living together as a household.

(d) '*Financial institution*' means any financial institution authorized to make mortgage loans on Guam.

(e) '*First-time Homeowner*' means any individual who, or family who, has not had any ownership interest in a home within the five (5) years preceding the date of application, or families and

individuals who have had an ownership interest in a home within the five (5) year preceding the date of application but such interest was terminated by a decree of divorce or operation of law.

(f) '*GHC*' means the Guam Housing Corporation.

(g) '*Home*' means a permanent, single family dwelling, or single family condominium or town house, but does not include semi-permanent dwellings made of wood and tin, and is to be physically occupied by the homeowner on a regular and continuous basis and in which the homeowner intends to exclusively reside.

(h) '*Purchase Price*' means all of the money paid, or to be paid by, a homeowner, or the construction cost, for the home which is subject of the provisions of this Act, however, it shall not include the value of the land.

(i) '*Relief*' means a financial assistance granted to First-time Homeowners in their purchase of a home as a part of the Program.

Section 4603. First-time Homeowner Relief Program. The government shall provide relief to First-time Homeowners for the purchase or construction of a home, which shall be paid directly to the financial institution as part of the down payment and/or closing costs, for the purpose of reducing the First-time Homeowner's financial requirement to secure a mortgage loan. The relief shall be available to each family or individual in addition to any other grants or loans that the family or individual may receive from GHC or other agencies, in accordance with the provisions set forth in this Article, and the rules and regulations to be adopted by GHC.

Section 4604. Qualifications. (a) To qualify for the Program set out in this Article, the applicant must meet the following requirements:

(1) **Resident of Guam.** All applicants must be U.S. citizens or permanent resident aliens who have been residents of Guam for a period of not less than five (5) years immediately preceding the date of application. An applicant who has not been a five (5) year resident for the period immediately preceding the date of application may qualify for these programs if the applicant's residency change was due to active service in the United States Armed Forces or for attendance on a full-time basis at an institution of higher education; provided, that the applicant

was a five (5) year resident for the period immediately preceding the start of such active duty or education;

(2) certification, under penalty of perjury, that he or she is a First-time Homeowner; and

(3) the Purchase Price of the Home is less than One Hundred Twenty-five Thousand Dollars (\$125,000.00).

(b) In addition, the individual or family seeking certificate of eligibility shall complete an application with the GHC which includes the following information:

(1) whether the applicant intends to purchase or construct his or her home;

(2) the legal description of the property intended for the home;

(3) if the applicant intends to construct, or has commenced construction, of a home, then:

(i) a certificate of title, policy of title insurance or other evidence of fee simple title, or lease to a Chamorro Land Trust lot, to the unimproved land intended for construction;

(ii) construction plans and specifications certified by a registered architect; and

(iii) a completed construction contract with construction cost of the home to be built.

(4) if the applicant intends to purchase a home, then:

(i) an executed contract for the purchase of the home with selling price; and

(ii) certificate of title, policy of title insurance or other evidence of ownership by the intended seller.

(5) such other information as GHC shall reasonably require.

Section 4605. Certificate of First-time Homeownership.

(a) The GHC shall issue a Certificate of First-time Homeownership to an individual or a family if he or she is a First-time Homeowner and meets all of the requirements set forth in this Article.

(b) The Certificate shall contain language that four percent (4%) of the purchase price of the home of the homeowner applying for a mortgage loan shall be paid by GHC to the financial institution authorized to make mortgage loans on Guam, and selected and

qualified by the homeowner, for the purposes of applying it toward the down payment and/or closing costs incident to the purchase of the home.

(c) The GHC shall pay four percent (4%) of the purchase price of the home of the qualified applicant to the financial institution authorized to make mortgage loans on Guam, and selected and qualified by the homeowner for the purposes of applying it toward the down payment:

(1) in case of a newly-constructed home, within thirty (30) days of the issuance of the certificate of occupancy by the Department of Public Works, or the execution of the contract for the purchase of the home, whichever occurs first; and

(2) in case of a purchased home, within thirty (30) days of the execution of the contract for the purchase.

(d) Any applicant who intentionally supplies false information on the application for relief under the Program established in this Article shall automatically be disqualified from the Program. In the event that funds are disbursed on behalf of such an applicant, the applicant shall be assessed a penalty interest of five percent (5%) in addition to the amount disbursed by GHC.

