



CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

AUG 26 2002

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Sais na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 72 (COR) "AN ACT TO PROVIDE FOR LEGISLATIVE REVIEW AND EVALUATION OF THE MANAGEMENT, FINANCIAL CONDITION AND OVERALL PERFORMANCE OF THE GUAM HOUSING CORPORATION, AND TO REPEAL AND REENACT § 11 OF P.L. NO. 20-210, RELATIVE TO THE DISPOSITION OF EMPLOYEES, AND TO ESTABLISH NEW LOAN LIMITS AND FOR OTHER HOUSING PURPOSES," which I have signed into law as Public Law No. 26-123.

This legislation is necessary for the continued financial well-being of the Guam Housing Corporation and is legislation that is recommended by the representatives of the Seattle Bank that is giving advances to the Guam Housing Corporation.

Very truly yours,

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

Attachments: original bill for vetoed legislation or
copy of bill for signed or overridden legislation
and legislation enacted without signature

cc: The Honorable Antonio R. Unpingco
Speaker


OFFICE OF THE LEGISLATIVE SECRETARY	
ACKNOWLEDGMENT RECEIPT	
Received By	
Time	2:21
Date	8/26/02

0902

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

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

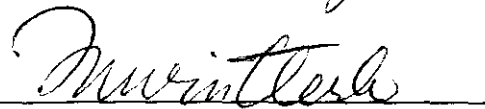
This is to certify that Substitute Bill No. 72 (COR) "AN ACT TO PROVIDE FOR LEGISLATIVE REVIEW AND EVALUATION OF THE MANAGEMENT, FINANCIAL CONDITION AND OVERALL PERFORMANCE OF THE GUAM HOUSING CORPORATION, AND TO REPEAL AND REENACT § 11 OF P.L. NO. 20-210, RELATIVE TO THE DISPOSITION OF EMPLOYEES, TO ESTABLISH NEW LOAN LIMITS AND FOR OTHER HOUSING PURPOSES," was on the 14th day of August, 2002, 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 Guåhan* this 15th day of August, 2002,
at 1:15 o'clock P.M.


Assistant Staff Officer
Maga'lahi's Office

APPROVED:


CARL T. C. GUTIERREZ

I Maga'lahaen Guåhan

Date: 8-26-02

Public Law No. 26-123

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 72 (COR)

As substituted by the Committee on
Ways and Means and further substituted
on the Floor and amended in the Committee
of the Whole.

Introduced by:

K. S. Moylan
A. L.G. Santos
V. C. Pangelinan
A. R. Unpingco
F. P. Camacho
F. B. Aguon, Jr.
J. F. Ada
T. C. Ada
J. M.S. Brown
E. B. Calvo
M. C. Charfauros
Mark Forbes
L. F. Kasperbauer
L. A. Leon Guerrero
J. T. Won Pat

**AN ACT TO PROVIDE FOR LEGISLATIVE
REVIEW AND EVALUATION OF THE
MANAGEMENT, FINANCIAL CONDITION AND
OVERALL PERFORMANCE OF THE GUAM
HOUSING CORPORATION, AND TO REPEAL
AND REENACT § 11 OF P.L. NO. 20-210, RELATIVE
TO THE DISPOSITION OF EMPLOYEES, TO
ESTABLISH NEW LOAN LIMITS AND FOR
OTHER HOUSING PURPOSES.**

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

2 **Section 1. Legislative Statement.**

3 **(a) Background.** *I Liheslaturan Guåhan* finds that in order for
4 the Seattle Bank to better fulfill its mission of meeting the housing needs
5 in Guam's market, and at the urging of government of Guam and the
6 lending community, the Guam Housing Corporation ("Corporation")
7 was approved to borrow money from the Seattle Bank in 1993.
8 Furthermore, between 1995 and 1998, the Corporation took down ten
9 (10) advances, and has Twelve Million Seven Hundred Eighty
10 Thousand Dollars (\$12,780,000) in outstanding indebtedness to the
11 Seattle Bank at this time.

12 The Corporation's financial condition has deteriorated in recent
13 years. The Corporation remains current in its scheduled payments to
14 the Seattle Bank and has delivered sufficient collateral to secure all
15 outstanding advances. *However*, cash flows at the Corporation are *not*
16 sufficient in coming years to allow the Corporation to meet its financial
17 obligations. The Corporation's revenue is from the payments on the
18 home mortgages it has financed; these cash flows, *however*, are *not* timed
19 well to meet scheduled payments to the Seattle Bank. The Corporation,
20 with the active support of *I Maga'lahaen Guåhan* and *I Liheslaturan*
21 *Guåhan*, has implemented important measures to address this situation.
22 Most notably:

- 23 (1) the Corporation has dramatically reduced expenses,
24 cutting staff from thirty-two (32) to twelve (12);

1 (2) in 2001, *I Maga'lahaen Guåhan* placed a temporary
2 moratorium on interest payments the Corporation had been
3 making on a Thirteen Million Five Hundred Thousand Dollars
4 (\$13,500,000) investment due to the government of Guam;

5 (3) in 2002, the Corporation chose to prepay a One Million
6 Dollar (\$1,000,000) advance due in January, 2003 in order to
7 achieve interest savings (the Seattle Bank waived prepayment
8 fees) and to ease cash flow issues when several other payments
9 come due in 2003; *and*

10 (4) the Corporation continues to deliver collateral to the
11 Seattle Bank to assure that outstanding advances are adequately
12 secured.

13 **(b) Long-Term Solution.** With respect, *I Liheslaturan Guåhan*,
14 finds that the Seattle Bank is prepared to restructure the outstanding
15 advances to better align with the cash flows coming into the
16 Corporation, to accomplish the following:

17 (1) move the Thirteen Million Five Hundred Thousand
18 Dollars (\$13,500,000) government of Guam loan permanently into
19 the Corporation to establish a permanent revolving loan fund to
20 continually finance home mortgages on Guam, and establish more
21 stringent reporting requirements; *and*

22 (2) the Corporation would no longer be obligated to make
23 interest payments to the government of Guam on this loan, and
24 the Corporation would be allowed to use interest income from its

1 home mortgages to cover operating expenses, including debt
2 service to other creditors.

3 *I Liheslaturan Guåhan* finds that in return, the Seattle Bank would
4 reschedule payments due in 2003, 2008, 2011 and 2017 and stretch them
5 out to conform to projected cash flows coming into the Corporation. In
6 turn, the maturity on advances due in 2017 would be shortened by three
7 (3) years. Restructuring of advances by the Seattle Bank would *not* solve
8 this problem, *unless* the other major creditor, the government of Guam,
9 also acts to restructure its relationship with the Corporation.

10 (c) **Failed Financial Condition.** The failed financial
11 condition of the Corporation raises concerns on the future viability and
12 capacity of the Corporation to meet its present mandate. *I Liheslaturan*
13 *Guåhan* intends to effectively assess and decide on the disposition of the
14 Corporation *starting* with an evaluation process that commenced on
15 May 7, 2001. Essential to this process is a thorough and reliable
16 benchmark of the Corporation's *operations management, financial condition*
17 *and performance record.*

18 **Section 2. Accountability Measures.** The overall *operations*
19 *management, financial condition and performance record* of the Corporation must
20 be thoroughly and accurately evaluated before *I Liheslaturan Guåhan* can fully
21 deliberate and conclusively decide on the disposition of the Corporation.

22 (a) **Performance.** The Corporation must assure *I Liheslaturan*
23 *Guåhan* that it is performing its due diligence on the financial condition,
24 management and operation of the Corporation. To meet this objective,

1 the Corporation must accomplish the reporting provisions contained in
2 this Section.

3 (b) **Reports.** The Corporation shall submit to the Speaker of *I*
4 *Liheslaturan Guåhan* reports containing and detailing the following by
5 September 30 of each fiscal year:

6 (1) **Financial Statement.** The Corporation shall have an
7 independent Certified Public Accountant (“CPA”)/Accounting
8 firm that has experience in auditing a financial institution within
9 the last two (2) years, and conduct an audit and report on the
10 Corporation’s financial statements in accordance with accounting
11 principles generally accepted in the United States.

12 (i) **Balance Sheet.** The Corporation shall prepare
13 an aging of loans receivable with an estimate of the value of
14 the collateral for each delinquent loan. The Corporation
15 shall set up an allowance for loan loss to maintain the loan
16 balance that is deemed collectible. *If* it is a foreclosure case,
17 the Corporation shall write the loan down to the current
18 market value of the collateral, *less* selling costs.

19 (ii) The Corporation shall set up allowance for the
20 accrued interest receivable that is *not* collectable. The
21 Corporation shall establish a policy with regard to accrued
22 interest receivable that is *over* ninety (90) days past due,
23 which, at a *minimum*, requires the Corporation to place loans
24 that are ninety (90) days past due on non-accrual.

1 (iii) The Corporation shall write down the value of
2 acquired real estate to current market value, *less* selling cost.

3 (2) **Income Statement and Projected Net Income.** At
4 the end of each fiscal year, the Corporation shall have the
5 Corporation's controller prepare an Income Statement / Sources
6 and Uses of Funds and a projected net income based upon the
7 current activities of the Corporation.

8 (i) The Corporation shall place loans that are ninety
9 (90) days past due on non-accrual. This means that *if* the
10 loan is ninety (90) days past due, the Corporation can no
11 longer include interest on that loan as income.

12 (3) **Internal Audit.** Each fiscal year the Corporation shall
13 establish the scope of the internal audit and shall have an
14 independent auditor, who has *at least* five (5) years experience and
15 performed similar and like audits, conduct this internal audit. The
16 independent auditor shall submit the report to the Board. The
17 audit team from the independent auditor cannot perform both the
18 internal and external audit functions.

19 (4) **Independent Review.** The Corporation shall
20 have an independent firm conduct a review of its loan portfolio.
21 The independent firm shall have *at least* two (2) years experience
22 either performing reviews of financial institutions, or performing
23 internal review procedures at a financial institution. The
24 independent firm shall submit its report to the Board. The review

1 shall detail the recommended amount of allowance for loan losses
2 or amount of principal write off, if any, for each loan reviewed.

3 (c) **Waiver or Extension Requests.** Requests for a waiver or
4 extension to provisions of this Section shall be submitted to the
5 Chairperson of the Committee on Ways and Means via the Speaker of *I*
6 *Liheslaturan Guåhan* for approval.

7 **Section 3. Corporation Progress.** It is the mandate of *I*
8 *Liheslaturan Guåhan* that the Corporation shall achieve measurable progress in
9 the following areas within a reasonable timeframe dictated by formal
10 discussions between *I Liheslaturan Guåhan* and the Corporation:

11 (a) the Corporation shall bring its personnel and operational
12 expenses in line with the revenue it receives;

13 (b) the delinquency rate shall be brought to acceptable industry
14 standards; *and*

15 (c) the Corporation shall bring the loan loss reserve fund
16 amounts in compliance with the Corporation's audit findings.

17 **Section 4.** Sections 6 and 12 of Public Law Number 20-210 are hereby
18 *repealed* in their entirety.

19 **Section 5. Fund Maintenance and Administration.** Section 11 of
20 Public Law Number 20-210 is hereby *repealed and reenacted* to read as follows:

21 "Section 11. (a) **Fund Maintenance and Administration.**
22 The fund shall be administered and maintained by the
23 Corporation.

1 **(b) Restricted Use of Funds.** None of the principal
2 balance from this fund shall be used to make payments towards
3 any loan obtained by the Corporation.

4 **(c) Loans Made From Fund.** All mortgage loans made
5 from revenues generated from this fund shall be made at a rate of
6 six percent (6%) interest per annum. Interest revenue *not* to
7 exceed four percent (4%) shall *only* used for debt service.

8 **(d) Mortgage Loans Used as Collateral.** All mortgage
9 loans made from this fund may be used as collateral to secure
10 loans obtained by the Corporation for its lending capital."

11 **Section 6. New Loan Limits Established.** Notwithstanding any
12 existing law, rule or regulation, the following lending limits for the
13 Corporation are hereby established:

14 **(a) Construction Loans:**

15 (1) 2 bedrooms / 1 bathroom \$57,400.00

16 (2) 3 bedrooms / 2 bathrooms \$74,200.00

17 (3) 4 bedrooms / 2 bathrooms \$91,000.00

18 (4) 5 bedroom homes and over are subject to Board review
19 and approval; *provided*, that the house living area construction cost
20 does *not* exceed Seventy Dollars (\$70.00) per square foot.

21 (5) *If* the borrower owns the land where the house is to be
22 constructed, an additional Eight Thousand Dollars (\$8,000.00) will
23 be allowed.

24 (6) *If* the borrower does *not* own the land where the house
25 is to be constructed, an additional Ten Thousand Dollars

1 (\$10,000.00) will be allowed to be applied towards the purchase of
2 the property.

3 **(b) Purchase Loans:**

4 (1) Loans made for the purchase of existing homes shall
5 *not* exceed those limits established under § 6(a) for 2, 3 and 4
6 bedroom homes, *except* that an additional amount shall be allowed
7 for the following closing cost charges:

8 (i) lender's policy of title insurance;

9 (ii) mortgage documents preparation fees;

10 (iii) borrower's share of escrow charges;

11 (iv) borrower's share of pro-rated annual taxes and
12 insurance; *and*

13 (v) recording fees and / or Documentary Taxes.

14 (2) Loans made for the purchase of five (5) bedroom
15 homes and larger are subject to Board review and approval, *except*
16 that such loans shall *not* exceed that limit established under
17 Section 6(a)(4),

18 (3) *If* no loan has been made within ninety (90) days
19 under Section 6(a)(4), the loan limit for the purchase of existing
20 five (5) bedroom homes or over shall be equal to ninety percent
21 (90%) of the purchase price or market value of the property,
22 whichever is lesser, *however*, those allowances under Section
23 6(b)(1), shall *not* apply.

1 **Section 7. Amendment to Authorized Activities.** Section

2 4103(c) of Article 1, Chapter 4 of Title 12 of the Guam Code Annotated is
3 hereby *amended* to read as follows:

4 “(c) To encourage and engage in low and moderate income
5 housing activities, including development of residential subdivisions,
6 construction of housing for rental or resale, and to make loans to any
7 person for the purchase, construction, improvement or repair of a home.
8 All loans shall be of such sound value or so secured as to assure
9 repayment, taking into consideration the policy of *I Liheslaturan Guåhan*
10 that the lending powers to the Guam Housing Corporation
11 (‘Corporation’) shall be administered as a means of accomplishing the
12 purposes stated in § 4101 of this Chapter, and shall bear interest at a rate
13 to be determined by the Board of Directors of the Corporation; *provided,*
14 that such shall *not* exceed two percent (2%) over the costs of funds.

15 Loans shall be made to residents of Guam to enable them to
16 purchase or construct permanent homes which are insurable under a
17 standard Guam Home Owner’s insurance policy to include, but *not* be
18 limited to, the perils of tropical cyclones, earthquakes and fire. All loans
19 for the purchase, construction, or purchase of land and construction of
20 such home shall *not* exceed the Federal Housing Administration loan
21 limit established by the U.S. Department of Housing and Urban
22 Development for Guam. No loan may be used *exclusively* for the
23 purchase of land. The Corporation is authorized to grant loans which
24 use a portion of the mortgage loan proceeds to consolidate existing
25 consumer debts with the mortgage loan, *if* the consolidation of such

1 consumer debt would cause the applicant to qualify for the
2 Corporation's loan programs.

3 Loans shall be given *only* to residents who have been unable to
4 obtain conventional financing from mortgage lending institutions,
5 including, but *not* limited to, banks and savings and loan associations.
6 *At least* one (1) written loan refusal from mortgage lending institutions
7 shall be presented upon application for a Corporation loan."

8 **Section 8. Severability.** *If* any provision of this Law or its
9 application to any person or circumstance is found to be invalid or contrary to
10 law, such invalidity shall *not* affect other provisions or applications of this
11 Law which can be given effect without the invalid provisions or application,
12 and to this end the provisions of this Law are severable.

6

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN
2002 (SECOND) Regular Session

Date: 8/14/02

VOTING SHEET

S Bill No. 72 (COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.	✓				
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.	✓				
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.	✓				
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL 15 0 0 0 0

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

6
8/14/02

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
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3 (c) **Waiver of Extension requests.** Requests for a waiver or
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6 (i) lenders policy of title insurance;

7 (ii) mortgage documents preparation fees;

8 (iii) borrower's share of escrow charges;

9 (iv) borrower's share of pro-rated annual taxes and

10 insurance; *and*

11 (v) recording fees and / or Documentary Taxes.

12 (2) Loans made for the purchase of five (5) bedroom
13 homes and larger are subject to Board review and approval, *except*
14 that such loans shall *not* exceed that limit established under
15 Section 6(a)(4),

16 (3) *If* no loan has been made within ninety (90) days
17 under Section 6(a)(4), the loan limit for the purchase of existing 5
18 bedroom homes or over shall be equal to ninety percent (90%) of
19 the purchase price or market value of the property, whichever is
20 lesser, *however*, those allowances under Section 6(b)(1), shall *not*
21 apply.

22 **Section 7. Amendment to Authorized Activities. Section**

23 4103(c) of Article 1, Chapter 4 of Title 12 of the Guam Code Annotated is
24 hereby *amended* to read as follows:

1 “(c) To encourage and engage in low and moderate income
2 housing activities, including development of residential subdivisions,
3 construction of housing for rental or resale, and to make loans to any
4 person for the purchase, construction, improvement or repair of a home.
5 All loans shall be of such sound value or so secured as to assure
6 repayment, taking into consideration the policy of *I Liheslaturan Guåhan*
7 that the lending powers to the Guam Housing Corporation
8 (“Corporation”) shall be administered as a means of accomplishing the
9 purposes stated in § 4101 of this Chapter, and shall bear interest at a rate
10 to be determined by the Board of Directors of the Corporation; *provided*,
11 that such shall *not* exceed two percent (2%) over the costs of funds.

12 Loans shall be made to the residents of Guam to enable them to
13 purchase or construct permanent homes which are insurable under a
14 standard Guam Home Owner's insurance policy to include, but *not* be
15 limited to, the perils of tropical cyclones, earthquakes and fire. All loans
16 for the purchase, construction, or purchase of land and construction of
17 such home shall *not* exceed the Federal Housing Administration loan
18 limit established by the U.S. Department of Housing and Urban
19 Development for Guam. No loan may be used *exclusively* for the
20 purchase of land. The Corporation is authorized to grant loans which
21 use a portion of the mortgage loan proceeds to consolidate existing
22 consumer debts with the mortgage loan, *if* the consolidation of such
23 consumer debt would cause the applicant to qualify for the
24 Corporation's loan programs.

1 Loans shall be given *only* to residents who have been unable to
2 obtain conventional financing from mortgage lending institutions,
3 including, but *not* limited to, banks and savings and loan associations.
4 *At least* one (1) written loan refusals from mortgage lending institutions
5 shall be presented upon application for a Corporation loan.”

6 **Section 8. Severability.** *If* any provision of this Law or its
7 application to any person or circumstance is found to be invalid or contrary to
8 law, such invalidity shall *not* affect other provisions or applications of this
9 Law which can be given effect without the invalid provisions or application,
10 and to this end the provisions of this Law are severable.

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature

May 11, 2001

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

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

Dear Mr. Speaker:

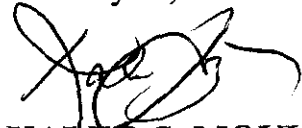
The Committee on Ways and Means, to which was referred **Bill No. 072 (COR)**, "**AN ACT RELATIVE TO LEGISLATIVE REVIEW AND EVALUATION OF THE MANAGEMENT, FINANCIAL CONDITION AND OVERALL PERFORMANCE OF THE GUAM HOUSING CORPORATION,**" has had the same under consideration, and now wishes to report back the same with the recommendation to do pass as substituted.

The Committee votes are as follows:

<u>7</u>	To Do Pass
<u>-0-</u>	Not to Pass
<u>-0-</u>	To Report Out
<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

Enclosure:

Committee on Ways and Means

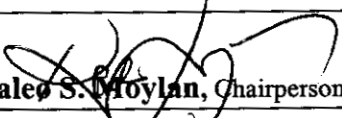


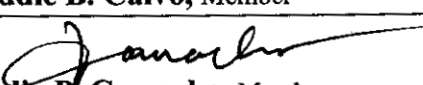
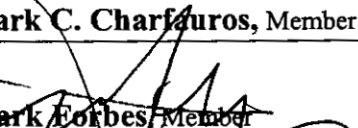


Vote Sheet on

Bill No. 72 (COR)

As substituted by the Committee

**AN ACT RELATIVE TO LEGISLATIVE REVIEW AND
EVALUATION OF THE MANAGEMENT, FINANCIAL
CONDITION AND OVERALL PERFORMANCE OF THE GUAM
HOUSING CORPORATION.**

COMMITTEE MEMBER	TO DO PASS	NOT TO PASS	REPORT OUT ONLY	ABSTAIN	INACTIVE FILE
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 Kaleo S. Moylan , Chairperson	✓				
 Joanne M.S. Brown , Vice Chairperson	✓				
 Antonio R. Unpingco , Speaker & Ex-Officio	✓				
Eddie B. Calvo , Member					
 Felix P. Camacho , Member	✓				
Mark C. Charfauros , Member					
 Mark Forbes , Member	✓				
 Lawrence H. Kasperbauer , Member	✗				
 Vicente C. Pangelinan , Member	✓				

***Committee on Ways and Means
Report On***

Bill No. 72 (COR)

As substituted by the Committee.

**AN ACT RELATIVE TO LEGISLATIVE REVIEW AND
EVALUATION OF THE MANAGEMENT, FINANCIAL
CONDITION AND OVERALL PERFORMANCE OF THE
GUAM HOUSING CORPORATION.**

PUBLIC HEARING:

The Committee on Ways and Means, to which was referred **Bill No. 072 (COR)**, "AN ACT RELATIVE TO LEGISLATIVE REVIEW AND EVALUATION OF THE MANAGEMENT, FINANCIAL CONDITION AND OVERALL PERFORMANCE OF THE GUAM HOUSING CORPORATION," conducted a public hearing on Monday, February 26, 2001, at the Guam Legislature Public Hearing Room. Senator Kaleo S. Moylan, Chairperson of the Committee on Ways and Means convened the hearing at 9:30 a.m. Also in attendance were Senators Vicente C. Pangelinan, Eddie B. Calvo, Lou A. Leon Guerrero and Thomas C. Ada.

TESTIMONY

Appearing before the Committee were Mr. Leland Bettis, acting President of the Guam Housing Corporation and Mr. Ed Untalan, acting Manager of the Guam Housing Corporation. Mr. Bettis informed the Committee that the Guam Housing Corporation Board of Directors has adopted a Plan of Action for the Corporation's recovery. Mr. Bettis noted that the Corporation's difficulties and its recovery action plan, do not necessitate the expenditure or appropriation of taxpayer dollars. Mr. Bettis acknowledged that the process of the Guam Housing Corporation's recovery is going to be a painful one.

He elaborated saying that at the end of last month (April 2001), the Action Plan's Phase I personnel adjustments, impacting 10 unclassified employees were finalized. In the coming months, adjustments within the classified personnel will be affected, and the number, according to Mr. Bettis, will be greater than the affected unclassified personnel.

In closing, Mr. Bettis, urged the Committee and the Guam Housing Corporation begin a regular weekly meeting or for that matter a series of round table discussion starting on May 20. There being no further discussion, the Chair adjourned the hearing on Bill No 072 at 11:50 a.m.

COMMITTEE FINDINGS

The following is intended to summarize the current condition of the Guam Housing Corporation, based solely on the information provided to the Committee on Ways and Means and the Subcommittee on Housing by GHC. Materials analyzed included board minutes, internal

communications, draft memorandums from auditors to various individuals responsible for the overall operations of GHC and audited (up to 1998) and unaudited financial statements of GHC.

This summary seeks to encapsulate the current condition of GHC and to outline some of the events and decisions made by the GHC board and management that have led to its current condition. It is meant to support the attached documentation and should be read in context of those documents.

The ultimate conclusion of this summary is:

“The Subcommittee on Housing cannot make a fair and wholly informed decision regarding the future of the Guam Housing Corporation until additional information is provided. Such information is outlined in this summary as well as in the attached draft legislation. Clearly, the most pressing need is for audited financial statements, statements of condition and an analysis of GHC’s loan portfolio.

The underlying question we seek to answer is whether GHC can recover from its current financial position and if so what steps must be taken to ensure the following:

- (1) that its recovery is in the best interest of the residents of Guam, the private sector and this government,
- (2) that it does indeed recover, *and*
- (3) that its recovery plan is then followed up with a operational plan that ensures GHC’s financial viability and solvency through the remainder of its existence.”

Guam Housing Corporation has been experiencing financial difficulties as far back as 1995. In an attempt to find short-term solutions to its operational shortfalls, questionable decisions were made by management to intermingle loan proceeds and repayments to cover increasing operational costs. Since that time, GHC has made many attempts to alleviate its short-term cash flow problems, while exacerbating the overall financial health of the corporation’s loan program.

Guam Housing Corporation had come to the Legislature initially seeking assistance to further defer the DOA loan, however, upon review of GHC’s history and its financial condition, the scope of legislative action necessary has expanded significantly. The question now before the Committee on Ways and Means and the Guam Legislature is the overall viability of and need for Guam Housing Corporation. **“Has Guam Housing Corporation outlived its usefulness and purpose?”** If not, **“ can GHC even recover from its self-inflicted financial and operational wounds?”**

Given the grim possibility that the most prudent course of action would be total closure of Guam Housing Corporation, how would this impact residents who currently use or need services provided by GHC? Alternatively, can GHC be restructured such that its operations are sharply focused on specific services that meet only its most basic mandate? Or, can its services be absorbed by other government agencies that can better service the low to moderate-income market GHC is supposed to service?

Currently, both the Committee on Ways and Means and the Subcommittee on Housing have an incomplete picture of Guam Housing Corporation's financial health and the health of its loan portfolio. The magnitude of these possibilities is such that more detailed analysis is required. As such the Committee on Ways and Means together with the Subcommittee on Housing recommends the following actions be taken as an interim measure while the overall viability of GHC is examined more closely by the members of the Committee on Ways and Means:

- ⇒ Deferral of the Department of Administration loan for 90 days;
- ⇒ GHC must reduce its staff to a maximum of 12 employees within this same 90 day period (based on the recommendations addressed in this report);
- ⇒ GHC must hire a President with Mortgage Lending experience from a U.S. lending institution;
- ⇒ GHC must cease the practice of making loans to employees and board members of GHC and to any member of the Administration's cabinet, to include directors, deputy directors, special assistants to the Governor or Lt. Governor and to any immediate family members of those listed above;
- ⇒ GHC must commission an examination of its loan portfolio to determine its true value and risk, with the audit performed by a qualified outside independent auditor;
- ⇒ GHC must commission a full internal audit performed by a qualified outside independent auditor;
- ⇒ GHC must produce a current financial statement demonstrating the current financial condition of GHC compiled by an independent CPA or accounting firm with experience with auditing financial institution;

Such assessment should include:

- ⊖ **A Balance Sheet/Statement of Condition** with assets valued in accordance with generally accepted accounting principals. The assessment should include a valuation of the assets.
 - (a) Prepare an aging of loans receivables with an estimate of the value of the collateral for each delinquent loan. Write off that portion of the loan not collectable. If it is a foreclosure situation, write the loan down to the current market value of the collateral, less selling costs.

- (b) Write off that portion of accrued interest receivable that is not collectable (generally accrued interest receivable that is over 90 days is written off).
 - (c) Write down the value of acquired real estate to current market value, less selling costs.
- ➡ **An Income Statement/Statement of Operation.** Project net income based on the current activities of GHC.
- (a) Place loans that are seriously past due on non-accrual. This means that if the loan is seriously past due GHC can no longer include interest on that loan as income. GHC needs to put loans that are over 90 days past due on non-accrual. Continuing to accrue interest on a seriously past loan overstates income because the institution is never going to collect it anyway.

Guam Housing Corporation's recovery plan should include but not be limited to the following:

- ⇒ How GHC will pay down its debts?
- ⇒ How GHC will restructure its board?
- ⇒ How GHC will restructure its operations?
- ⇒ How GHC will secure PMI?
- ⇒ How GHC will bring its delinquency ratio to within 2% to 4%?
- ⇒ How GHC will set aside the proper reserves?
- ⇒ Will GHC contract with the proper appraiser?
- ⇒ How GHC will reduce its expenses?
- ⇒ How GHC will underwrite its loans?
- ⇒ How GHC will examine its risk assessment?
- ⇒ What regulations GHC will and who will regulate GHC?
- ⇒ Will GHC sell off its portfolio?
- ⇒ Can GHC sell off Lada Gardens to provide a cash infusion?

- ⇒ Is GHC competing with the private market or the federal government rather than supplementing their services as was initially?
- ⇒ How GHC plans to recover the agency within six (6) months?

If **GHC fails** to make reasonable and measurable progress within the 90 days evaluation period further legislative actions may be warranted. If **GHC** makes the acceptable progress then the Corporation and the Boar are expected to follow through formally with a structured plan.

The internal audit of GHC should provide GHC with realistic options for action. It should provide a track record of the interest free loans and no down payment plans and whether GHC as a whole is in conflict with private lending institutions. The audit should identify who should be conducting GHC appraisals and the qualifications of having a president strong in credit. **It should be explained where GHC is and where it should be headed and whether it is achievable in a political environment.**

The Committee on Ways and Means, Subcommittee on Housing, has cited the following deficiencies with the board and its functions:

Board Meetings: The meetings largely lack substance. Attendance should be mandatory with regularly scheduled monthly meetings. The Committee recommends that attendance or a specified percentage of attendances must be established by statute should GHC be given a continued future. It is noted that though a summary of the financial condition of the agency is briefly read into record and an attached copy is not provided. **It is recommended by the Committee that all financial reports be attached to the board minutes.** The committee also notes that there is no consistency in manager reports. The Committee recommends that managers must report on the activities of their respective division at every meeting. Lastly, the Committee recognizes that the board is not involved with the activities of the agency. **The Committee recommends that certain committees, which must comprise of a board members need to be formed.** For example, a loan committee made of on at least one board member with mortgage experience needs to be created. An audit and financial committee also need to be formed. Thus it is the Committee's findings and recommendations that the following should appear in every board meeting minutes:

- (1) **Attendance record.**
- (2) **Review of previous minutes.**
- (3) **Financial report.**
- (4) **Manager report to the board on the activities of their respective division.**
- (5) **Committee reports:**
 - a. **Audit report:**
 - (i) Internal audit;
 - (ii) Financial audit; *and*
 - (iii) Loan audit.
 - b. **Loan report:**
 - (i) Delinquencies;
 - (ii) Foreclosures; *and*

- (iii) Loan charge-offs.
- (6) **Report from Legal.**
- (7) **Addendums:** Financial statements (the statements should also report the average loan yields, the average investment yields, cost funds, and net interest margin among other things) and such other documents that the board discusses.

Reports: The Committee finds that the reports provided to the board at its meetings lack sufficient data. The Committee strongly recommends that reports need to be brought to industry standards and thus more detailed. For instance, the loan review report, loan loss reserve analysis and the loans over 90 days past due and still accruing interest report should have at minimum the following information:

A. Report of Loan Review:

- 1. Scope
- 2. Loan quality
- 3. Document and collateral exceptions
- 4. Compliance with lending rules and regulations
- 5. Adequacy of the loan loss revenue

- 1. **Loan Portfolio** – Total Loan, Minimum Allocation, Minimum Required Reserve, Maximum Allocation, Maximum Required Reserve.
- 2. **Indicate Loan Requirement** – Minimum, Maximum.
- 3. **Reserve Balance** – Minimum, Maximum.
- 4. **Reserve Margin** – Minimum, Maximum.
- 5. **Required Reserve Midpoint** – Dollar amount.
- 6. **Current Level Reserve** – Dollar amount.
- 7. **Amount above/below minimum** - Dollar amount.
- 8. **Amount above/below midpoint** - Dollar amount.
- 9. **Amount above/below maximum** - Dollar amount.
- 10. **Comments.**

C. Loans Over 90 Days Past Due and Still Accruing

- 1. Borrower (Name of Client).
- 2. Principal Balance Owing.
- 3. Non-accrual Date.
- 4. Last Payment.
- 5. Comments.

Audits (Internal): The Committee strongly recommends that statutory language be created that mandates that not only should annual financial audits be assessed on GHC but also that GHC conduct semi-annual internal audits of its operations. Additionally, GHC should conduct annual audits of its loan portfolio. All audits to be conducted by a third party auditor with experience in banking and mortgage lending. An audit committee made up of at least one board member with accounting experience should be created for this purpose. At the minimum, the internal audit should review the following:

- A. **Operations:**
 - 1. Cash and cash items.
 - 2. Currency transaction reporting.
 - 3. Due from banks.
 - 4. Deposits – General.
 - 5. Wire transfers.

- B. **Control Accounting:**
 - 1. Prepaid expenses.
 - 2. FHLB and other borrowings.
 - 3. Expenses.
 - 4. Income.
 - 5. Investments.
 - 6. Equipment.
 - 7. Other assets.
 - 8. Other liabilities.
 - 9. Accounts payable.
 - 10. Procurement.

- C. **Personnel/Security**
 - 1. General control and security matters.
 - 2. Security.
 - 3. Personnel.

- D. **Credit Administration:**
 - 1. Appraisals.
 - 2. Loans.
 - 3. Negotiable collateral.
 - 4. Data processing.

- E. **Loans:**
 - 1. Risk assessment.

Operation deficiencies: The Committee also found deficiencies within Guam Housing Corporation's operations. The former presidents and acting presidents did not have command and control over the agency. As such, GHC has seen erosion in income due to a weakened loan portfolio. GHC negative net income is caused by a decreased cash flow and increased receivables together with a failed plan to reduce debt service and expenditures.

Though revenue continued to decrease over the course of many years, expenditures continued to rise. This demonstrates the lack of will by the president and the board to rectify the problems that plagued the agency. Instead GHC opted to save itself by deferring the Department of Administration (DOA) note.

Deferring the DOA note allowed GHC to fund its operational expenses. Rather than reducing cost and using the "principal portion" of the loan to generate new loans and thus more revenue, GHC opted to use the principal and interest to fund its operations. Deferring the

payment requirement allows GHC to cover 80% of its operational costs. However, even without deferring the DOA note, GHC's monthly operational expenses have regularly exceeded revenues by \$20,000.

The dwindling portfolio's general lack of a collection and foreclosure policies, increasing expenditures compounded by inadequate reserves and revenue generation, and the president and board largely ignoring loan yields to debt service ratios are indicative of GHC's present situation.

The agency has a serious **delinquency ratio of (16%+) problem**. Industry standards, even during tough economic periods, are between 2% and 4%. The effects of deferring payments on what are basically inactive accounts, rather than pushing collections on these loans has done its damage. GHC should have developed an intervention program once the loans become 30 days past due. However, the president had too much power over the decision to defer payments. The Committee questions the collection policy of GHC and whether going forward GHC will have the mantel to carry out its obligation to collect on time and from everybody.

Private Mortgage Insurance: GHC does not carry private mortgage insurance (PMI). In fact, the agency cancelled this important insurance coverage, thus forcing it to assume the full risk of any loss incurred during foreclosure. In relation to loan loss, the agency has failed to adequately maintain loan loss reserves. The acting comptroller has stated that the loan loss reserve should be \$400,000 on the \$40MM portfolio but that GHC is only reserving \$100,000.

This brings to light a whole new set of problems. GHC appears to be setting their reserve amount based on 1% of the total loan portfolio rather than assessing the risk on each loan generated.