Section 4606. Certificate Nontransferable. Certificate of First-time Homeownership shall not be transferable, except between joint holders of an original Certificate, and it shall not be transferred to a new and separate home. In case of the death of the original homeowner, the Certificate shall terminate unless the home covered by the Certificate becomes the home of the decedent's heirs, and they acquire title to the property within two (2) years of the death.

Section 4607. Repayment of Relief. A First-time Homeowner shall repay to the First-time Homeowner Relief Fund an amount equal to the total relief received by the homeowner with interest at the rate of ten percent (10%) per annum, if, within two (2) years after receipt of the grant relief, the home is:

(a) transferred or conveyed;

(b) sold; or

(c) occupied exclusively by individuals other than the Homeowner or his or her children.

Section 4608. First-time Homeowner Relief Fund. There is hereby created, separate and apart from any other funds of the

government of Guam, and under the administration and control of the Guam Housing Corporation, the *First-time Homeowner Relief Fund*. Notwithstanding any other provision of law, one-tenth percent (0.10%) of all Gross Receipts Taxes collected shall be deposited in the First-time Homeowner Relief Fund. This Fund shall be used exclusively for granting payments of four percent (4%) of the purchase price of a home to the financial institutions for First-time Homeowners who are residents of Guam. The Department of Administration shall deposit on the last day of each month a sum equal to one-tenth percent (0.10%) of all Gross Receipts Taxes collected for the previous month in the First-time Homeowner Relief Fund. All interest earned on the undisbursed proceeds in the First-time Homeowner Relief Fund shall remain in the Fund.

Section 4609. Continuing Appropriations. In addition to the one-tenth percent (0.10%) of all Gross Receipts Taxes collected, there are hereby appropriated from time to time, funds from the General Fund for deposit in the First-time Homeowners Relief Fund as necessary to render the payments required by this Act. Such funds, when appropriated, shall be paid directly to the First-time Homeowners Relief Fund.

Section 4610. Development of Rules and Regulations. Within ninety (90) days after enactment, GHC shall adopt such rules and regulations as may be necessary to implement the provisions of this Article and Subsection (f) of §4103.

Section 4611. List of Participating Financial Institutions. The GHC shall develop and maintain on a semi-annual basis, a list of financial institutions participating in this Program. It shall be made readily accessible to the public.

Section 4612. No Transfer Authority by the Governor. Any funds transferred to the First-time Homeowners Relief Fund under this Act shall *not* be subject to the Governor's transfer authority."



Min Bente Singko Na Liheslaturan Guahan

Twenty-Fifth Guam Legislature

The Office of
Senator Kaleo S. Moylan

Chairman, Committee on Housing, General Government Services and Foreign Affairs

Suite 108
Sinajana Shopping Mall Phase II
777 Route 4
Sinajana, Guam 96926
Phone: (671) 472-3342/4345
Fax: (671) 472-3440

April 15, 1999

Mr. James G. Sablan
President
Guam Housing Corporation
P. O. Box 3457
Hagatna, GU 96932

Dear Mr. Sablan:

This is to inform you that the Committee on Housing, General Government Services and Foreign Affairs will be conducting a public hearing on Wednesday, April 21, 1999, at 8:30 a.m., in the Liheslaturan Guahan Public Hearing Room on Bill Nos. 83 and 180. Copies of the bills and the agenda of the hearing are enclosed for your information.

As these bills directly affect the welfare of our people, your presence at this hearing is greatly appreciated. If you are planning to testify, please provide 15 copies of your written testimony. Thank you for your attention to this matter.

Sincerely yours,

KALEO S. MOYLAN
Senator

Enclosures

GUAM HOUSING CORP.

APR 16 1999

REC'D: Joyson M. ILLIETENORIO



PUBLIC HEARING
8:30 - 5 p.m., Wednesday, April 21, 1999

AGENDA

- I. Call to Order. 8:30 a.m.**
- II. Announcement and Introduction of Members.**
- III. Executive Appointments:**
 - **Peter Sgro to serve as a member of the Guam Banking Board.**
 - **Pedro G. Pangelinan to serve as a member of the Cockpit License Board.**
 - **Luis L. G. Paulino as a member of the Guam Housing and Urban Renewal Authority Beard of Commissioners.**
- IV. Legislative Measures:**
 - **Bill No. 91(COR) AN ACT TO REPEAL SECTION 113102 AND TO AMEND SECTION 113103 OF CHAPTER 113, OF TITLE 11, GUAM CODE ANNOTATED RELATING TO CORPORATE NAME OF AN ASSOCIATION. (A. C. Lamorena)**
 - **Bill No. 83(COR) AN ACT TO ESTABLISH RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT PURSUANT TO PUBLIC LAW 24-180, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED. (J. C. Salas, K. S. Moylan, M. G. Camacho, A. R. Unpingco)**
 - **Bill No. 180(COR) AN ACT TO ADD A NEW SECTION 4115 TO ARTICLE 1, CHAPTER 4 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GUAM HOUSING CORPORATION TO INCREASE THE DEBT TO INCOME RATIO FOR FIRST-TIME HOMEOWNERS. (K. S. Moylan, J. C. Salas, A. R. Unpingco)**
 - **Bill No. 94(COR) AN ACT TO AMEND §10104(a)(2), ARTICLE 1, CHAPTER 10, DIVISION 1, PART 1 OF TITLE 5 OF THE GUAM CODE ANNOTATED RELATIVE TO THE RIGHT OF INSPECTION. (J. C. Salas, K. S. Moylan, A. R. Unpingco)**
 - **Bill No. 103(LS) AN ACT TO REPEAL AND REENACT SECTION 4104(a) OF ARTICLE 1, CHAPTER 4 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PREFERENCES FOR BASIC LAW ENFORCEMENT ACADEMY GRADUATES. (J. C. Salas, K. S. Moylan, A. R. Unpingco)**

* **Bill No. 142(COR) AN ACT TO TRANSFER EMPLOYEES ON A VOLUNTARY BASIS FROM THE DEPARTMENT OF AGRICULTURE AND THE DEPARTMENT OF LAND MANAGEMENT TO THE CHAMORRO LAND TRUST COMMISSION. (A. R. Unpingco, K. Moylan, C. A. Leon Guerrero, John C. Salas, Mark Forbes)**

* **Bill No. 140(COR) AN ACT TO ADD A NEW ARTICLE 4 OF CHAPTER 4 TO TITLE 21 OF THE GUAM CODE ANNOTATED, TO REQUIRE DISCLOSURES UPON TRANSFER OF IMPROVED PROPERTY. (A. R. Unpingco, M. G. Camacho, K. S. Moylan, E. C. Bermudes, F. B. Aguon, Jr.)**

Recess until 1:00 p.m.

* **Bill No. 175(COR) AN ACT TO ADD A NEW §5218 TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE COMPETITIVE SEALED BIDDING PROCEDURES OF GUAM PROCUREMENT REGULATIONS. (V. C. Pangelinan)**

* **Bill No. 166(COR) AN ACT TO REPEAL PUBLIC LAW NUMBER 24-323 IN ITS ENTIRETY, TO REENACT CHAPTER 33 OF TITLE 7 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE MECHANIC'S LIEN LAW. (K. S. Moylan, V. C. Pangelinan)**

4:00 p.m.

* **Bill No. 185(COR) AN ACT TO AMEND SUBSECTIONS (a) AND (b) of §164, §8207 AND SUBSECTION (h) OF §8218, AND TO ADD A NEW §8209.1, ALL OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO EXTENDING THE TRANSFER PERIOD OF THE MEMBERS OF THE GOVERNMENT OF GUAM RETIREMENT FUND TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM. (V. C. Pangelinan, K. Moylan)**

* **Bill No. 100(COR) AN ACT TO REPEAL, REENACT, AND AMEND CERTAIN SECTIONS OF ARTICLE 1, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE GOVERNMENT OF GUAM RETIREMENT FUND ADOPTING MODERN INVESTMENT PRACTICES INCORPORATED IN THE UNIFORM MANAGEMENT OF PUBLIC EMPLOYEE RETIREMENT SYSTEMS ACT. (K. S. Moylan, A. R. Unpingco, J. C. Salas)**

V. REMARKS

VI. RECESS UNTIL FURTHER NOTICE.



The Office of
Senator Kaleo S. Moylan

Suite 108
Sinejans Shopping Mall Phase II
777 Route 4
Sinejans, Guam 96926
Phone: (671) 472-3342/43/45
Fax: (671) 472-3440

Chairman, Committee on Housing, General Government Services and Foreign Affairs

Witness Sign In Sheet

BILL NO. 83

April 21, 1999

Date

TESTIMONY

NAME

Please Print

REPRESENTING

Department/Agency, etc.