- This begs the question of whether GHC is adequately reserved?
- Who audits their loan risk?
- Are their reserves reviewed and updated regularly?
- Is GHC meeting its required reserve amount?

The Committee's questions regarding this issue were unresolved due in large part because GHC appears not to fully comprehend what reserves are for and how they should be calculated.

Loan policy: **GHC loan policy is also questionable.** There is no loan committee and thus no annual review of the loan policy. As such, GHC has made many loans to employees and directors of GHC and while this is not entirely wrong, it certainly is bad practice. **GHC was created over 30 years ago to meet a mortgage lending shortage that existed at the time but had a termination date of 50 years placed in its enabling statute because it was the intent of its authors that GHC would one day have its services taken over by private mortgage lenders.** GHC was intended to benefit low to moderate-income families. Today, that mission seems to have broadened to include those who are affluent.

It should be noted that a significant portion of the total loans outstanding are assigned as collateral on notes payable to FHLB, Citibank and DOA. On a side note, GHC financial balance

sheets indicate that GHC has **“accrued interest in the amount of \$1.2MM.”** The Committee recommends that this be zeroed out since there is no realistic hope of GHC collecting on this receivable. Additionally the Committee finds that on the \$6.5MM in arrears GHC should discount it by the interest amount charged, in this case, by 6%.

GHC revenues are grossly inadequate to meet its operational expenses. Its staffing level far exceeds the workload it is mandated to undertake. GHC currently has 52 employees. GHC can operate with a minimum of 6 or a maximum of 12 employees. The Committee relates the following in regards to staffing pattern requirements:

- A. **Executive Office** – One (1) President.
- B. **Planning** – *DELETE*.
- C. **Accounting** – One (1) Controller and One (1) Accountant.
- D. **Data Processing** – Two (2) Technicians.
- E. **Loan** – Two (2) Loan underwriters and Two (2) to Three (3) Collection agents, unless this service is outsourced.
- F. **Administration** -- *DELETE*

The above reflects what GHC needs and what it should do in order to achieve operational efficiency.

Personnel Growth: The following is a brief history of how the staffing of GHC got out of hand. In the early 1990s, when GHC moved from providing loans to project development, the agency's operations changed. It created a planning division (adding staff) and increased staffing in its administrative division. The staffing problem was magnified after the 1994 elections. Thus, the expenditure of millions of dollars in revenues and the expansion of staff to support project development instead of home loans have impacted negatively on the agency's financial balance sheet. **High operational costs, low revenues, and a development project that has not materialized** (Lada Estates) have resulted in costs which have caused GHC to fall far short of meeting its mission requirements of making loans to those who need them.

GHC needs an internal audit of its operations to review its accounting practices and its relationship with the Guam Rental Corporation (GRC). The Committee finds that GHC needs to separate how it charges GRC. It was noted by the auditors that proper accounting of service charges needs to be undertaken or that these services should be spun off altogether which would eliminate commingling.

In regards to GRC, **Lada Gardens is over 35 years old.** These rental units cost more to maintain than they are worth. GHC should explore the possibility that these 115 units can be sold so the proceeds can be used as a cash infusion for originating loans.

The Committee finds that GHC is not a part of the island credit bureaus, thus endangering their loan portfolio and creating havoc on other financial institutions, including the borrower.

The Committee also finds that GHC is violating the procurement law. It is allowing a task force to prepare the RFP and to oversee the negotiations of Lada Estates as an example. The

problem here is that a task force is doing the selection and drafting of an RFP. In effect their voting on behalf of the board and intervening in a government function because some of the task force members are not government employees nor are they board members of GHC yet they are making decisions on behalf of a government agency. It was also brought to the Committee's attention that GHC is ignoring GSA's authority over procurement because GHC contends that they are exempt from GSA's oversight.

COMMITTEE RECOMMENDATION

The Committee on Ways and Means, having reviewed the report of the Subcommittee on Housing, together with the testimonies presented at the hearing on Bill No. 072 (COR) "AN ACT RELATIVE TO LEGISLATIVE REVIEW AND EVALUATION OF THE MANAGEMENT, FINANCIAL CONDITION AND OVERALL PERFORMANCE OF THE GUAM HOUSING CORPORATION," recommends that the legislation, as substituted, be passed by *I Liheslaturan Guåhan*.

**Profile on
Bill No. 072 (COR)**

Brief Title: ***“Legislative Review and Evaluation of the Guam Housing Corporation.”***

Main Sponsor(s): Senators K. S. Moylan and A. L.G. Santos

Date Introduced: Wednesday, May 2, 2001.

Committee Referral: From the Committee on Rules, General Government Operations, Reorganization and Reform and Federal, Foreign and General Affairs, to the Committee on Ways and Means on Friday, May 4, 2001.

Public Hearing: Tuesday, May 8, 2001, at 8:30 a.m. at the Guam Legislature Public Hearing Room.

Official Title: **“AN ACT RELATIVE TO LEGISLATIVE REVIEW AND EVALUATION OF THE MANAGEMENT, FINANCIAL CONDITION AND OVERALL PERFORMANCE OF THE GUAM HOUSING CORPORATION.”**

Recommendation: To do pass as substituted by the Committee on Ways and Means.

Overview

Due to the failed financial condition of the Guam Housing Corporation (hereinafter “Corporation”) it is the intent of *I Liheslaturan Guåhan* to review the Corporation’s continued mission. Furthermore, *I Liheslaturan Guåhan* intends to effectively assess and decide on the disposition of the Corporation starting with a ninety (90) calendar day evaluation process that commenced on May 7, 2001. Essential to this process is a thorough and reliable benchmark of the Corporation's operations management, financial condition and performance record.

In addition, *I Liheslaturan Guåhan* recognizes that the Attorney General of Guam has declared the Promissory Note entered into on February 23, 2000, by and between the Corporation and the Government of Guam to defer the unpaid principal and interest accrued between November 1999 through March 2001, null and void. Moreover, it has come to the attention of the Committee that the Governor of Guam in a letter dated April 30, 20001 to the Director of Administration declared that the Guam Housing Corporation is in default, thereby, deferring payments until January 2004.

Furthermore, the problems that exist at Guam Housing Corporation are the direct results of the Corporation’s desires and efforts to provide a continuing source of funding for its loan

activities. It should also be noted that the Corporation enjoys an elaborate and generous number of personnel. It is obvious that such a luxury requires an unusually high personnel budget.

The other issues which haunts the Corporation is that its delinquency rate is at approximately 17% (+/-). This equates to about 1/5 of the Corporation's entire portfolio of Seven Million (\$7 MM) as inactive accounts, and possibly up to \$588,00 annual payments.

Section Analysis

Section 1. Legislative Finding and Intent.

Section 2. Guam Housing Corporation Accountability Measures. This section provides that the overall operations management, financial condition and performance record of the Guam Housing Corporation must be thoroughly and accurately evaluated before *I Liheslaturan Guåhan* can fully deliberate and conclusively decide on the disposition of the Corporation. The review will include: Performance; Reports; Balance Sheet and Statement of Condition; Income Statement and Projected Net Income; and an Internal and Independent Audit of the Corporation.

Section 3. Corporation Progress. This section mandates the Corporation achieve measurable progress in 90 days which include the following:

- ⇒ bringing its personnel and operational expenses in line with the revenue it receives;
- ⇒ reducing the delinquency rate shall be brought to between two percent (2%) and four point two percent (4.2%); and by
- ⇒ bringing the loan loss reserve Fund amounts in compliance with the Corporation's audit recommendation.

Section 4. Disposal of Assets. This Section authorizes the Guam Housing Corporation the ability to sale the individual homes comprising Lada Gardens, and for the proceeds to augment its available resources; and to promulgate the necessary rules and regulations to govern the sale pursuant to the Administrative Adjudication Law.

Section 5. Severability. This section provides that if any provision of Law or its application to any person is found to be invalid or contrary to law, the invalidity shall not affect other provisions or applications of which can be given effect without the invalid provisions.

Profile on The Guam Housing Corporation

Purpose:	“Summary and Review of Subcommittee on Housing Report.”
Oversight Hearing:	Thursday, April 5, 2001 at 6:30 p.m., at the Guam Legislature Session Hall.
Jurisdiction	Standing Rules: Rule XVII, Section 17.03(xi). “The Committee on Ways and Means shall have purview on all matters pertaining to the Guam Housing Corporation, the Guam Housing and Urban Renewal Authority, and housing and urban renewal in general.”

Board of Directors: Mr. Jose R. Duenas, Chairman; Mr. Vicente Q. Finona, Vice Chairman; Ms. Lorraine S. Okada, Board Secretary; Ms. Jocelyn Camacho, Mr. Jose Guzman, Mr. Jess Pendon and Mr. Jesus Siguenza.

A Closer Look
Statutory Provision:

On August 21, 1965, the Eight (8th) Guam Legislature passed legislation enacted as Public Law 8-80 creating the Guam Economic Development Authority and the Guam Housing Corporation.

Chapter I of Title XXI of the Government Code of Guam initially sets provisions for the Corporation to engage in activities such as housing, finance, to operate as a public entity, to interact with the U.S. Federal government, and to assume and discharge all of its liabilities of the then defunct Guam Finance and Development Corporation.

At the outset the Corporation was authorized an existence period of fifty (50) years.

The Corporation was also given the authority to adopt by-laws to govern the conduct of its business; determine its financial affairs; acquire, maintain or dispose of real and person property; enter into and perform contracts, leases, agreements or other transactions; execute all instruments necessary in the exercise of any of its functions; appoint officers, agents, and hire employees, to accept gifts and services; to sue and be sued in its corporate name; settle and adjust claims; take such actions as may be necessary to carry out its powers and duties, and to borrow funds for its activities.

Fiscal Year 1995 to present

Board of Directors

Jose R. Duenas, Chairman
Jessie S. Pendon
Jesus S. Siguenza
Jose M. Guzman

Vicente Q. Finona, Vice Chairman
Lorraine S. Okada
Jocelyn Camacho
Nita Baldovino

GHC President:

Leland Bettis, March 2001 to present
Martin C. Benavente, February 2000 to March 2001
James G. Sablan from January 1995 to February 2000

Legal Counsel

Edward S. Terlaje

GHC Manager:

Edward G. Untalan, April 19, 2001 to present

Fiscal Years 1987 to 1994

Board of Directors

Alfred S. Rios, Chairman
Francisco Florig
Mary Ann Taijito
Francisco E.M. Palomo,

Jose M. Guzman
Lorraine S. Okada
Juan C. Cruz
Gregoria Estoy

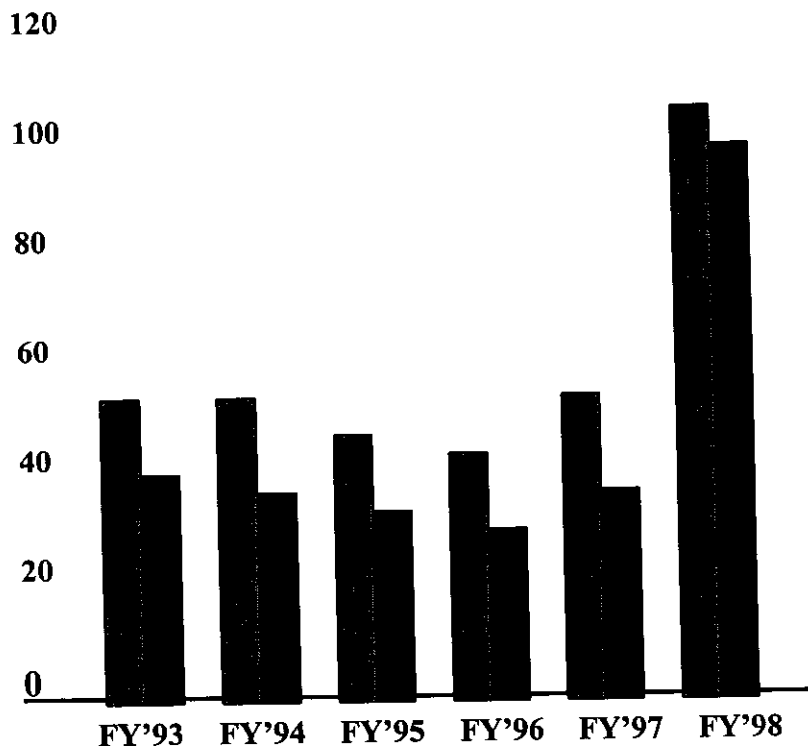
Joe M.L. Lujan,
 Carl V. Dominguez
 Ignacio R. Leon Guerrero

Edward T. Flores
 Elsie Deleon Miller,
 Fr. David I. Quitugua

GHC President:
 Peter J. Leon Guerrero

Legal Counsel
 Linda L. Ingles

**Guam Housing Corporation
 Total Assets and Liabilities
 FY '93 thru FY '98**



■ Assets	FY'93 \$54,971,319 FY'96 \$46,447,316	FY'94 \$51,584,580 FY'97 \$51,064,634	FY'95 \$48,126,525 FY'98 \$108,279,772
■ Liabilities	FY'93 \$39,674,719 FY'96 \$30,533,269	FY'94 \$36,211,081 FY'97 \$35,136,804	FY'95 \$32,631,779 FY'98 \$92,318,466

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 72 (COR)

As substituted by the Committee on
Ways and Means.

Introduced by:

K. S. Moylan 
A. L.G. Santos

**AN ACT RELATIVE TO LEGISLATIVE REVIEW
AND EVALUATION OF THE MANAGEMENT,
FINANCIAL CONDITION AND OVERALL
PERFORMANCE OF THE GUAM HOUSING
CORPORATION.**

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

2 **Section 1. Legislative Finding and Intent.** The failed financial
3 condition of the Guam Housing Corporation (hereinafter "Corporation")
4 raises concerns on the future viability and capacity of the Corporation to meet
5 its present mandate. *I Liheslaturan Guåhan* intends to effectively assess and
6 decide on the disposition of the Corporation *starting* with a ninety (90)
7 calendar day evaluation process that commenced on May 7, 2001. Essential to
8 this process is a thorough and reliable benchmark of the Corporation's
9 ~~operations management, financial condition and performance record.~~

1 **Section 2. Guam Housing Corporation Accountability Measures.**

2 The overall *operations management, financial condition and performance*
3 *record* of the Guam Housing Corporation must be thoroughly and accurately
4 evaluated before *I Liheslaturan Guåhan* can fully deliberate and conclusively
5 decide on the disposition of the Corporation.

6 **(a) Performance.** The Corporation must assure *I Liheslaturan*
7 *Guåhan* that it is performing its due diligence on the financial condition,
8 management and operation of the Corporation. To meet this objective,
9 the Corporation must accomplish the reporting provisions contained in
10 this Section on or before July 6, 2001.

11 **(b) Reports.** The Corporation shall submit to the Speaker of *I*
12 *Liheslaturan Guåhan* reports containing and detailing the following:

13 **(1) Balance Sheet and Statement of Condition.** The
14 Corporation shall have an independent firm that has some
15 experience with auditing financial institution conduct an audit on
16 the Corporation and prepare a Balance Sheet/Statement of
17 Condition with assets valued in accordance with generally
18 accepted accounting principles. The assessment shall include a
19 valuation of assets.

20 (A) The Corporation shall prepare an aging of loans
21 receivable with an estimate of the value of the collateral for
22 each delinquent loan. Write off that portion of the loan that
23 is not collectable. If it is a foreclosure case, the Corporation

1 shall write the loan down to the current market value of the
2 collateral, less selling costs.

3 (B) The Corporation shall write off that portion of
4 accrued interest receivable that is not collectable. The
5 Corporation shall write off accrued interest receivable that is
6 over 90 days past due.

7 (C) The Corporation shall write down the value of
8 acquired real estate to current market value, less selling cost.

9 **(2) Income Statement and Projected Net Income.**

10 The Corporation shall have the independent firm generate
11 an Income Statement/Statement of Operation and a projected net
12 income based on the current activities of the Corporation.

13 (A) The Corporation shall place loans that are ninety
14 (90) days past due on non-accrual. This means that if the
15 loan is ninety (90) days past due the Corporation can no
16 longer include interest on that loan as income.

17 **(3) Internal Audit.** The Corporation shall have an
18 independent firm conduct an internal audit.

19 **(4) Independent Audit.** The Corporation shall have an
20 independent firm conduct an audit on its loan portfolio. The audit
21 shall assess the risk on each and every loan in the Corporation
22 portfolio. The audit shall detail the true value of the loan
23 portfolio.

1 (c) **Waiver of Extension requests.** Requests for a waiver or
2 extension to provisions of this Section shall be submitted to the
3 Chairperson of the Committee on Ways and Means of *I Liheslaturan*
4 *Guåhan* for approval.

5 **Section 3. Corporation Progress.** It is the mandate of *I Liheslaturan*
6 *Guåhan* that the Corporation shall achieve measurable progress in the
7 following areas beyond the initial ninety (90) calendar day evaluation period
8 specified in Section 1, but within a reasonable timeframe dictated by formal
9 discussions between *I Liheslaturan Guåhan* and the Corporation.

10 (1) The Corporation shall bring its personnel and operational
11 expenses in line with the revenue it receives.

12 (2) The delinquency rate shall be brought to within industry
13 standards.

14 (3) The Corporation shall bring the loan loss reserve Fund
15 amounts in compliance with the Corporation's audit recommendation.

16 **Section 4. Disposal of Assets.** To provide the Guam Housing
17 Corporation the ability to augment its available resources to ensure that it
18 retains necessary loan loss reserves and principal repayment of lending
19 capital, *I Liheslaturan Guåhan* hereby authorizes the sale of the individual
20 homes comprising Lada Gardens, and authorizes the Corporation to
21 promulgate the necessary rules and regulations to govern the sale pursuant to
22 the Administrative Adjudication Law.