ORAL

Written

FOR/

Against

James G. SANCHEZ

Guam Housing Corp

X

ICES
D GOLF
E.

on double occupancy, and is
act your local agent.
ver's licence or ID required.
ort@saipan.com

T
7 18

Includes 1 Free
1 Soup of the Day

baseball cap with any
\$40.00 purchase of daily
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and confined.

▲ Jacob Quin Sablan, 31, of Borigada was arrested on a charge of violation of a court order. He was booked and confined.

▲ Charles Lee Mendiola, 27, of Dededo was arrested on charges of assault, family violence, terrorizing and warrant of arrest. He was booked and confined.

Monday

▲ Michael Mendiola Muna, 27, of Dededo was arrested on charges of family violence and terrorizing. He was booked and confined.

▲ Joaquin Topasna Mendiola, 39, of Dededo was arrested on charges of terrorizing and family violence. He was booked and confined.

▲ Helen Kikuo, 34, of Yona was arrested on a charge of retail theft. She was booked and released.

Sunday

▲ Vincent J.A. Aguon, 35, of Yona was arrested on charges of assault and family violence. He was booked and confined.

Saturday

▲ David Pangelinan Mendiola, 52, of Dededo was arrested on a warrant of arrest and charges of illegal possession of a controlled substance. He was booked and confined.

Names as spelled in the blotter are provided by the Tactical Operations Command of the Guam Police Department.

GOVERNMENT MEETINGS

EMERGENCY MEDICAL SERVICES COMMISSION: Quarterly meeting 10 a.m., April 21, Commission on License's conference room, 1302 E. Sunset Blvd., Tiyan. For more information, call 735-7303.

GWA BOARD OF DIRECTORS: Rescheduled meeting 6 p.m., April 21, Building 150, Lower E. Sunset Blvd., Tiyan. Agenda copies available by calling 479-7812. Those with disabilities who need special accommodations should call the above telephone number.

CHAMORRO REGISTRY ADVISORY BOARD: April 21 meeting postponed until further notice. For more information, call Teresa Taitano, 475-4259.

COMMITTEE ON HOUSING, GENERAL GOVERNMENT SERVICES AND FOREIGN AFFAIRS: Public hearing 8:30 a.m., 1 p.m., 4 p.m., April 21, I Liheslaturan Guahan public hearing room, Hogaña. 8:30 a.m., Governor's appointment of Peter Sgro as acting member, Guam Banking Board, Pedro G. Pangelinan as act-

▲ See Meetings. Page 8

herewith served
within 20 days
ice of this summons
u, exclusive of the
ervice. If you fail to
dgment? By default
ken against you for
demanded in the
complaint.
APR 06 1999

DO M. BORLAS,
Clerk
of Court of Guam
MINGO M. NEGO
Deputy Clerk

CE OF COMPLETION

IS HEREBY GIVEN that,
I, P. MELWANI & YUR
PRISES as Owner of the
y hereinafter described
e address is Lot 2-R3
V-3, caused, (repair,
ction rebuilding) to be d
on the said property,
ntract for doing which
heretofore made with
TIANJIN GUAM
RATION whose address
l. Box 9250 Tamuning,
contractor, on the 24th
of Sept. 1998, that the
in the said property was
y completed on the 25th
of March, 1999 that the
of the title to the property
owner is as follows: (fee
e, leasehold interest for
1 of year, etc.) that the
ty referred to, and which
property is situated is
scribed as follows:
of No. 2-R3 NEW-3
unicipality of: Yigo
ificate of Title Manu P.
vani & YUR Enterprises
d the 25 day of March,
1999.

/s/ MANU P. MELWANI
YUR Enterprises
OWNER
MANU MELWANI, being duly
deposes and says; that I
the Owner of the above
ibed premises; that I duly
read the foregoing notice
own the contract therefore;
d that the same is true.
/s/ MANU P. MELWANI
OWNER
Territory of Guam)
City of Agaña)
SCRIBED AND SWORN to
before me this 31 day of
March, 1999.
SARA C. PANGELINAN
NOTARY PUBLIC
In and for the
ritory of Guam, U.S.A.
y Commission expires:
Feb. 15, 2001
715 Chalan Mochoute
Route 8
Suite 101, Maite
Guam 96927

taken against you for the
relief demanded in the
complaint.
Dated: JAN 07 1999
ENRIQUE F. AFLAGUE, JR.
Deputy Clerk of Court

**NOTICE OF SALE
UNDER MORTGAGE**

On April 23, 1999, at 10:00 a.m.
PACIFIC FINANCIAL CORPORATION
the mortgagee of that certain
mortgage executed by Antonio V.
Villanueva and recorded on
June 16, 1993 as Instrument
No. 490583, in the Department of
Land Management, Government of
Guam, pursuant to that certain Notice
of Default and Election to Sell
thereunder recorded January 15,
1999 as Instrument No. 596962, in
the Department of Land Management,
Government of Guam, will under and
pursuant to a power of sale contained
in said mortgage sell at public auction
for cash or other forms of payment
deemed acceptable, at the Yigo
Mayor's Office, Yigo, Guam, all that
right, title and interest conveyed and
mortgaged under said mortgage
situated in the Territory of Guam
described as follows:
LOT NO. 66, BLOCK NO. 1, TRACT
NO. 10415, (CONSOLIDATION OF
LOTS 7019-4NEW-1, 7019-4NEW-2
& 7019-4NEW-3), MUNICIPALITY OF
YIGO, TERRITORY OF GUAM,
SUBURBAN, AS SAID LOT IS MARKED
AND DESIGNATED ON DRAWING
NO. RRV-201E, AS L.M. CHECK
NO. 86 FY 87, DATED FEBRUARY
25, 1987 AND RECORDED MARCH
30, 1987 IN THE DEPARTMENT OF
LAND MANAGEMENT,
GOVERNMENT OF GUAM, UNDER
DOCUMENT NO. 382858. AREA:
474± SQUARE METERS. CERTIFICATE
OF TITLE NO. 71940 (7019-4NEW-3,
CERTIFICATE OF TITLE NO. 71939
(7019-4NEW-2), AND CERTIFICATE
OF TITLE NO. 71938
(7019-4NEW-1)).
Said sale will be made without
covenant or warranty, expressed or
implied, as to title, possession or
encumbrances to satisfy the unpaid
balance due on the note or notes
secured by said mortgage, to wit:
\$36,483.74, plus unpaid taxes,
unpaid insurance premiums, interest to
the date of sale, costs of sale, and
attorney's fees.
The undersigned reserves the right to
withdraw this notice, to reject any bid,
or to accept only the highest bid or to
postpone the sale from time to time.
The undersigned is the attorney of the
present owner and holder of the
mortgage and note secured thereby.
HIGHSMITH & O'MALLAN, P.C.
Date: 3/18/99
/s/ J. Basil O'Mallan III
Island of Guam) ss:
On this 18th day of March, 1999,
before me, the undersigned notary,
personally appeared, J. Basil
O'Mallan III, the person whose name
is signed on the preceding or attached
document, and acknowledged to me
that he signed it voluntarily for its
stated purpose as attorney for
Pacific Financial Corporation.
/s/ Barbara P. Benavente
Notary Public
BARBARA P. BENAVENTE
NOTARY PUBLIC
In and for Guam U.S.A.
My Commission Expires:
April 07, 2002
366 E. Santa Barbara Ave.
Dededo, Guam 96912

if you fail to do so, judgement
by default will be taken against
you for the relief demanded in
the complaint.
Dated: MAR. 29 1999
ENRIQUE F. AFLAGUE, JR.
Deputy Clerk of Court

Complaint.
ALFREDO M. BORLAS
CLERK OF COURT,
SUPERIOR COURT OF GUAM
By: Pete C. Miyasaka
DEPUTY CLERK

ALFREDO M. BORLAS, clerk
Superior Court of Guam
By: ENRIQUE F. AFLAGUE, JR.
DEPUTY CLERK

Notice of Public Hearing



Mina'Bente Singko Na Liheslaturan Guahan
Senator Kaleo S. Moylan
Chairman, Committee on Housing, General Government Services and Foreign Affairs

Date:
Wednesday, April 21, 1999

Place: **LIHESLATURAN GUAHAN
PUBLIC HEARING ROOM
155 HESLER STREET,
HAGATNA, GUAM**

A G E N D A

8:30 a.m.