23 **Section 5. Severability.** *If* any provision of this Law or its
24 application to any person or circumstance is found to be invalid or contrary to

1 law, such invalidity shall *not* affect other provisions or applications of this
2 Law which can be given effect without the invalid provisions or application,
3 and to this end the provisions of this Law are severable.



MINA BENTE SAIS NA LIHESLATURAN GUAHAN

Sumitehan Areklamento, Hinanao Gubetnamenton Hinirát, Rifotma yan Rinueba,
yan Asuntón Fidirát, Taotao Hiyong yan Hinirát

*Senadot Mark Forbes, Gehil
Kabisiyon Mayurát*

04 MAY 2001

MEMORANDUM

TO: Chairman
Committee on Ways and Means

FROM: Chairman
~~Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs~~

SUBJECT: Principal Referral – Bill No. 72

The above bill is referred to your Committee as the Principal Committee, in accordance with Section 6.04.05.01. of the Standing Rules. Your Committee is the Committee authorized to perform the public hearing on this bill and 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

GUAM LEGISLATURE	
OFFICE OF SENATOR KALEO S. MOYLAN	
ACKNOWLEDGEMENT RECEIPT	
Date: 5/4/01	Time: 11:40
Received by:	<i>[Signature]</i>

Introduced

MAY 08, 2001

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 72 (COR)

Introduced by:

K. S. Moylan
A. L.G. Santos

AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION.

BE IT ENACTED BY THE PEOPLE OF GUAM:

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- | | |
|-------------------|--|
| Section 1. | Legislative Intent. |
| Section 2. | Guam Housing Corporation Revolving Loan Fund. |
| Section 3. | Disposal of Assets. |
| Section 4. | Guam Housing Corporation Accountability Measures. |
| Section 5. | Corporation Progress. |
| Section 6. | Amendment to Section 5 of Public Law Number 20-120. |
| Section 7. | Severability. |

12 **Section 1. Legislative Intent.** Due to the failed financial condition of
13 the Guam Housing Corporation (hereinafter "Corporation") it is the intent of *I*
14 *Liheslaturan Guåhan* to review the Corporations continued mission. As such, *I*
15 *Liheslaturan Guåhan* intends to allow the Corporation one hundred twenty (120)

1 days reprieve from its loan obligation owing to the Government of Guam, during this
2 period the Corporation shall comply with the terms and conditions herein stated.

3 In addition, *I Liheslaturan Guåhan* recognizes that the Attorney General of
4 Guam has declared the Promissory Note entered into on February 23, 2000, by and
5 between the Corporation and the Government of Guam to defer the unpaid principal
6 and interest accrued between November 1999 through March 2001, null and void.
7 Understanding that an investigation by the Attorney General into the nature of this
8 deferment is being undertaken, *I Liheslaturan Guåhan* will await the final outcome
9 of that investigation before addressing any future action in regards to the delinquency
10 of these payments owed by the Corporation to the Government of Guam.

11 **Section 2. Guam Housing Corporation Revolving Loan Fund.**

12 Notwithstanding any other provision of law or this Act, the Governor is hereby
13 authorized to defer the payment of the unpaid principal and interest accrued on the
14 Note owed by the Corporation to the Government of Guam (Department of
15 Administration) for the period between April 1, 2001 through July 31, 2001; provided
16 that the Corporation shall commence payments no later than August 1, 2001 on its
17 obligations for unpaid principal and interest accrued between April 1, 2001 and July
18 31, 2001.

19 **Section 3. Disposal of Assets.** To provide the Guam Housing
20 Corporation the ability to augment its available resources to ensure that it retains
21 necessary loan loss reserves and principal repayment of lending capital, *I*
22 *Liheslaturan Guåhan* hereby authorizes the sale of the individual home comprising
23 Lada Gardens, and authorizes the Corporation to promulgate rules and regulations to
24 govern the sale pursuant to the Administrative Adjudication Law.

25 **Section 4. Guam Housing Corporation Accountability Measures.**

1 **(a) Performance.** To assure that *I Liheslaturan Guåhan* and Guam
2 Housing Corporation has performed its due diligence on the financial condition of the
3 Corporation before deciding its final disposition. The Corporation shall conduct and
4 report to *I Liheslaturan Guåhan* on or before June 30, 2001 the following:

5 **(b) Reports.** The Corporation shall submit to the Speaker of *I*
6 *Liheslaturan Guåhan* a report no later than June 20, 2001, detailing and containing
7 the following:

8 **(1) Balance Sheet and Statement of Condition.** The
9 Corporation shall have an independent CPA/Accounting firm that has some
10 experience with auditing financial institution conduct and audit on the
11 Corporation and prepare a Balance Sheet/Statement of Condition with assets
12 valued in accordance with generally accepted accounting principals. The
13 assessment shall include a valuation of the assets.

14 **(A)** The Corporation shall prepare an aging of loans receivable
15 with an estimate of the value of the collateral for each delinquent loan.
16 Write off that portion of the loan that is not collectable. If it is a
17 foreclosure case, the Corporation shall write the loan down to the current
18 market value of the collateral, less selling costs.

19 **(B)** The Corporation shall write off that portion of accrued
20 interest receivable that is not collectable. The Corporation shall write off
21 accrued interest receivable that is over 90 days past due.

22 **(C)** The Corporation shall write down the value of acquired real
23 estate to current market value, less selling cost.

24 **(2) Income Statement and Projected Net Income.** The
25 Corporation shall have the independent auditor generate an Income

1 Statement/Statement of Operation and a projected net income based on the
2 current activities of the Corporation.

3 (A) The Corporation shall place loans that are ninety (90) days
4 past due on non-accrual. This means that if the loan is ninety (90) days
5 past due the Corporation can no longer include interest on that loan as
6 income.

7 (3) **Internal Audit.** The Corporation shall have an independent
8 auditor conduct an internal audit.

9 (4) **Independent Audit.** The Corporation shall have an
10 independent auditor conduct an audit on its loan portfolio. The audit shall
11 assess the risk on each and every loan in the Corporations portfolio. The audit
12 shall detail the true value of the loan portfolio.

13 **Section 5. Corporation Progress.** It is the mandate of the *I Liheslaturan*
14 *Guâhan* that the Corporation shall achieve measurable progress in the following
15 areas:

16 (1) The Corporation shall bring its personnel and operational expenses
17 in line with the revenue it receives.

18 (2) The delinquency rate shall be brought to between two percent
19 (2%) and four point two percent (4.2%).

20 (3) The Corporation shall bring the loan loss reserve Fund amounts in
21 compliance with the Corporation's audit recommendation.

22 **Section 6.** Section 5 of Public Law Number 20-120 is hereby *amended* to
23 read as follows:

24 **"Section 5 Loans to be made: rate of interest. The**
25 loans to be made by the Corporation to its qualified moderate and low income

1 families and individuals shall bear interest at the rate of six percent (6%) per
2 annum. Priority for loans shall be established based on published federal
3 Department of Housing and Urban Development (HUD) income limits, with
4 first priority being those in the Very Low Income category, next priority to
5 those in the Low Income category, and then to those in the Median Income
6 category. Employees, Directors, Cabinet members of the administration and
7 their immediate family members (i.e., sons and daughters) shall not be eligible
8 to receive any loan from the Corporation. All other terms and conditions shall
9 be in accordance with the Corporation's lending programs as authorized in
10 Chapter 4, Title 12, Guam Code Annotated."

11 **Section 7. Severability.** *If any provision of this Law or its application to*
12 *any person or circumstance is found to be invalid or contrary to law, such invalidity*
13 *shall not affect other provisions or applications of this Law which can be given effect*
14 *without the invalid provisions or application, and to this end the provisions of this*
15 *Law are severable.*

Statement on Bill 72

Leland Bettis
Acting President
Guam Housing Corporation

Mr. Chairman and members of the Committee on Ways and Means and the Housing Subcommittee.

I am Leland Bettis, Acting President of the Guam Housing Corporation. With me is Mr. Ed Untalan, Acting Manager of the Guam Housing Corporation. In our acting and collateral assignments to Guam Housing, we are working to address the difficulties at the Corporation which cover the range of issues from financial to personnel.

As you are aware, the Guam Housing Corporation Board of Directors has adopted a Plan of Action for the Corporation's recovery. This was the subject of an oversight hearing last month and there is no need to repeat that presentation here today. I do want to note, however, that we are on track with the Action Plan and look forward to working with you to see that the Guam Housing Corporation is fully recovered.

I want to note, with particular emphasis, Mr. Chairman, that the GHC's difficulties and its recovery action plan, do not necessitate the expenditure or appropriation of taxpayer dollars. We have difficulties. But we also have a plan to address them and that plan does not call for a taxpayer bailout or rescue. What we need is common sense and a sense of common purpose to address the future of the Government of Guam's ability to assist those whose dream it is to own a home but who have been denied that dream by conventional lending institutions.

The process of the Guam Housing Corporation's recovery is going to be a painful one. Indeed it already is. At the end of last month, the Action Plan's Phase I personnel adjustments, impacting 10 unclassified personnel, were finalized. In future personnel adjustments, classified personnel will be affected, and their number is going to be greater than the unclassified personnel affected.

Let me say that the GHC is appreciative of this Committee's interest in the process of the Corporation's recovery. Indeed, your assistance in this process is welcomed. As we approach the changes that then agency must undergo, it is our hope that the GHC, our external creditors and the Legislature can all work together to assure that the Corporation's financial situation is addressed, debt obligations – including the Revolving Loan Fund balance – are paid, and that the classified employees who are affected by the restructuring are treated respectfully and in accordance with their rights under the merit system.

The process of the GHC's recovery is not one that is going to happen overnight. Having said that, it is possible to speed up the process. Bill 72 contemplates a process of implementing a GHC restructuring and reorganization that is very fast-track. While we have concerns about the ability for the provisions in Bill 72 to be effectively implemented within the timeframes set, we would welcome the Legislature's assistance in a recovery process – even an accelerated process. Indeed, the Legislature's assistance is necessary if a more rapid recovery process is going to be realized.

I would also like to note, Mr. Chairman, that many of the issues raised by Bill 72 as matters to be addressed by the new expenditure of (unidentified) public funds are already being addressed by the GHC and the current management team. We expect, for example, that on May 18, the GHC's 2000 financial audit will be released. Mr. Ed Untalan and GEDA staff are busy working through various financial analyzes and scenarios which correspond to some of the provisions of your bill. In this regard, Mr. Chairman, we respectfully request that your Committee and the GHC begin on May 20 a regular – even weekly – series of round table discussions which hash out the details of the GHC's current position and its future.

For the record, I would also like to note that we have appended our section-by-section comments on Bill 72.

Mr. Chairman.

At Guam Housing the staff and management are working hard, every day, to continue our mandate and responsibilities. We welcome the opportunity to make our product stronger and serve the people of Guam better even as we embark on major changes in the way business is done.

As always, Mr. Chairman, you have our assurances that we will bring transparency to any process of discussion and critical review.

Thank you for the opportunity to comment on Bill 72.

Bill no. 72
An Act relative to the Guam Housing Corporation

Comments by Guam Housing Corporation

Section 1. Legislative Intent

- To grant GHC a 120 day reprieve from paying the DoA loan, subject to certain terms and conditions
- Legislature will await final outcome of the A.G.'s investigation of the promissory note issue before they address the delinquency of these payments due to DoA.
 - The Governor's deferment of the RLF obligation in accordance with the Action Plan makes the intent of the bill moot.

Section 2. Guam Housing Corporation Revolving Loan Fund

- Although this section is now moot in that the RLF payments are deferred until January 2004, if they were implemented, this section would foreclose the possibility of GHC recovery, result in GHC closure, result in the RLF never being repaid and effect the status of GHC classified employees.
 - What is not explicitly referenced in this section is more dramatic than what appears to be stated.
- It has always been GHC's intent to continue making loans (through direct loan program) during the deferral period of the DoA loan payments.

Section 3. Disposal of Assets

- This initiative is delineated in the Action Plan.
- We want to continue pursuing the sale of these units. The Acting President has offered the option to purchase Lada Gardens to GHURA in a letter of April 17, 2001
- The sale should not, however, be considered an immediate source of funds (for loans, sinking fund or otherwise) since its sale will not occur immediately. If not sold as a whole, the Lada Gardens property will take considerably more time to sell.
- The administrative process for consummating such sales (that is defined in the bill) is itself lengthy.

Section 4. Guam Housing Corporation Accountability Measures

- The Bill does not give the GHC the ability to meet the June 2001 reports deadline that are called for in this section.

- If this bill became law today (May 8) the RFP for the 3 professional services called for in the bill would not be published in newspapers until after GSA approval with the first date of solicitation no sooner than May 18th. The shortest reasonable period for publication is 14 days which would put the close of proposal submissions at June 1. If selection were done by GHC in 2 working days, a selected contractor would not begin work until June 11. The selected 3 contractors would then have to complete their work in less than 7 working days as the GHC would have to submit the 3 reports to the Legislature by June 20th.
- This unlikely scenario of too little time to complete the three (3) tasks assigned by this Bill assume that this measure becomes law today.
- The Bill provides no money for the GHC to procure these professional services.
- GHC's independent auditor is finalizing the FY2000 Financial Audit (including agreed upon procedures relative to the FHLB) and it should be ready by 18 May.
 - This audit contains a summary review of the management of our loan portfolio. An extension of this audit includes a review of the corporation's loan portfolio as assigned to FHLB Seattle.
 - A third review of the GHC is available as conducted by the FHLB Seattle's external auditor.
- This Section's twice repeated reference to ending interest accrual after 90 days of non-payment of loans is inconsistent with loan practice and threatens to complicate all issues related to delinquency.

Section 5. Corporation Progress

Personnel

- The Bill anticipates significant cuts in classified personnel but does not address the rights or status of affected personnel.
- The GHC's Action Plan (as presented at Oversight) included a reduction of ten unclassified staff members. This was accomplished by 30 April, resulting in an annual savings to the corporation of approx. \$500,000 annually.
- The Action Plan includes two (2) more phases of staff reduction of classified employees which is anticipated to be accomplished by fiscal year end and into 2002.
 - We have repeatedly asked for your assistance to provide for the priority placement of employees in the GovGuam merit system.

Delinquency Rate

- Our current delinquency rate is in line with current industry standards in Guam. It would seem inappropriate to expect that a lender of last-resort would have lower delinquency rates than conventional financial institutions.

Loan Loss Reserve

- The Corporation will increase its loan loss reserve in accordance with the Auditor's recommendation in FY2000. This is required as a result of our push on seriously delinquent accounts and referring them to Counsel, and the Board's policy to allow for sale of foreclosed properties below book value so long as such sales are supported by appraisals.

Section 6. Amendment to Section 5 of Public Law 20-210

- Not a problem if Legislature can assure that GHC will continue to be in compliance with all Fair Housing Act standards.



OFFICE OF THE GOVERNOR
GUAM

APR 30 2001

Mr. Joseph Duenas
Acting Director
Department of Administration
P.O. Box 884
Hagåtña, GU 96932

Dear Mr. Duenas:

In view of the Guam Housing Corporation's (GHC) current financial situation, its action plan for recovery and the successful implementation of Phase I of the same, and pursuant to the authorities provided the Governor of Guam in Section 6 of Guam Public Law 20-210 I hereby note and direct the following:

1. The Guam Housing Corporation has not made monthly payments to the Revolving Loan Fund (RLF) since November 1999 and as such has exceeded the 90-day period after the date such payment becomes due for making such payments, and therefore, pursuant to the provisions of Section 6 of Guam Public Law 20-210, is in default.
2. The GHC has adopted a recovery plan for the agency that incorporates full payments to other lending institutions, staff adjustments, increased efficiency of operations and a call for a deferment of its RLF obligations until January 2004.
3. The successful implementation of Phase I of personnel adjustments in the period of March 23-April 30 represents an annualized cost savings of almost \$500,000 and the Board has two more personnel adjustment phases to complete.
4. Pursuant to the authority vested in me as provided in Section 6 of Guam Public Law 20-210, I hereby direct that the payments required to be made by the Guam Housing Corporation to the Guam Housing Corporation Revolving Loan Fund be deferred for the period November 1999 to January, 2004 and I further direct that the Department of Administration and the Guam Housing Corporation amend the modify the existing loan agreement to provide for a consolidated note on the net balance of the GHC obligation for which repayment shall begin no later than January 1, 2004.
5. Payments of principal and interest of the GHC to commercial providers of lending capital are to be remitted on a regular and timely basis.


CARL T.C. GUTIERREZ

Daily News

OFFICE COPY
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75¢ on Guam

HAFU ADAI IT'S THURSDAY

Retrial for Castro

Housing agency declared in default

By Steve Limtiaco

Pacific Daily News
slimtiaco@guampdn.com

The inability to repay a \$12.6 million loan from the government of Guam nearly sank the Guam Housing Corporation, but the agency has been handed a reprieve.

Gov. Carl Gutierrez on Tuesday declared the housing agency in default on that loan and used his authority to defer loan payments until January 2004, said GHC acting President Leland Bettis.

He said Gutierrez declared the agency, which has begun staff reductions, in default after senators declined the administration's request to pass a law to defer the \$107,000 monthly loan payments.

Governor's spokesman Bill Phillips said the governor deferred the loan payments, so the agency would be able to pay its employees.

Administration officials and lawmakers disagree about the effect the loan default will have on the agency.

Bettis said it will have little effect, adding that he believes the agency will be able to borrow money in the near future.

"Right now, Guam Housing is not able to get loans in any event," Bettis said. "The Federal Home Loan Bank, in Seattle — we've maxed out our borrowing authority from them at this point."

Sen. Kalco Moylan, R-Barrigada, said the default is



Masako Watanabe/Pacific Daily News/mwatanabe@guampdn.com

ro shakes hands with a man, who identified himself as a family member, after he will be granted a retrial on charges related to the 1998 shooting death of

quit on homicide charge denied

cheduled next week after a Superior Court judge decided the jury was prejudiced in its verdict.

Inside a packed courtroom yesterday, Judge Frances Tyco-Gatewood granted a retrial for a new trial for Ronald Castro but denied his motion for acquittal

on the charge of criminally negligent homicide.