- * Governor's appointment of Mr. Peter Sgro as Acting Member, Guam Banking Board, to expire March 18, 2001.
- * Governor's appointment of Mr. Pedro G. Pangelinan as Acting Member, Cockpit License Board, to expire March 26, 2000.
- * Governor's appointment of Mr. Luis L.G. Paulino, Acting Member, Guam Housing and Urban Renewal Authority Board of Commissioners, to expire May 6, 2004.

Bill No. 91- AN ACT TO REPEAL SECTION 113102 AND TO AMEND SECTION 113103 OF CHAPTER 113, OF TITLE 11, GUAM CODE ANNOTATED RELATING TO CORPORATE NAME OF AN ASSOCIATION.

Bill No. 83- AN ACT TO ESTABLISH RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT PURSUANT TO PUBLIC LAW 24-180, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED.

Bill No. 180- AN ACT TO ADD A NEW SECTION 4115 TO ARTICLE 1, CHAPTER 4 OF TITLE 12 OF THE GUAM CODE ANNOTATED, RELATIVE TO AUTHORIZING THE GUAM HOUSING CORPORATION TO INCREASE THE DEBT TO INCOME RATIO FOR FIRST-TIME HOMEOWNERS.

Bill No. 94- AN ACT TO AMEND §10104(a)(2), ARTICLE 1, CHAPTER 10, DIVISION 1, PART 1 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE RIGHT OF INSPECTION.

Bill No. 103- AN ACT TO REPEAL AND REENACT SECTION 4104(a) OF ARTICLE 1, CHAPTER 4 OF TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO PREFERENCES FOR BASIC LAW ENFORCEMENT ACADEMY GRADUATES.

Bill No. 142- AN ACT TO TRANSFER EMPLOYEES ON A VOLUNTARY BASIS FROM THE DEPARTMENT OF AGRICULTURE AND THE DEPARTMENT OF LAND MANAGEMENT TO THE CHAMORRO LAND TRUST COMMISSION.

Bill No. 140- AN ACT TO ADD A NEW ARTICLE 4 OF CHAPTER 4 TITLE 21 OF THE GUAM CODE ANNOTATED, TO REQUIRE DISCLOSURES UPON TRANSFER OF IMPROVED PROPERTY.

1 p.m.

Bill No. 176- AN ACT TO ADD A NEW §5218 TO TITLE 5, GUAM CODE ANNOTATED, RELATIVE TO SUBJECTING ALL UNSOLICITED OFFERS TO THE GOVERNMENT OF GUAM TO THE COMPETITIVE SEALED BIDDING PROCEDURES OF GUAM PROCUREMENT REGULATIONS.

Bill No. 166- AN ACT TO REPEAL PUBLIC LAW NUMBER 24-323 IN ITS ENTIRETY, TO REENACT CHAPTER 33 OF TITLE 7 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE MECHANIC'S LIEN LAW.

4 p.m.

Bill No. 185- AN ACT TO AMEND SUBSECTIONS (a) AND (b) OF 8164, §8207 AND SUBSECTION (h) OF §8218, AND TO ADD A NEW §8209.1, ALL OF CHAPTER 8 OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO EXTENDING THE TRANSFER PERIOD OF THE MEMBERS OF THE GOVERNMENT OF GUAM RETIREMENT FUND TO THE DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 100- AN ACT TO REPEAL, REENACT, AND AMEND CERTAIN SECTIONS OF ARTICLE 1, CHAPTER 8, TITLE 4 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE GOVERNMENT OF GUAM RETIREMENT FUND ADOPTING MODERN INVESTMENT PRACTICES INCORPORATED IN THE UNIFORM MANAGEMENT OF PUBLIC EMPLOYEE RETIREMENT SYSTEMS ACT.

* The public is invited to express their views *

Individuals requiring special accommodations, auxiliary aids or services are asked to contact the Office of Senator Moylan at 472-3342/3 or fax 472-3440

Introduced


FEB 04 1999

**MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
1999 (FIRST) Regular Session**

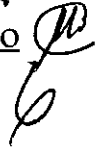
Bill No. 83 (COR)

Introduced by:

J. C. Salas 

K. S. Moylan 

M. G. Camacho 

A. R. Unpingco 

AN ACT TO ESTABLISH RULES AND REGULATIONS TO IMPLEMENT THE FIRST-TIME HOMEOWNERS RELIEF PROGRAM ACT PURSUANT TO PUBLIC LAW 24-180, CODIFIED AS ARTICLE 7, CHAPTER 4, TITLE 12, GUAM CODE ANNOTATED.