In December, a 12-member jury found Castro guilty of criminally negligent homicide stemming from an incident when he shot Ulloa on Jan. 29, 1998, as Ulloa was running out the back door of a friend's house in Barrigada.

da. Castro, along with other Superior Court probation officers and marshals, was attempting to serve Ulloa an arrest warrant that night.

Castro walked out of the courtroom smiling and holding his 7-year-old daughter's hand. He later shook hands

▲ See Trial, Page 4



Masako Watanabe/Pacific Daily News/mwatanabe@guampdn.com

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▲ See Trial, Page 4

akes shape

may have been wonder-
what is being built in the
ddle of the roadway on
an Ramon Hill in Agana
eights. It's a park. The
ject, which includes four
a large pavilion, parking
rinkler system, barbecue
oilets, began in October
be completed in about
. The construction is be-
unded by the airport, the
overnor's office, the
Agana Heights mayor's
office and Continental
Airlines.

▲ See story, Page 3

It's been:

52 days

of contaminated water
in the villages of
Hagåtña, Sinajana and
Ordot

Residents of Hagåtña, Sinajana
and Ordot are advised until fur-
ther notice not to consume tap
water unless it is disinfected by
boiling.

■ Water to be used for drinking,
cooking, making any prepared
drink or brushing teeth should be
disinfected properly.

■ Boiling for one minute will kill
disease-causing microorganisms
present in water.

Pacific Daily News files

INSIDE

▲ Safe water: GEPA outlines an-
ticontamination measures.

▲ Upgrade: GWA receives new
equipment.

Page 2

ter senators declined the ad-
ministration's request to pass
a law to defer the \$107,000
monthly loan payments.

Governor's spokesman
Bill Phillips said the governor
deferred the loan payments,
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Administration officials
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fault will have on the agency.

Bettis said it will have lit-
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"Right now, Guam Hous-
ing is not able to get loans in
any event," Bettis said. "The
Federal Home Loan Bank, in
Seattle — we've maxed out
our borrowing authority from
them at this point."

Sen. Kaleo Moylan, R-
Barrigada, said the default is
a serious matter that will raise
red flags with the agency's
other creditors.

"All the other lenders will
be put on notice that (Guam
Housing) has defaulted on its
loan. ... It sends warning sig-
nals to all the other lenders
that there's some serious fi-
nancial problems at the insti-
tution and calls into question
whether or not (Guam Hous-
ing) has the ability to pay their
notes when they come due,"
Moylan said. "It may cause a
ripple effect where Citibank
and Federal Home Loan
come in and call their notes."

Bettis disagreed with

▲ See Housing, Page 4

SHOPPING CENTER

or All Your Shopping Needs!"

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...on the preliminary negligent homicide charge.

During a Jan. 26 hearing closed to the public, Tydingco-Gatewood learned that seven of the 12 jurors had found out either through friends or media reports that she had dismissed the manslaughter charge against Castro, she said. Five jurors said the acquittal was discussed during deliberations, she added.

"The court finds that the infor-

"We believed there was sufficient evidence for the conviction of negligent homicide," Rapadas said. "We still need to look at the written decision and go on from there."

Joe Tock, the prosecutor during the trial, has been on leave since April.

Castro's attorney, Richard Arens, said he has mixed feelings about the judge's decisions.

...to before Superior Court Judge Frances Tydingco-Gatewood.

"I'm obviously disappointed (with the judge's denial to acquit), but it is a very, very tough standard to prevail on a motion for acquittal," Arens said.

"We look forward to the next challenge," Arens said. "I told my client I'm with him until the end."

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Housing: Staff cuts save \$500K

▲ Continued from Page 1

Moylan's conclusion, saying the default is an internal government matter.

"Our external creditors don't have any issues," Bettis said, adding that the agency has not missed any of its payments on outside loans. "This is not a matter in which we are not paying external creditors."

Operations

Moylan said that even if the governor has the authority to defer the loan payments, the law prohibits the agency from using the money to pay for operations — it must be used to provide new home loans, he said.

The housing agency borrowed the money in order to provide low-interest home loans to low-income applicants.

The agency has not made its monthly payments on the loan since February 2000 because of a deferred payment agreement, but the payments were to resume last month.

Bettis last month said the agency would be unable to pay its employees if it had to pay the loan as well.

The agency has acknowledged that it is overstaffed, has issued too many bad loans and has not been aggressive in collecting many bad loans.

It unveiled a recovery plan in March that includes staff cuts, the sale of some housing corporation property, aggressive collection of delinquent loan payments and the issuance of new loans.

Ideally, the agency should be able to operate on the 2 percent interest it earns from new loans, but it has been spending \$20,000 more each month than it collects.

Reduction

The first round of employee cuts was completed last month, Bettis said, with 10 unclassified employees being terminated from the agency. He said some have found jobs elsewhere in government, but others have not.

Bettis said the staff reduction will

save about \$500,000 a year in salaries and leaves the agency with four unclassified employees. Unclassified employees in the administration are hired by the governor and serve at his pleasure.

Bettis said the agency's next goal is to trim 12 classified employees from the agency to save an additional \$500,000 a year. However, losing the classified employees will be more difficult, Bettis said, unless lawmakers give them first preference for government jobs in other agencies.

According to Bettis, the agency has taken other measures to get back on its feet, such as listing itself with credit bureaus this month, and instructing the agency's attorney to foreclose on seriously delinquent loans.

The agency had not listed itself with credit bureaus in the past, which means other lending institutions had no way of knowing whether those applying for car loans or other loans already had a home loan from Guam Housing Corporation.

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Guam Housing Corporation

Kotporasion Ginima' Guåhan

G H C

P.O. Box 3457 Hagåtña, Guam 96932

April 10, 2001

The Honorable Kaleo S. Moylan
Senator
26th Guam Legislature
Suite 16B, Sinajana Mall Phase II
777 Route 4
Sinajana, Guam 96926

RECEIVED
4/11/01

Dear Senator Moylan:

At the request of your Staff Budget Officer, Mr. John Dela Rosa, we provide a list of delinquent accounts as of February 28, 2001. Please note that we have not completed our closing for the month of March and the delinquency report for that period is not available.

If you have any questions, please do not hesitate to contact me directly at 475-4963.

Sincerely,

LELAND BETTIS
Acting President

Enclosure



Guam Housing Corporation

Kotporasion Ginima' Guahan

P.O. Box 3457 Hagåtña, Guam 96932

April 11, 2001

Memorandum

TO: Acting President
FROM: Loan Administrator
SUBJECT: Update on Delinquent Accounts

Most of our collection efforts were concentrated on the over 120 days category.

As of 4/2/01, the following accounts were referred to Legal for foreclosure:

Account Number	Delinquent Amount
1. 18301397	\$ 6,548.04
2. 19702348	3,913.26
3. 19702407	21,943.93
4. 19802411*	16,246.73 Pd \$22,954.37
5. 19802415	17,822.33
6. 19802426	7,999.69
7. 19802429	15,738.85
8. 19802449	4,821.38
9. 38501552	8,617.36
10. 59302222	8,144.09
11. 859402293	4,609.76
12. 59302275	4,228.04

The following are in the process of refinancing w/GHC or w/banks

1. 18201303	\$ 5,674.16
2. 18801843	9,198.66
3. 19102071	10,583.33
4. 59702347	9,861.52
5. 18301346	1,970.67
6. 19202145	6,003.55
7. 19702369	29,095.66

Acting President

Page 2

The following will be brought current within 1 week

1.	18901938	\$ 2,655.66
2.	19202186	5,982.75
3.	59002020	\$ 2,098.45
4.	59802551	8,633.52
5.	819302215	9,339.55

The following have been processed for Additional Partial Payment Agreement or a Loan Extension Agreement and have executed payroll deduction. Account is now current.

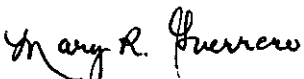
1.	18801336	\$ 7,172.63
2.	19802510	9,985.77
3.	18301372	5,881.37
4.	19702382	8,489.97
5.	59102100	4,030.04

The following is withdrawing from retirement (401K) to bring account current.

1.	19702344	\$14,148.02
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The following will be referred to Legal within 1 week.

1.	18201291	\$ 2,949.34
2.	19202183	7,578.73
3.	17700809	15,223.52
4.	18301403	7,322.41
5.	19802553	4,727.47
6.	19802535	23,706.40
7.	19802563	3,206.40
8.	19902566	3,290.40


MARY R. GUERRERO

GUAM HOUSING CORPORATION
Accounts Referred To Legal Counsel
As Of: March 31, 2001

	<u>ACCT. NO.</u>	<u>REFERRED</u>	<u>DATE</u> <u>PRINCIPAL BALANCE</u>
1)	59302247	09/20/96	\$125,567.17
2)	19202163	04/21/97	\$ 88,598.54
3)	28601679	04/21/97	\$ 55,791.53
4)	59102131	04/21/97	\$ 87,005.84
5)	1113	04/21/97	\$ 7,555.74
6)	18801861	07/07/97	\$ 57,340.13
7)	69302291	07/07/97	\$ 32,000.08
8)	18201329	08/07/98	\$ 22,794.70
9)	59102122	09/01/98	\$ 80,061.40
10)	859102056	06/23/98	\$ 76,300.82
11)	28601688	02/03/99	\$ 44,515.17
12)	28601656	02/01/99	\$ 31,461.95
13)	19402287	03/15/99	\$121,527.83
14)	18901896	07/20/00	\$ 8,073.83
15)	28601657	07/20/00	\$ 29,209.51
16)	59602336	07/20/00	\$101,983.32
17)	19802541	07/20/00	\$ 72,522.86
18)	19802445	07/20/00	\$156,117.98
19)	19001941	02/2001	\$ 56,435.85
20)	49702395	02/2001	\$ 57,665.70
21)	18201277	03/19/01	\$ 29,705.38

Grand Total: \$1,233,376.07

**LOAN PACKAGE(S)
PREPARED FOR LEGAL**

	<u>Account No.</u>	<u>Loan Balance</u>
1	59302222	101,804.75
2	859402293	92,557.24
3	19702344	158,336.60
4	19802415	124,692.82
5	19802449	108,726.97
6	38501552	57,918.79
7	18301397	47,413.07
8	19702407	199,212.00
9	59302247	164,289.14
10	18801336	43,280.63
11	19802429	161,759.92
12	59302275	111,428.43
13	19702369	199,853.39
14	38501520	28,210.52
15	19202186	85,148.51
16	19702348	44,995.59
17	59702347	137,843.82
18	19802426	103,547.66
19	19802411	191,142.38
<u>19</u>		<u>\$2,162,162.23</u>

Guam Housing Corporation
Mortgage Servicer/Commercial Servicer Delinquent Report
February 2001
31 to 60 Days Delinquent

	Loan Number	Due Date of next Payment	Total P&I Due	Total T&I Due	Total Service Charge	Total Late Fee	Total Pmt. Due	Monthly Total Pmt. Due	Principal Balance	Unapplied Balance	Actual Amount Due
1	10002649	01/01/01	366.80	104.86	0.00	18.34	490.00	235.83	\$24,352.69	\$280.48	\$86.32
2	17800914	01/01/01	525.96	90.04	0.00	26.30	642.30	308	\$17,770.10	\$0.00	\$525.96
3	17800925	01/01/01	525.90	122.70	0.00	26.30	674.90	324.3	\$18,660.85	\$284.85	\$241.05
4	17900965	01/01/01	338.18	87.82	0.00	16.90	442.90	213	\$7,101.14	\$103.15	\$235.03
5	18201245	12/20/00	1,024.58	173.00	0.00	51.22	1,248.80	598.79	\$37,634.83	\$352.97	\$671.61
6	18301409	12/30/00	987.48	178.24	0.00	49.38	1,215.10	582.86	\$28,627.38	\$184.90	\$802.58
7	19001983	12/26/00	1,456.90	207.66	0.00	72.84	1,737.40	832.28	\$69,109.29	\$759.04	\$697.86
8	19001992	12/30/00	1,527.64	157.90	0.00	76.38	1,761.92	842.77	\$35,400.85	\$319.04	\$1,208.60
9	19102044	12/28/00	1,793.52	215.90	0.00	89.68	2,099.10	1004.71	\$35,642.87	\$694.05	\$1,099.47
10	19102061	01/01/01	1,068.36	125.92	0.00	53.42	1,247.70	597.14	\$46,380.56	\$381.89	\$686.47
11	19102097	01/01/01	1,456.92	231.08	0.00	72.84	1,760.84	844	\$54,907.10	\$589.06	\$867.86
12	19102112	01/01/01	1,111.74	451.54	0.00	55.58	1,618.86	781.64	\$5,935.00	\$0.00	\$1,111.74
13	19202143	01/01/01	1,856.98	196.54	0.00	92.84	2,146.36	1026.76	\$62,981.96	\$1,026.76	\$830.22
14	19202152	01/01/01	1,586.92	183.08	0.00	79.34	1,849.34	885	\$69,056.64	\$0.00	\$1,586.92
15	19202191	01/06/01	1,957.40	303.40	0.00	97.88	2,358.68	1130.4	\$69,937.74	\$1,159.58	\$797.82
16	19202200	01/01/01	1,008.16	131.88	0.00	50.40	1,190.44	570.02	\$49,046.37	\$216.50	\$791.66
17	19202202	01/12/01	2,240.36	196.44	0.00	112.02	2,548.82	1218.4	\$103,794.38	\$600.00	\$1,640.36
18	19302250	01/01/01	1,418.90	412.50	0.00	70.94	1,902.34	915.7	\$67,329.29	\$52.02	\$1,366.88
19	19602332	12/21/00	2,205.22	335.36	0.00	110.26	2,650.84	1270.29	\$117,857.04	\$15.56	\$2,189.66
20	19702378	12/18/00	1,876.14	183.34	0.00	93.80	2,153.28	1029.74	\$116,224.96	\$620.94	\$1,255.20
21	19802558	12/21/00	2,377.32	192.00	0.00	118.86	2,688.18	1284.66	\$166,574.93	\$835.34	\$1,541.98
22	19802562	12/18/00	400.80	0.00	0.00	20.04	420.84	200.4	\$6,037.44	\$209.58	\$191.22
23	28601667	01/01/01	1,148.74	131.02	0.00	57.44	1,337.20	639.88	\$50,146.63	\$381.40	\$767.34
24	59002031	01/10/01	1,019.24	355.50	0.00	50.96	1,425.70	687.37	\$68,233.79	\$74.30	\$944.94
25	59102052	01/01/01	923.32	162.96	0.00	46.16	1,132.44	543.14	\$57,395.50	\$560.83	\$362.49
26	59102068	01/01/01	753.04	139.08	0.00	37.66	929.78	446.06	\$51,073.26	\$34.73	\$718.31
27	59102103	01/05/01	935.30	269.10	0.00	46.76	1,251.16	602.2	\$64,259.54	\$580.94	\$354.36
28	59102158	01/01/01	989.32	178.88	0.00	49.46	1,217.66	584.1	\$68,425.50	\$497.42	\$491.90
29	59302239	01/03/01	827.38	171.84	0.00	41.36	1,040.58	499.61	\$61,405.81	\$0.00	\$827.38
30	59802412	01/07/01	2,158.38	280.18	0.00	107.92	2,546.48	1219.28	\$173,351.22	\$1,153.60	\$1,004.78
31	859002034	01/13/01	1,307.02	248.04	0.00	65.36	1,620.42	777.53	\$97,176.39	\$405.88	\$901.14
32	859302237	01/01/01	1,558.84	336.64	0.00	77.94	1,973.42	947.74	\$110,317.96	\$407.53	\$1,151.31

32

40,732.76	6,554.44	0.00	2,036.58	49,323.78	23,643.60	2,012,149.01	12,782.34	27,950.4
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Guam Housing Corporation
Mortgage Servicer/Commercial Servicer Delinquent Report
February 2001
61 to 90 Days Delinquent

	Loan Number	Due Date of next Payment	Total P&I Due	Total T&I Due	Total Service Charge	Total Late Fee	Total Pmt. Due	Monthly Total Pmt. Due	Principal Balance	Unapplied Balance	Actual Amount Due
1	18001127	12/01/00	1,097.70	204.78	0.00	54.90	1,357.38	434.16	\$28,778.91	\$0.00	\$1,097.70
2	18101148	11/29/00	1,234.35	256.05	0.00	61.71	1,552.11	496.8	\$29,691.28	\$45.65	\$1,188.70
3	18301408	11/30/00	1,574.58	459.60	0.00	78.72	2,112.90	678.06	\$42,631.45	\$407.74	\$1,166.84
4	18401453	12/15/00	1,128.96	132.18	0.00	56.46	1,317.60	420.38	\$31,698.00	\$0.00	\$1,128.96
5	18701760	12/01/00	1,735.05	233.55	0.00	86.76	2,055.36	656.2	\$46,524.89	\$0.00	\$1,735.05
	18801844	11/28/00	1,623.18	230.01	0.00	81.15	1,934.34	617.73	\$42,840.94	\$318.44	\$1,304.74
7	19102109	12/01/00	3,787.92	300.00	0.00	189.39	4,277.31	1362.64	\$107,071.68	\$1,187.38	\$2,600.54
8	19502308	12/01/00	1,653.90	274.02	0.00	82.71	2,010.63	642.64	\$59,641.92	\$59.90	\$1,594.00
9	19702383	12/01/00	3,506.25	393.45	0.00	175.32	4,075.02	1299.9	\$145,111.07	\$757.90	\$2,748.35
10	19802414	12/06/00	2,851.20	541.95	0.00	142.56	3,535.71	1131.05	\$115,010.55	\$432.43	\$2,418.77
11	19802425	11/19/00	3,081.63	204.90	0.00	154.08	3,440.61	1095.51	\$130,049.14	\$573.47	\$2,508.16
12	19802542	12/11/00	1,728.60	348.99	0.00	86.43	2,164.02	692.53	\$78,655.81	\$607.98	\$1,120.62
13	19802550	12/01/00	1,529.58	0.00	0.00	76.47	1,606.05	509.86	\$50,106.31	\$485.30	\$1,044.28
14	28601701	11/23/00	1,524.72	176.28	0.00	76.23	1,777.23	567	\$35,714.37	\$0.00	\$1,524.72
15	28701737	12/01/00	1,485.45	232.29	0.00	74.28	1,792.02	572.58	\$43,412.68	\$400.32	\$1,085.13
16	38701782	11/22/00	1,723.14	271.95	0.00	86.16	2,081.25	665.03	\$49,048.83	\$0.00	\$1,723.14
17	59202193	12/01/00	2,248.35	375.63	0.00	112.41	2,736.39	874.66	\$104,955.73	\$0.00	\$2,248.35
18	59302231	12/01/00	2,158.38	408.69	0.00	107.91	2,674.98	855.69	\$103,227.32	\$537.24	\$1,621.14
19	817700896	12/15/00	589.11	266.13	0.00	29.46	884.70	285.08	\$12,401.18	\$5.10	\$584.01
20	818001068	12/15/00	1,142.79	526.26	0.00	57.15	1,726.20	556.35	\$28,942.86	\$0.00	\$1,142.79
1	819202167	11/22/00	2,660.40	376.11	0.00	133.02	3,169.53	1012.17	\$84,557.84	\$746.13	\$1,914.27
22	859002029	12/05/00	1,780.68	410.67	0.00	89.04	2,280.39	730.45	\$82,471.78	\$0.00	\$1,780.68
22			41,845.92	6,623.49	0.00	2,092.32	50,561.73	16,156.47	1,452,544.54	6,564.98	35,280.94

Guam Housing Corporation
Mortgage Servicer/Commercial Servicer Delinquent Report
February 2001
91 to 120 Days Delinquent

	Loan Number	Due Date of next Payment	Total P&I Due	Total T&I Due	Total Service Charge	Total Late Fee	Total Pmt. Due	Monthly Total Pmt. Due	Principal Balance	Unapplied Balance	Actual Amount Due
1	17700857	11/01/00	671.20	576.32	0.00	33.56	1,281.08	311.88	\$7,001.23	\$113.99	\$557.27
2	17800935	11/01/00	898.56	486.28	0.00	44.92	1,429.76	346.21	\$8,578.95	\$194.46	\$704.10
3	17800957	11/01/00	1,053.24	447.84	0.00	52.68	1,553.76	375.27	\$13,536.29	\$181.14	\$872.10
4	17900971	11/01/00	680.00	357.92	0.00	34.00	1,071.92	259.48	\$9,372.34	\$265.22	\$414.78
5	17901022	11/01/00	1,353.84	242.16	0.00	67.68	1,663.68	399	\$25,575.58	\$81.20	\$1,272.64
6	18101208	11/01/00	853.84	274.72	0.00	42.68	1,171.24	282.14	\$13,401.67	\$119.73	\$734.11
7	18901871	11/02/00	2,826.36	302.36	0.00	141.32	3,270.04	782.18	\$58,549.63	\$783.00	\$2,043.36
8	19001968	10/24/00	3,687.52	706.68	0.00	184.36	4,578.56	1098.55	\$39,473.52	\$166.08	\$3,521.44
9	19702362	11/09/00	2,917.20	378.68	0.00	145.88	3,441.76	823.97	\$89,214.48	\$858.24	\$2,058.96
10	19702370	11/12/00	3,721.20	711.16	0.00	186.08	4,618.44	1108.09	\$116,925.65	\$735.78	\$2,985.42
11	19802452	10/16/00	5,314.72	423.52	0.00	265.72	6,003.96	1434.56	\$169,248.75	\$671.94	\$4,642.78
12	19802561	10/30/00	1,916.00	480.00	0.00	95.80	2,491.80	599	\$67,506.88	\$530.00	\$1,386.00
13	59102066	11/11/00	2,877.84	470.68	0.00	143.88	3,492.40	837.13	\$97,552.88	\$0.00	\$2,877.84
14	59802432	11/08/00	3,837.12	470.60	0.00	191.84	4,499.56	1076.93	\$155,280.23	\$801.51	\$3,035.61
15	859002011	11/01/00	2,757.92	325.00	0.00	137.88	3,220.80	770.73	\$96,112.31	\$109.14	\$2,648.78
16	859102075	11/01/00	3,117.68	493.36	0.00	155.88	3,766.92	902.76	\$108,157.88	\$549.47	\$2,568.21
16			38,484.24	7,147.28	0.00	1,924.16	47,555.68	11,407.88	1,075,488.27	6,160.90	32,323.34

Guam Housing Corporation
Mortgage Servicer/Commercial Servicer Delinquent Report
February 2001
Over 120 Days Delinquent

	Loan Number	Due Date of next Payment	Total P&I Due	Total T&I Due	Total Service Charge	Total Late Fee	Total Pmt. Due	Monthly Total Pmt. Due	Principal Balance	Unapplied Balance	Actual Amount Due
1	10002650	08/15/00	2,588.60	0.00	0.00	129.43	2,718.03	369.8	\$29,766.79	\$0.00	\$2,588.60
2	17700809	10/30/96	15,223.52	2,341.04	0.00	761.28	18,325.84	337.78	\$11,637.73	\$0.00	\$15,223.52
3	17800953	06/01/00	2,180.70	368.46	0.00	109.08	2,658.24	283.24	\$15,477.16	\$0.00	\$2,180.70
4	17901002	09/15/00	1,950.00	758.28	0.00	97.50	2,805.78	451.38	\$13,564.02	\$227.37	\$1,722.63
5	18101172	09/20/00	2,134.55	226.70	0.00	106.75	2,468.00	472.25	\$30,841.17	\$448.75	\$1,685.80
6	18201226	09/30/00	1,538.30	256.70	0.00	76.90	1,871.90	359	\$16,845.83	\$238.10	\$1,300.20
7	18201291	08/30/00	3,393.90	516.78	0.00	169.68	4,080.36	651.78	\$12,688.41	\$444.56	\$2,949.34
8	18201303	08/01/99	5,674.16	1,119.48	0.00	283.67	7,077.31	357.56	\$23,526.51	\$0.00	\$5,674.16
9	18301346	10/09/00	2,285.60	856.95	0.00	114.30	3,256.85	628.51	\$38,731.84	\$314.93	\$1,970.67
10	18301372	01/15/00	5,999.70	895.44	0.00	300.02	7,195.16	492.51	\$38,303.10	\$118.33	\$5,881.37
11	18301397	03/01/00	6,548.04	1,011.96	0.00	327.36	7,887.36	630	\$40,192.51	\$0.00	\$6,548.04
12	18301403	07/30/99	7,322.41	1,098.96	0.00	366.13	8,787.50	443.23	\$17,558.87	\$0.00	\$7,322.41
13	18401459	09/01/00	2,714.22	479.22	0.00	135.72	3,329.16	532.24	\$38,672.87	\$524.46	\$2,189.76
14	18401463	06/30/00	4,198.88	515.60	0.00	209.92	4,924.40	589.31	\$44,351.53	\$84.96	\$4,113.92
15	18801336	09/01/99	7,360.38	1,207.62	0.00	368.10	8,936.10	476	\$34,348.57	\$187.75	\$7,172.63
16	18801843	08/01/99	9,198.66	681.34	0.00	459.99	10,339.99	520	\$34,041.30	\$0.00	\$9,198.66
17	18901933	10/01/00	3,230.10	462.10	0.00	161.50	3,853.70	738.44	\$58,937.32	\$153.54	\$3,076.56
18	18901938	09/01/00	2,931.60	268.50	0.00	146.58	3,346.68	533.35	\$16,463.37	\$275.94	\$2,655.66
19	19102071	03/16/00	10,683.86	794.75	0.00	534.16	12,012.77	1043.51	\$95,568.56	\$100.53	\$10,583.33
20	19202145	09/19/00	6,067.65	647.10	0.00	303.40	7,018.15	1342.95	\$121,526.32	\$64.10	\$6,003.55
21	19202150	09/12/00	3,024.48	392.70	0.00	151.20	3,568.38	569.53	\$47,225.12	\$0.00	\$3,024.48
22	19202183	04/22/00	7,934.60	1,267.20	0.00	396.70	9,598.50	920.18	\$11,018.36	\$355.87	\$7,578.73
23	19202184	09/22/00	2,893.80	606.20	0.00	144.70	3,644.70	700	\$53,447.80	\$134.91	\$2,758.89
24	19202186	05/22/00	6,721.11	785.97	0.00	336.06	7,843.14	834.12	\$76,235.32	\$738.36	\$5,982.75
25	19702344	12/20/99	15,393.00	2,827.02	0.00	769.72	18,989.74	1301.43	\$139,173.41	\$1,244.98	\$14,148.02
26	19702348	01/29/00	4,198.22	1,184.30	0.00	209.95	5,592.47	414.04	\$40,409.71	\$284.96	\$3,913.26
27	19702369	05/01/99	29,095.66	2,140.38	0.00	1,454.86	32,690.90	1419.82	\$168,959.75	\$0.00	\$29,095.66
28	19702382	01/30/00	9,146.80	1,890.46	0.00	457.34	11,494.60	849.02	\$88,189.74	\$656.83	\$8,489.97
29	19702407	11/01/99	22,144.64	2,091.20	0.00	1,107.20	25,343.04	1514.74	\$175,708.46	\$200.71	\$21,943.93
30	19802411	03/07/00	16,312.80	2,844.72	0.00	815.64	19,973.16	1596.46	\$173,400.40	\$66.07	\$16,246.73
31	19802415	05/09/99	18,708.80	3,660.36	0.00	935.44	23,304.60	1016.78	\$105,847.15	\$886.47	\$17,822.33
32	19802426	03/21/00	8,373.42	1,690.15	0.00	418.66	10,482.23	914.87	\$94,132.25	\$373.73	\$7,999.69

33	19802429 01/15/00	15,815.80	1,109.50	0.00	790.86	17,716.16	1208.95	\$144,942.30	\$76.95	\$15,738.8
34	19802449 09/10/00	4,989.48	961.38	0.00	249.48	6,200.34	991.81	\$102,805.27	\$168.10	\$4,821.3
35	19802510 06/06/00	10,911.96	1,415.43	0.00	545.58	12,872.97	1369.71	\$169,534.77	\$926.19	\$9,985.7
36	19802535 05/28/99	23,963.10	4,632.60	0.00	1,198.26	29,793.96	1361.7	\$162,671.15	\$256.70	\$23,706.4
37	19802543 08/15/00	7,439.67	1,482.74	0.00	371.98	9,294.39	1274.63	\$148,950.06	\$326.85	\$7,112.8
38	19802546 08/25/00	6,846.60	853.02	0.00	342.36	8,041.98	1283.27	\$159,922.83	\$1,255.79	\$5,590.8
39	19802553 10/10/00	5,873.40	520.00	0.00	293.65	6,687.05	1278.68	\$164,004.42	\$1,145.93	\$4,727.4
40	19802563 09/28/99	3,406.80	0.00	0.00	170.34	3,577.14	200.4	\$8,893.93	\$200.40	\$3,206.4
41	19902566 03/06/99	3,290.40	0.00	0.00	164.64	3,455.04	137.1	\$5,472.53	\$0.00	\$3,290.4
42	38501491 05/25/00	1,051.38	861.93	0.00	52.56	1,965.87	212.59	\$1,740.39	\$0.00	\$1,051.3
43	38501520 05/25/00	4,453.47	0.00	0.00	222.66	4,676.13	494.83	\$25,221.46	\$372.90	\$4,080.5
44	38501552 09/01/99	8,984.16	1,065.06	0.00	449.28	10,498.50	558.29	\$47,902.65	\$366.80	\$8,617.3
45	38701788 09/01/00	2,970.90	352.62	0.00	148.56	3,472.08	553.92	\$41,122.11	\$18.28	\$2,952.6
46	59002020 09/27/00	2,098.45	377.95	0.00	104.90	2,581.30	495.28	\$58,167.30	\$0.00	\$2,098.4
47	59102100 09/01/00	4,496.64	515.64	0.00	224.82	5,237.10	835.38	\$106,635.20	\$466.60	\$4,030.0
48	59102157 09/27/00	3,237.55	366.75	0.00	161.90	3,766.20	720.86	\$94,109.60	\$720.86	\$2,516.6
49	59202170 07/17/00	3,819.13	1,780.87	0.00	190.96	5,790.96	800	\$74,630.60	\$528.68	\$3,290.4
50	59202175 07/01/00	4,172.88	1,156.48	0.00	208.64	5,538.00	666.17	\$73,722.49	\$289.96	\$3,882.9
51	59302222 01/24/00	8,105.89	1,009.32	0.00	405.34	9,520.55	701.17	\$94,065.87	(\$38.20)	\$8,144.0
52	59302262 04/20/00	7,794.20	1,294.20	0.00	389.70	9,478.10	908.84	\$114,099.21	\$908.84	\$6,885.3
53	59302275 09/05/00	4,496.64	751.26	0.00	224.82	5,472.72	874.65	\$106,549.08	\$268.60	\$4,228.0
54	59702347 01/24/00	10,132.46	929.50	0.00	506.61	11,568.57	850.92	\$127,461.52	\$270.94	\$9,861.5
55	59802551 07/08/00	8,633.52	1,113.60	0.00	431.68	10,178.80	1218.39	\$125,461.89	\$0.00	\$8,633.5
56	818201308 08/15/00	3,361.89	412.79	0.00	168.07	3,942.75	539.24	\$37,742.39	\$497.00	\$2,864.8
57	819302215 07/01/00	9,708.24	1,470.40	0.00	485.44	11,664.08	1397.33	\$120,950.74	\$368.69	\$9,339.5
58	819702352 09/05/00	5,084.40	970.80	0.00	254.22	6,309.42	1009.2	\$102,428.56	\$876.66	\$4,207.7
59	859402281 07/24/00	4,708.97	463.96	0.00	235.48	5,408.41	738.99	\$104,107.30	\$0.00	\$4,708.9
60	859402293 07/01/00	4,652.48	1,562.40	0.00	232.64	6,447.52	776.86	\$85,553.32	\$42.72	\$4,609.7
		<u>431,672.62</u>	<u>63,317.84</u>	<u>0.00</u>	<u>21,584.37</u>	<u>516,574.83</u>	<u>46,762.99</u>	<u>4,515,660.19</u>	<u>18,442.45</u>	<u>413,230.17</u>

GUAM HOUSING CORPORATION
CURRENT NOTES PAYABLE
GENERAL GOVERNMENT LOANS

An agreement was made between GHC & Gen. Govt. to defer note payments from 2

Last month Paid **10/01/99**

		Beg. End	02/01/00 02/01/01		Not Paid 1/2000			Beg. End
	Loans	Rate	Monthly Payment	FY'2000 Current Principal	Principal for the Month	Interest for the Month	Accrued Intererst	Interest paid up to
1	2,040,029.40	4.00%	18,179.41	186,692.29	11,493.48	6,685.93	29,467.09	10/22/99
2	2,842,833.58	4.00%	24,239.21	242,207.66	14,911.22	9,327.99	42,326.63	10/18/99
3	1,077,079.13	4.00%	9,089.71	90,225.53	5,554.62	3,535.09	14,600.41	10/30/99
4	1,486,756.44	4.00%	12,119.61	117,530.64	7,235.63	4,883.98	22,466.54	10/16/99
5	1,543,216.30	4.00%	12,119.61	114,442.99	7,045.54	5,074.07	21,090.62	10/29/99
6	561,757.52	4.00%	4,241.58	38,867.37	2,392.82	1,848.76	8,239.11	10/20/99
7	2,696,887.12	4.00%	18,179.41	141,110.14	9,251.15	8,928.26	35,958.49	11/01/99
8	1,401,453.19	4.00%	9,089.71	67,841.92	4,447.70	4,642.01	18,686.04	11/01/99
	<u>13,650,012.68</u>		<u>107,258.25</u>	<u>998,918.54</u>	<u>62,332.16</u>	<u>44,926.09</u>	<u>192,834.93</u>	

G.L. BALANCE 1/00

13,786,387.07 ACCT. 2133

(136,374.39) ACCT. 2123

13,650,012.68

0.00 Less principal payments in February 2000

13,650,012.68

0.00 Diff.

**GUAM HOUSING CORPORATION
SCHEDULE OF NOTES PAYABLE AND ACCRUED INTEREST
AS OF JANUARY 31, 2001**

<u>DATE OF NOTE</u>	<u>LENDER</u>	<u>RATE</u>	<u>ORIGINAL AMOUNT</u>	<u>BALANCE JAN. 31, 2001</u>	<u>% TO TOTAL LOANS</u>	<u>MONTHLY PAYMENT</u>	<u>MATURITY DATE</u>
29-Dec-83	CITIBANK	9.62500%	10,000,000	2,181,322.57		95,000.00	29-Dec-03
29-Dec-83	CITIBANK	7.00000%	9,987,361	311,867.32		0.00 **	29-Dec-03
01-Aug-95	CITIBANK	9.00000%	5,000,000	1,009,813.93		27,000.00 ***	30-Aug-05
	SUB-TOTAL		24,987,361	3,503,003.82	11.02%	122,000.00	
27-Feb-96	F H L B	6.99000%	7,500,000	5,080,459.58		71,843.85 *****	25-Feb-11
14-Jul-97	F H L B	6.83000%	2,200,000	2,200,000.00		12,761.81 xx	14-Jul-17
19-Sep-97	F H L B	6.72000%	1,000,000	1,000,000.00		5,707.40 xx	19-Sep-17
10-Nov-97	F H L B	6.60000%	1,000,000	1,000,000.00		5,605.48 xx	10-Nov-17
14-Jan-98	F H L B	5.67000%	1,000,000	1,000,000.00		4,815.62 xx	14-Jan-03
11-Mar-98	F H L B	6.16000%	1,500,000	1,471,604.74		8,664.12 *****	11-Mar-08
30-Apr-98	F H L B	6.09000%	500,000	489,086.67		2,912.20 *****	30-Apr-03
18-May-98	F H L B	6.06000%	1,000,000	976,544.26		5,856.35 *****	16-May-03
19-Jun-98	F H L B	6.02000%	1,000,000	979,464.89		5,762.10 *****	19-Jun-03
19-Aug-98	F H L B	5.92000%	450,000	441,425.04		2,554.10 *****	19-Aug-03
	SUB-TOTAL		17,150,000	14,638,585.18	46.05%	126,483.03	
23-Feb-00	GEN. GOV'T (DOA)	4.00000%	13,650,000	13,650,000.00		82,716.31	27-Apr-21
	SUB-TOTAL		13,650,000	13,650,000.00	42.94%	82,716.31	
	GRAND TOTAL		55,787,361	31,791,589.00	100.00%	331,199.34	