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

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guahan*
3 finds that §4610 of Article 7, Chapter 4, Title 12, Guam Code Annotated
4 mandates the Guam Housing Corporation to make Rules and Regulations to
5 implement the First-time Homeowners Relief Program Act. Pursuant to
6 Public Law 22-96, for the convenience of *I Liheslaturan Guahan*, Rules and
7 Regulations are submitted to *I Liheslaturan Guahan* in bill form. Unless
8 changed by statute, the Rules and Regulations submitted in bill form shall be
9 approved pursuant to the Administrative Adjudication Law and be effective
10 as Rules and Regulations subject to further change according to the
11 provisions of the Administrative Adjudication Law.

- 1 (2) "*Appraised value*" means the value of the home and lot to be purchased or
2 the value of the home to be constructed.
- 3 (3) "*Assets*" means all the applicant's liquid assets, not limited to cash on
4 hand, cash in bank(s), stocks, bonds, securities, real estate, and chattel
5 property.
- 6 (4) "*Board*" means the Board of Directors of Guam Housing Corporation.
- 7 (5) "*Construction cost*" means the final and total amount paid, or to be paid,
8 by a homeowner for the construction of a home including all monies paid for
9 labor and material, contractors fees, fees of an Architect and Engineer, survey
10 costs, utility hook up costs, broker's commissions, attorneys fees and
11 financing fees.
- 12 (6) "*Corporation*" means the Guam Housing Corporation.
- 13 (7) "*Dependent*" means (a) any child or individual under the age of nineteen
14 (19) and for which the head of household of such child or individual has legal
15 guardianship; (b) any child or individual under the age of twenty five (25) for
16 which the head of household of such child or individual has legal
17 guardianship, if such child or individual is a full time student; or (c) any
18 individual, child, relative, or parent, regardless of age, for which the head of
19 household of such person has an obligation to provide financial support due
20 to mental or physical incapacity.
- 21 (8) "*Down payment*" means the equity requirements of the homeowner
22 needed to initiate the mortgage for the purchase or construction of a home.
- 23 (9) "*Family income*" means the total annual income derived from all sources
24 of each member of the family.
- 25 (10) "*Family*" means two (2) or more persons related by blood, adoption or
26 marriage, living together as a household.

- 1 (11) "*FHLMC*" means the Federal Home Loan Mortgage Corporation, also
2 known as "Freddie Mac."
- 3 (12) "*Financial institution*" means any financial institution authorized to
4 make mortgage loans.
- 5 (13) "*First-time homeowner*" means any individual or family who has not
6 had any ownership interest in a residential dwelling within the five (5) years
7 preceding the date of application. A family or individual who has had an
8 ownership interest in residential real property within the five (5) year period
9 preceding the date of application, but such interest was terminated by a
10 decree of divorce or operation of law, does qualify as a first-time
11 homeowner.
- 12 (14) "*GHC*" means the Guam Housing Corporation.
- 13 (15) "*Government*" means the Government of Guam.
- 14 (16) "*Grant*" means funds that are otherwise without obligation of
15 repayment.
- 16 (17) "*Home*" means a permanent, single family dwelling or single family
17 condominium or townhouse, not including semi-permanent dwellings made
18 of wood or tin, and is to be physically occupied by the homeowner on a
19 regular and continuous basis, and in which the homeowner intends to
20 exclusively reside.
- 21 (18) "*Individual*" means any unmarried person.
- 22 (19) "*Loan*" means the loan made by a financial institution or GHC to a
23 family or individual pursuant to the provisions of this chapter.
- 24 (20) "*Loan application*" means the application submitted by a borrower to a
25 financial institution or GHC for the purposes of obtaining a first mortgage.