GUAM HOUSING CORPORATION
INCOME STATEMENT and CASH FLOW
FISCAL YEAR 2000

	OCT 1999	NOV 1999	DEC 1999	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	EPT 2000	YTD TOTAL
INTEREST INCOME:													
Interest on Loans Receivable	307,366	305,449	306,407	319,226	290,311	316,335	300,751	310,684	291,182	308,470	300,001	293,457	3,649,640
Interest on bank deposits	7,465	6,745	7,617	6,687	6,155	6,290	6,458	6,969	5,627	7,374	7,158	6,856	81,400
Interest on Invest. w/ Trustee	235,154	227,785	242,687	202,868	214,315	229,049	215,086	229,514	221,085	230,587	229,544	238,322	2,715,996
	\$549,985	\$539,979	\$556,711	\$528,781	\$510,781	\$551,674	\$522,294	\$547,167	\$517,894	\$546,431	\$536,704	\$538,635	\$6,447,036
Interest expense	170,263	165,047	170,022	168,028	156,981	(73,069)	115,087	118,118	113,206	116,399	115,085	110,273	1,445,441
Interest expense-Bonds Payable	220,704	220,704	220,704	220,704	220,704	220,704	220,704	220,704	220,704	220,704	220,704	220,704	2,648,442
T INTEREST INCOME	\$159,018	\$154,228	\$165,985	\$140,049	\$133,096	\$404,040	\$186,504	\$208,346	\$183,985	\$209,329	\$200,915	\$207,658	\$2,353,154
OTHER INCOME:													
Loan Origination fees	9,214	3,137	4,310	4,951	3,653	3,610	7,168	3,668	9,778	4,664	12,954	4,892	71,799
Loan Origination fees (MRB)	0	0	7,012	0	1,188	0	1,188	0	3,563	0	0	0	12,950
Management fees	11,887	12,720	12,000	12,880	12,393	12,760	12,229	12,029	12,762	12,205	11,848	12,685	148,396
Service Fees	410	530	410	580	580	555	525	495	590	525	595	630	6,405
Compliance Fees (MRB)	0	100	400	100	0	100	0	100	200	400	0	0	1,400
Other	6,624	5,864	5,415	7,536	7,610	7,030	6,814	7,503	6,834	5,738	5,623	4,811	77,401
	\$28,135	\$22,352	\$29,546	\$26,026	\$25,423	\$24,055	\$27,922	\$23,794	\$33,726	\$23,531	\$31,020	\$22,818	\$318,350
	\$187,153	\$176,580	\$195,532	\$166,076	\$158,519	\$428,094	\$214,426	\$232,141	\$217,711	\$232,860	\$231,935	\$230,477	\$2,671,504
EXPENSES:													
Salaries & Benefits	105,156	116,469	123,543	97,553	112,587	90,377	98,505	108,299	106,877	92,420	109,520	99,995	1,261,301
Retirement Contributions	15,664	14,871	17,616	13,873	13,798	14,165	12,437	14,397	14,082	12,376	18,055	12,568	173,902
Loan Origination Costs	4,793	1,811	3,469	1,811	1,811	1,811	1,827	1,827	4,539	1,830	2,438	1,849	29,816
Loan Origination Costs (MRB)	0	0	6,157	0	1,188	0	1,188	0	3,563	0	0	0	12,095
Commitment Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Rent	9,860	9,860	9,860	9,860	9,860	0	0	0	0	0	0	0	49,300
Contractual Services	12,988	14,797	13,882	10,726	12,221	12,104	14,109	11,934	11,857	9,429	12,118	22,828	158,995
Professional services	540	2,380	3,538	110	3,000	1,250	1,850	860	3,000	1,000	5,540	3,500	26,566
Trustee Fees (MRB)	6,700	6,700	6,240	6,590	6,620	6,650	13,495	6,189	6,525	13,330	145	13,295	92,478
Directors' Fees	0	0	450	250	500	0	300	300	0	600	550	650	3,600
Travel	0	0	0	0	4,995	0	0	0	0	0	0	0	875
Supplies and Materials	2,890	130	4,440	2,839	1,885	3,515	3,134	909	3,004	1,231	3,512	1,546	29,035
Bad Debts	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	7,184	7,018	6,674	6,723	6,725	6,670	6,651	6,650	6,598	6,620	6,553	6,470	80,537
Amortization (MRB)	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292	3,292	39,498
Other	1,521	2,703	1,756	1,741	2,439	1,444	2,136	2,946	2,899	2,629	2,767	3,026	28,007
TOTAL EXPENSES	\$170,587	\$180,030	\$200,915	\$155,369	\$180,920	\$141,278	\$158,923	\$157,604	\$166,235	\$144,757	\$164,469	\$169,894	\$1,991,000
NET INCOME	\$16,565	(\$3,450)	(\$5,383)	\$10,707	(\$22,400)	\$286,816	\$55,504	\$74,537	\$51,476	\$88,103	\$67,446	\$60,583	\$680,504

**GUAM HOUSING CORPORATION
INCOME STATEMENT and CASH FLOW
FISCAL YEAR 2000**

OCT 1999 NOV 1999 DEC 1999 JAN 2000 FEB 2000 MAR 2000 APR 2000 MAY 2000 JUN 2000 JUL 2000 AUG 2000 EPT 2000

	OCT 1999	NOV 1999	DEC 1999	JAN 2000	FEB 2000	MAR 2000	APR 2000	MAY 2000	JUN 2000	JUL 2000	AUG 2000	EPT 2000
CASH INFLOW												
Adjusted Revenue	337,072	329,047	330,398	346,576	315,374	341,546	328,680	335,991	321,637	334,219	333,181	318,531
Uncollected Interest Revenue=Loans	(45,677)	4,573	(33,201)	(35,678)	14,402	(43,672)	(40,654)	21,188	21,006	(39,050)	(36,927)	(54,731)
Principal collection = GRC	4,861	4,873	4,885	4,897	4,910	4,922	4,934	4,947	4,959	4,971	4,984	4,996
Principal collection = REGULAR	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Principal collection = PAY OFFS	294,669	120,955	71,565	3,201	76,163	26,829	36,774	172,990	182,625	51,413	82,601	40,951
	\$690,925	\$559,448	\$473,648	\$418,996	\$510,849	\$429,626	\$429,734	\$635,115	\$630,228	\$451,553	\$484,039	\$409,751
CASH OUTFLOW												
Adjusted Operating Costs	153,412	163,020	178,553	138,764	163,096	124,666	134,298	141,473	146,258	121,515	154,500	146,831
Capitalized Sal & benefits	30,246	24,910	24,885	24,915	37,418	24,945	24,950	24,941	24,945	37,418	24,946	25,021
Capital Expenditures	4,137	1,299	4,114	6,860	17,129	7,766	0	0	1,389	0	2,360	891
Loan Increments = SRF	69,520	12,920	165,600	55,680	69,619	46,844	11,052	31,500	18,313	104,126	258,645	148,601
Retirement Unfunded Liability	6,765	6,767	7,026	6,877	9,943	6,319	6,407	6,456	6,580	9,709	6,486	6,811
Debt Service (P & I) =DOA	107,258	107,258	0	0	0	0	0	0	0	0	0	0
Debt Service (P & I) =CITI	122,074	122,229	121,967	122,252	122,126	121,698	122,212	121,980	122,372	122,193	122,332	122,191
Debt Service (P & I) =FHLB	127,565	130,089	127,099	129,607	129,151	123,461	128,653	125,730	128,173	125,250	127,709	127,451
	\$620,976	\$568,492	\$629,244	\$484,954	\$548,482	\$455,700	\$427,573	\$452,080	\$448,031	\$520,211	\$696,977	\$577,821
CASH OVERAGE/(SHORTAGE)	\$69,949	(\$9,044)	(\$155,596)	(\$65,958)	(\$37,633)	(\$26,074)	\$2,161	\$183,035	\$182,197	(\$68,657)	(\$212,938)	(\$168,070)
OPERATIONS (NO LOAN DISB/PAYOFF)												
CASH INFLOW = W/O PAY OFFS	396,256	438,493	402,082	415,795	434,685	402,797	392,960	462,125	447,602	400,140	401,238	368,791
CASH OUTFLOW=W/O LOAN DISB.	551,456	555,572	463,644	429,274	478,863	408,856	416,521	420,580	429,718	416,085	438,332	429,211
CASH OVERAGE/(SHORTAGE)	(\$155,200)	(\$117,079)	(\$61,561)	(\$13,479)	(\$44,177)	(\$6,059)	(\$23,561)	\$41,545	\$17,884	(\$15,945)	(\$37,094)	(\$60,420)

COAST HOUSING CORPORATION
UNAUDITED BALANCE SHEET
January 31, 2001

ASSETS:

CURRENT ASSETS

Checking - Operation	\$520,812	
Checking - Borrowers Deposit (Restricted)	197,667	
Change Fund/Petty Cash	1,600	
Time certificate of Deposits	660,549	
Treasury Bills	19,010	
Accounts Receivable - Trade	5,420,186	
Loans Receivable-Delinquent for collection	1,211,788	
Loans Receivable (Current)	2,687,260	
Accrued Interest - Loans	1,195,329	
Accounts Receivable-Deferred Interest	122,367	
Accrued Interest - TCD/T.BILLS	25,563	
TOTAL CURRENT ASSETS		\$12,062,130

OTHER ASSETS

Loan Receivable Mortgage (Long Term)	\$37,357,086	
Less Reserve Loan Losses Provision	(110,805)	\$37,246,281
Investment in Real Estate		0
Other Receivable		143,457
Prepaid Assets		5,151
Inventory (Supplies & Materials)		15,844
Deferred Charges - Mortgage Revenue Bond		813,412
TOTAL OTHER ASSETS		38,224,145

REAL ESTATE HELD FOR RESALE

1,271,872

RESTRICTED ASSETS - MRB

Investments & Cash with Trustee - MRB	51,732,192	
Accrued Interest - Mortgage Revenue Bond	1,227,878	
TOTAL RESTRICTED ASSETS		52,960,070

FIXED ASSETS

Property & Equipment	\$1,163,481	
Less Accumulated Depreciation	(1,113,248)	\$50,233
TOTAL FIXED ASSETS		50,233
TOTAL ASSETS		\$104,568,449

LIABILITIES, CONTRIBUTION & RETAINED EARNINGS:

CURRENT LIABILITIES

Accounts Payable	\$151,524	
Accrued Interest	109,326	
Accrued Salaries	16,144	
Accrued Benefits Contributions	3,136	
Accrued Benefits Contributions (Ret Act)	1,299,648	
Accrued Annual Leave	227,061	
B/D Insurance & Real Estate Taxes	864,009	
B/D Other - Loan Services	50,388	
Notes Payable - Borrowed Funds (Current)	2,235,487	
Notes Payable - Purchase	0	
TOTAL CURRENT LIABILITIES		\$4,956,724

PAYABLES FROM RESTRICTED ASSETS:

Bonds Payable (Current Maturities)	0	
Accrued Interest - Bonds Payable	1,118,463	
Accrued Rebate Liability - MRB	503,219	
Premium Bonds Payable	1,082,005	
TOTAL PAYABLES FROM RESTRICTED ASSETS:		2,703,687

DEFERRED CREDITS AND ADVANCES

Deferred credits - Unearned revenue	\$94,406	
Deferred /credits - Interest on loans	12,601	
Deferred credits - Future/Others	245,535	
Deferred Credits - Unamortized Discount (Revenue)	158,710	
Deferred Origination Revenue	0	
TOTAL DEFERRED CREDITS		511,252

FIXED AND LONG TERM LIABILITIES

Notes Payable - Borrowed Funds	\$29,553,042	
Bonds Payable-MRB (Less Current Maturities)	50,000,000	

**GUAM HOUSING CORPORATIC
RETAINED EARNINGS STATEMENT
FOR THE PERIOD ENDING JANUARY 31, 2001
(UNAUDITED)**

Beginning Retained Earnings 9/30/2000	\$11,579,398
ADD/DEDUCT: Prior Year Adjustment	<u>0</u>
	11,579,398
Net Income	140,593
Less Capital Disbursement	<u>0</u>
Net Additions (Decrease)	<u>140,593</u>
Retained Earnings 1/31/01	<u><u>\$11,719,991</u></u>

***NOTE:**

Retained Earnings Prior Years (Adjusted)	10,898,894
Retained Earnings FY 2000	680,504
Retained Earnings Current Year	<u>140,593</u>
Total Retained Earnings	<u><u>\$11,719,991</u></u>

**GUAM HOUSING CORPORATION
RETAINED EARNINGS STATEMENT
FOR THE MONTH ENDING JANUARY 31, 2001
(UNAUDITED)**

Beginning Retained Earnings 12/31/00	\$11,680,939
ADD/DEDUCT: Prior Year Adjustment	<u>0</u>
	11,680,939
Net Income	39,052
Less Capital Disbursement	<u>0</u>
Net Additions (Decrease)	<u>39,052</u>
Retained Earnings 1/31/01	<u><u>\$11,719,991</u></u>

***NOTE:**

Retained Earnings Prior Years (Adjusted)	10,898,894
Retained Earnings FY 2000	680,504

**GUAM HOUSING CORPORATION
INCOME STATEMENT
FOR THE MONTH OF JANUARY 2001
(COMPARATIVE FY 2001 & FY 2000)
(UNAUDITED)**

	FY 2001	FY 2000
INTEREST INCOME:		
Interest on Loans Receivable	\$295,105.18	\$319,226.15
Interest on Bank Deposits	6,452.91	6,687.18
Interest on Investment with Trustee	229,987.51	202,867.85
TOTAL INTEREST REVENUE	<u>531,545.60</u>	<u>528,781.18</u>
Interest expense	109,326.49	168,028.41
Interest expense - Bonds Payable	220,703.53	220,703.53
TOTAL INTEREST EXPENSE	<u>330,030.02</u>	<u>388,731.94</u>
NET INTEREST INCOME	<u>201,515.58</u>	<u>140,049.24</u>
OTHER INCOME:		
Loan Origination and Commitment Fees *	4,766.69	4,950.99
Loan Origination MRB	0.00	0.00
Management Fees	17,884.37	12,879.62
Service Fees	695.00	560.00
Compliance Fee MRB	800.00	100.00
Other	5,956.27	7,535.88
	<u>30,102.33</u>	<u>26,026.49</u>
	<u>231,617.91</u>	<u>166,075.73</u>
EXPENSES:		
Salaries	120,820.44	80,480.78
Benefits	15,947.26	17,072.55
Retirement Contributions	18,325.28	13,873.23
Loan Origination Costs *	2,750.45	1,811.11
Loan Origination Costs MRB	0.00	0.00
Commitment Fees	0.00	0.00
Rent	0.00	9,860.00
Contractual Services	12,308.45	10,726.37
Legal Fees	800.00	110.00
Trustee Fees MRB	6,642.67	6,589.90
Director's Fees	0.00	250.00
Travel	0.00	0.00
Supplies and Materials	4,051.70	2,839.34
Bad Debts	0.00	0.00
Other	1,380.80	1,740.73
TOTAL EXPENSES	<u>183,027.05</u>	<u>145,354.01</u>
NET INCOME BEFORE DEPRECIATION	<u>\$48,590.86</u>	<u>\$20,721.72</u>
Depreciation	6,247.09	6,723.05
Amortization MRB	3,291.50	3,291.50

GUAM HOUSING CORPORATION
INCOME STATEMENT
FOR THE PERIOD ENDING JANUARY 31, 2001
(UNAUDITED)

	FY 2001	FY 2000
INTEREST INCOME:		
Interest on Loans Receivable	\$1,166,092.85	\$1,238,448.53
Interest on Bank Deposits	26,087.82	28,513.89
Interest on Investment with Trustee	914,021.79	908,493.54
TOTAL INTEREST REVENUE	<u>2,106,202.46</u>	<u>2,175,455.96</u>
Interest expense	440,754.74	673,360.82
Interest expense - Bonds Payable	882,814.12	882,814.12
TOTAL INTEREST EXPENSE	<u>1,323,568.86</u>	<u>1,556,174.94</u>
NET INTEREST INCOME	<u>782,633.60</u>	<u>619,281.02</u>
OTHER INCOME:		
Loan Origination and Commitment Fees *	21,182.87	21,612.78
Loan Origination MRB	0.00	7,012.00
Management Fees	74,311.85	49,485.80
Service Fees	2,625.00	1,910.48
Compliance Fee MRB	1,300.00	600.00
Other	22,719.14	25,438.57
	<u>122,138.86</u>	<u>106,059.63</u>
	<u>\$904,772.46</u>	<u>\$725,340.65</u>
EXPENSES:		
Salaries	458,607.03	383,962.46
Benefits	87,572.50	58,759.39
Retirement Contributions	73,985.96	62,024.56
Loan Origination Costs *	13,124.58	11,883.68
Loan Origination Costs MRB	0.00	6,157.00
Commitment Fees	0.00	0.00
Rent	0.00	39,440.00
Contractual Services	42,121.61	52,393.65
Legal Fees	1,350.00	6,566.00
Trustee Fees MRB	26,336.33	26,229.68
Director's Fees	250.00	700.00
Travel	0.00	0.00
Supplies and Materials	11,250.81	10,298.80
Bad Debts	0.00	0.00
Other	5,112.75	7,720.38
TOTAL EXPENSES	<u>719,711.57</u>	<u>666,135.60</u>
NET INCOME BEFORE DEPRECIATION	<u>\$185,060.89</u>	<u>\$59,205.05</u>
Depreciation	25,258.27	27,599.79
Amortization MRB	19,209.25	13,166.00