- 1 (21) *"Loan-to-value ratio"* means the percentage derived from the loan
2 amount divided by the value.
- 3 (22) *"President"* means the Chief Executive Officer of Guam Housing
4 Corporation.
- 5 (23) *"Prevailing GHC rate"* means the interest rate as set by the Board of
6 Directors pursuant to the Guam Housing Corporation enabling legislation
7 for use on its regular loan program. For the purpose of these Rules and
8 Regulations, it shall be the existing interest rate at the time of any occurrence
9 pertinent thereto.
- 10 (24) *"Program application"* means the form that an applicant must submit to
11 GHC to determine eligibility for participation in the First-time Homeowner
12 Relief Program Act.
- 13 (25) *"Purchase price"* means all of the money paid, or to be paid by the
14 homeowner, or the construction cost, for the home which is subject to the
15 provisions of this Act, however, it shall not include the value of the land.
- 16 (26) *"Relief"* means financial assistance granted to a first-time homeowner in
17 his purchase of a home as part of the Program.
- 18 (27) *"Resident"* means an individual or a family who permanently resides in
19 the Territory of Guam for a period of not less than five (5) consecutive years
20 preceding the date of application for the Program.
- 21 (28) *"Residential real property"* means real property consisting of land and a
22 dwelling which has been used as a family's or individual's place of residence.
- 24 (29) *"Rules and Regulations"* means the First-time Homeowners Relief
25 Program Act Rules and Regulations.

26

1 financial institutions shall qualify Program applicants only upon
2 receipt of the Eligibility Certificate. The Certificate will include: (a)
3 certification of first-time home ownership; (b) qualification the property costs
4 less than one hundred twenty-five thousand dollars (\$125,000.00); and (c)
5 clarification that the four percent (4%) program is applicable to fee simple
6 and Chamorro Land Trust properties.

7 **4.3 Expiration of Eligibility Certificate.** Program applicants shall have sixty
8 (60) days from the date of issuance to qualify at a participating financial
9 institution. GHC may extend the eligibility period for an additional thirty
10 (30) days if the applicant is able to demonstrate need for additional time to
11 secure approval of the loan. Applicants wishing to extend the eligibility term
12 shall express the reasons for needing an extension in writing to the President
13 at least ten (10) days prior to the expiration of the sixty (60) day eligibility
14 period. All requests for extensions beyond an eligibility period of ninety (90)
15 days must be approved by GHC's Board of Directors. The Eligibility
16 Certificate is for the sole use of the applicant.

17 In the event an eligible applicant is approved by a participating financial
18 institution and fails to complete loan processing in the time allowed by the
19 institution, the Eligibility Certificate is void.

20 **4.4 Falsification of Information.** Any applicant who intentionally supplies
21 false information on the application for funds under this Program shall be
22 automatically disqualified to participate. In the event that funds are disbursed
23 by GHC on behalf of such applicant: (a) all sums disbursed shall become
24 immediately due and payable; and (b) applicant will be assessed a penalty of
25 five percent (5%).

26

1 **5. LOAN UNDERWRITING AND ORIGINATION**

2 5.1 **Notice of Approval and Review by GHC.** Upon approval of the
3 applicant's loan application by a participating financial institution, the
4 financial institution shall submit memoranda or other pertinent information
5 to GHC for processing the Program funds.

6 **5.2 Disbursement of Funds.**

7 5.2.1 **Purchase Loans.** GHC shall disburse the funds to the financial
8 institution upon closing of the loan. Interest earned on all loan funds in
9 escrow accounts prior to disbursement shall be paid to GHC to cover its
10 expense in managing the funds.

11 5.2.2 **Construction Loans.** GHC shall disburse the funds to the financial
12 institution upon closing of the loan for deposit in a trust account. Interest
13 earned on all loan funds in escrow accounts prior to disbursement shall be
14 paid to GHC to cover its expense in managing the funds. The proceeds
15 are to be disbursed *after* the proceeds of the financial institution loan have
16 been disbursed.

17 **6. REPAYMENT OF RELIEF**

18 A first-time homeowner shall repay to the Program Fund an amount equal to
19 the total relief received by the homeowner with interest at a rate of ten
20 percent (10%) per annum if within two (2) years after receipt of the grant
21 relief the home is: (a) transferred, (b) sold, or (c) occupied by individuals other
22 than the homeowner or his or her children.

23 **Section 4. Severability.** If any provision of this Law or its
24 application to any person or circumstance is found to be invalid or contrary to
25 law, such invalidity shall not affect other provisions or applications of this

- 1 Law which can be given effect without the invalid provisions or application,
- 2 and to this end the provisions of this Law are severable.