**GUAM HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE MONTH OF JANUARY 2001**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Earnings	\$39,052.27
Adjustments to Prior Year Retain Earnings	0.00
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation	6,247.09
Amortization on MRB	3,291.50
Amortization of discount on loan due from Guam Rental Corporation	(2,500.00)
(Increase) decrease in accrued interest and others	(250,454.50)
(Increase) decrease in prepaid expenses and other	3,124.70
Increase (decrease) in accrued pension cost	(7,610.71)
Increase (decrease) in other liabilities	(51,209.75)
Increase (decrease) in deposits by borrowers	(24,366.29)
	(284,425.69)
Net cash provided (used) by operating activities	(\$284,425.69)

CASH FLOWS FROM INVESTING ACTIVITIES:

Net (increase)/decrease in loans and other receivables	\$279,025.81
(Purchase)/Disposal of property and equipment	425.00
(Purchase)/Sale of investment securities	4,987.27
	\$284,438.08
Net cash provided (used) in investing activities	\$284,438.08

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuance of notes payable	\$0.00
Bonds Payable	0.00
Repayment of Notes Payable	(152,266.71)
Repayment of Bonds Payable	0.00
Accrued Interest - Bonds Payable	223,692.50
Accrued Rebate Liability - MRB	20,356.72
Premium Bonds Payable	(2,988.97)
	\$88,793.54
Net cash provided (used) by financing activities	\$88,793.54

Net increase (decrease) in cash on hand and in banks	\$88,805.93
Cash on hand and in banks, December 31, 2000	1,310,831.70
Cash on hand and in banks, January 31, 2001	\$1,399,637.63

Supplemental disclosure of cash flow information:

Cash payments and accrual for the month ended for interest	\$109,326.49
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**UAM HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE MONTH OF JANUARY 2001**

COLLECTION FROM CUSTOMERS

PRINCIPAL , INTEREST	\$515,288.84
TRUST FUND	60,860.71
BORROWERS'DEPOSITS	0.00
LOAN FEES	0.00
LATE CHARGES	3,397.01
RETURNED CHECK & FEE	1,650.00
SERVICE CHARGES	465.00
OTHERS	0.00

\$581,661.56

COLLECTION FROM GUAM RENTAL

LOAN PAYMENT	6,674.62
MANAGEMENT FEE	12,383.54
SALARIES AND BENEFITS	54,967.76
REIMBURSEMENT FOR EXPENSES	652.90

COLLECTION OTHERS

RENTAL INCOME	1,150.00
RENTAL FOR "GRC"	62,827.54
CAHAT / H. MITIGATION LOAN PMTS.	3,764.15
SAGAN LINAHYAN / DPCCA LOAN PMTS.	5,211.75
INTEREST FROM DEPOSITS	5,365.43
INSURANCE CLAIMS	0.00
RECEIVABLES	527.95
BOND	800.00
OTHERS	12,206.87

TOTAL RECEIPTS

\$748,194.07

DISBURSEMENTS

REPAYMENT OF NOTES PAYABLE	
INTEREST	\$108,539.51
PRINCIPAL	139,573.05
LOAN INCREMENTS	0.00
SALARIES - NET	55,125.81
BENEFITS AND PAYROLL DEDUCTIONS	160,985.67
EXPENSES/ACCOUNTS PAYABLE	20,265.15
ADVANCES TO PROJECTS	0.00
REFUND TO CUSTOMERS DUE TO PAYOFF	6,477.31
INTERFUND TO "GRC"	103,964.05
TRUST FUND	47,414.12
BORROWERS DEPOSIT	12,858.00
BANK CHARGES	1.00
RETURNED CHECKS	4,124.82
INSURANCE CLAIMS	0.00
BOND	25.00
OTHER RECEIVABLE -GRC	34.65
OTHER	0.00

**GUAM HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING JANUARY 31, 2001
(UNAUDITED)**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net Earnings	\$ 140,593.37
Adjustments to Prior Year Retain Earnings	0.00
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and loss on disposal of assets	25,258.27
Amortization on MRB	13,166.00
Amortization of discount on loan due from Guam Rental Corporation	(10,000.00)
(Increase) decrease in accrued interest and others	(1,040,779.53)
(Increase) decrease in prepaid expenses and other	1,378.08
Increase (decrease) in accrued pension cost	(33,044.66)
Increase (decrease) in other liabilities	(71,688.86)
Increase (decrease) in deposits by borrowers	42,450.18
	<hr/>
Net cash provided (used) by operating activities	\$ (932,667.15)

CASH FLOWS FROM INVESTING ACTIVITIES:

Net (increase)/decrease in loans receivable	\$ 896,138.83
Net (increase)/decrease in Other receivables	\$ 2,792.50
(Purchase)/Disposal of property and equipment	(282,204.60)
(Purchase)/Sale of investment securities	24,704.28
	<hr/>
Net cash provided (used) in investing activities	\$ 641,431.01

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from issuance of notes payable	\$ 0.00
Bonds Payable	0.00
Repayment of Notes Payable	(622,309.34)
Repayment of Bonds Payable	0.00
Accrued Interest - Bonds Payable	894,770.00
Accrued Rebate Liability - MRB	80,772.14
Premium Bonds Payable	(11,955.88)
	<hr/>
Net cash provided (used) by financing activities	\$ 341,276.92

Net increase (decrease) in cash on hand and in banks	\$ 50,040.78
Cash on hand and in banks, September 30, 2000	<hr/>1,349,596.85
Cash on hand and in banks, January 31, 2001	\$ <hr/><u>1,399,637.63</u>

**GUAM HOUSING CORPORATION
BUDGET VS. ACTUAL
AS OF JANUARY 31, 2001**

ACCOUNT	ANNUAL BUDGET	PROJECTION	ACTUAL	% USED OF ANNUAL REV.COL.	REMAINING ANNUAL BUDGET	OVER FOR TH
Revenue						
Interest on Loans	\$3,578,782.00	\$1,192,927.33	\$1,166,092.85	17.1100%	(\$2,412,689.15)	
Loan Fees	53,432.00	17,810.67	21,182.87	0.3100%	(32,249.13)	
Loan Origination MRB	0.00	0.00	0.00	0.0000%	0.00	
Interest - TCD's	144,426.00	48,142.00	26,087.82	0.3800%	(118,338.18)	
Interest on Investments with Trustee	2,742,065.37	914,021.79	914,021.79	13.4100%	(1,828,043.58)	
Compliance Fee MRB	3,900.00	1,300.00	1,300.00	0.0200%	(2,600.00)	
Other	291,611.72	97,203.91	99,655.99	1.4600%	(191,955.73)	
Total Revenue	\$6,814,217.09	\$2,271,405.70	\$2,228,341.32	32.7000%	(\$4,585,875.77)	
Cost of Borrowed Funds						
Interest expense	\$1,529,857.01	\$509,952.34	\$440,754.74	6.4700%	\$1,089,102.27	
Interest expense - Bonds Payable	2,648,442.36	882,814.12	882,814.12	12.9600%	1,765,628.24	
Total Cost of Borrowed Funds	\$4,178,299.37	\$1,392,766.46	\$1,323,568.86	19.4200%	\$2,854,730.51	
Gross Margin	\$2,635,917.72	\$878,639.24	\$904,772.46	13.2800%	(\$1,731,145.26)	
Operating Expenses *						
Salaries and Benefits (b)	\$1,944,603.53	\$648,201.18	\$620,165.49	9.1000%	\$1,324,438.04	
Travel	0.00	0.00	0.00	0.0000%	0.00	
Contractual Services	228,500.00	76,166.67	43,471.61	0.6400%	185,028.39	
Trustee Fees MRB	79,008.99	26,336.33	26,336.33	0.3900%	52,672.66	
Supplies & Materials	33,800.00	11,266.67	11,250.81	0.1700%	22,549.19	
Miscellaneous (c)	49,600.00	16,533.33	5,362.75	0.0800%	44,237.25	
Loan Origination Costs (a)	(37,254.40)	(12,418.13)	13,124.58	0.1900%	(50,378.98)	
Bad Debts	0.00	0.00	0.00	0.0000%	0.00	
Total Operating Expenses	\$2,298,258.12	\$766,086.05	\$719,711.57	10.5600%	\$1,578,546.55	
Less FASB'91 adjustments	11,894.40	3,964.80	Included			
Net Operating Expenses	\$2,310,152.52	\$770,050.85	\$719,711.57	10.5600%	\$1,590,440.95	
Gross Margin	\$2,635,917.72	\$878,639.24	\$904,772.46			
Operating Expenses	\$2,310,152.52	\$770,050.84	\$719,711.57			
Net Income Before Depreciation	\$325,765.20	\$108,588.40	\$185,060.89	2.7200%		
Depreciation	84,000.00	28,000.00	25,258.27	0.3700%	58,741.73	
Amortization MRB	57,627.75	19,209.25	19,209.25	0.2800%	38,418.50	
Net Income	\$184,137.45	\$61,379.15	\$140,593.37	2.0600%	\$263,351.67	
Equipment Purchases	\$20,000.00	\$6,666.67	\$0.00	0.0000%	\$20,000.00	

Footnotes:

* Actual expenses include capitalized FASB'91 amounts.

(a) Due to implementation of FASB'91, expenses have also been adjusted.

* Gross Loan fees collected in FY 2001 are (\$15,926.60)

(b) Less GRC

(c) Includes board stipend.

AMOUNTS MAY VARY DUE TO ROUNDING

Prepared by: _____

Reviewed by: _____

Approved by: _____

GUAM HOUSING CORPORATION
DAILY CASH POSITION
FOR THE PERIOD ENDED M/ H 23, 2001

CASH ON HAND =	CHANGE FUND PETTY CASH FUND Total cash on Hand	\$1,300 300	\$1,600
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CASH IN BANK - TCD AND TRUST ACCOUNT:							ACCRUED INTEREST EARNED
TCD/TRUST ACCT.	BANK	DATE PURCHASED	DATE MATURE	NO. DAYS	RATE	AMOUNT	
CMA ACCT - T/F	M-L	28-Feb-01	31-Mar-01	31	5.89000%	497.05	2.49
CMA ACCT - T/F	M-L	23-Mar-01	31-Mar-01	8	5.50000%	100,000.00	120.55
TCD ACCT - T/F	M-L	11-Oct-00	11-Apr-01	182	6.30000%	96,000.00	3,015.72
TCD ACCT - T/F	M-L	01-Dec-00	01-Jun-01	182	6.35000%	53,000.00	1,678.14
TCD ACCT - T/F	M-L	28-Jun-00	28-Jun-01	365	6.75000%	50,000.00	3,375.00
TCD ACCT - T/F	M-L	30-Jun-00	02-Jul-01	367	6.75000%	50,000.00	3,393.49
TCD ACCT - T/F	M-L	17-Jan-01	18-Jul-01	182	5.20000%	84,000.00	2,178.02
TCD ACCT - T/F	M-L	14-Mar-01	12-Sep-01	182	5.00000%	26,000.00	648.22
TCD ACCT - T/F	M-L	21-Mar-01	19-Sep-01	182	5.00000%	97,000.00	2,418.36
						556,497.05	

FORECLOSURE FUND-CMAM-L		28-Feb-01	31-Mar-01	31	5.89000%	252.31	1.26
FORECLOSURE FUND	M-L	28-Jun-00	12-Apr-01	288	6.75000%	52,000.00	2,769.53
FORECLOSURE FUND	M-L	20-Dec-00	20-Jun-01	182	6.25000%	50,000.00	1,558.22
FORECLOSURE FUND	M-L	30-Jun-00	02-Jul-01	367	6.75000%	22,000.00	1,493.14
FORECLOSURE FUND	M-L	17-Aug-00	23-Aug-01	371	6.50000%	57,000.00	3,765.90
FORECLOSURE FUND	M-L	21-Mar-01	19-Sep-01	182	5.00000%	96,000.00	2,393.42
FORECLOSURE FUND	M-L	20-Dec-00	20-Sep-01	274	6.30000%	50,000.00	2,364.66
FORECLOSURE FUND	M-L	20-Dec-00	20-Dec-01	365	6.20000%	24,000.00	1,488.00
						351,252.31	
						\$907,749.36	\$32,664.12

Cahat (PL21-136) Checking Account: A/C 11315-8	\$38,930	
Cahat (PL21-136) Checking Account: A/C 11359-0	6,772	
FTH-RF (PL24-180) Checking Account: A/C 0031-033250	23,163	
Operations Fund/Checking Account:		
Beginning Balance, 2/28/2001	BOG = A/C 601-018773	\$522,035
Deposits		391,361
Deposits (IN-TRANSIT)		0
Disbursements	----- LOANS	0
	INTERFUND	(401,828)
	ALL OTHERS	(116,289)
Approved Disbursements - Loans		0
Approved Disbursements - All Others		0
		\$395,279

~~NET-SRF-MONEY~~
\$115,623

Payroll Fund/Checking Account:		
Beginning Balance, 2/28/2001	BOG = A/C 601-009074	\$35,878
Deposits		0
Deposits (IN-TRANSIT)		55,000
Disbursements	----- PAYROLL	(25,044)
		\$65,834

~~PAYROLL FUND~~

Citibank Loans/Checking Account:		
Beginning Balance, 2/28/2001	CITIBANK = A/C 9595-8	\$20,385
Deposits		0
Deposits (IN-TRANSIT)		119,828
Disbursements	----- P/NOTES PMTS	0
	OTHERS	0
		\$140,213

~~NOTES-PAY-FUN~~

FHLB of SEATTLE Fund//Checking Account:		
Beginning Balance, 2/28/2001	A/C 990020019	\$138,017
Deposits		127,000
Disbursements		(126,483)
		\$138,534

~~NOTES-PAY-FUN~~

Trust Fund/Checking Account:		
Beginning Balance, 2/28/2001	CITIBANK = A/C 9684-1	\$143,158
Deposits		0
Disbursements		(71,634)
Approved Disbursements		0
		\$71,524

Borrower's Deposit/Checking Account:		
Beginning Balance, 2/28/2001	CITIBANK = A/C 9683-0	\$38,287
Deposits		0
Disbursements		0
Approved disbursements		0
		\$38,287

TOTAL CASH IN BANK \$918,536

TOTAL CASH AVAILABLE \$1,827,885

Less: Borrower's Deposits held in Trust:		
Trust Fund (Insurance & R.E.Taxes)		(679,440)
Loan Service		(38,287)
	TOTAL BORROWER'S DEPOSITS	(717,727)

Less: Loan Commitments Balance:		
Prior Approval	(2)	28,781 = SRF
New Approval	0	0 = SRF
Prior Approval	(2)	60,435 = R/5
New Approval	0	0 = R/5
Prior Approval	0	0 = CAHAT
New Approval	0	0 = CAHAT
New Approval	0	0 = FTHRF
RESERVE FOR NEW APPROVAL - DOWN PAYMENT		0 = DPCCA
AVAILABLE FOR NEW APPROVAL - "R5"	1,283	0 = R/5
	TOTAL COMMITMENT BALANCE	(1,283)

Reserve: For CAHAT Loans	(90,499)
Foreclosure Protection Fund	(30,464)
	(NET OF INVESTMENT LOSS = \$248,157.69)
	(NET OF INVESTMENT LOSS = \$248,157.69)

GUAM HOUSING CORPORATION
 SCHEDULE OF (FIVE YEAR)
 AS OF MARCH 23, 2001

GRANT DISBURSEMENTS:

APPLICANT	DATE APPROVED	DATE DISBURSED	AMOUNT DISBURSED	
DIAZ, JUDITH B	07-Oct-99	1018/40	26-Nov-99	2,960
AGUON, DEXTER	17-Nov-99	1019	26-Nov-99	3,440
BLAS, CHRISTINA	17-Nov-99	1020/21	26-Nov-99	3,040
GUZMAN, CATHERINE	17-Nov-99	1024	30-Nov-99	3,900
PROTASIO, STEPHEN	17-Nov-99	1025	02-Dec-99	4,108
DEL CASTILLO, JAIME	17-Nov-99	1026	02-Dec-99	1,996
WHITT, CAESAR	22-Nov-99	1027	02-Dec-99	5,000
PALACIOS, JEFFREY T	01-Dec-99	1028	02-Dec-99	3,400
MCCORMICK, JOHN	28-Oct-99	1029	10-Dec-99	5,000
MENO, EDDIE C	30-Sep-99	1030	10-Dec-99	2,760
GUEVARRA, DAVID D	14-Dec-99	1031	16-Dec-99	3,943
TAITINGFONG, JOSE B	07-Dec-99	1032	16-Dec-99	2,184
CABILES, CAROL	28-Oct-99	1033	16-Dec-99	4,640
QUICHOCHO, PATRICIA	05-Oct-99	1034	20-Dec-99	3,900
ROSARIO, FORTUNATO	16-Dec-99	1035	20-Dec-99	3,840
YAMAMOTO, JOY LEE	01-Dec-99	1036	21-Dec-99	4,000
ANALIGO, JAMES R	01-Dec-99	1037	21-Dec-99	4,423
LUCUAB, VICTOR	14-Dec-99	1038	21-Dec-99	4,004
PARKE, WILLIAM DUANE B.	01-Nov-99	1039	21-Dec-99	2,600
MERCI, TITUS	29-Sep-99	1041	04-Feb-00	2,487
DUENAS, JOSHUA/DARLENE	15-Dec-99	1042	04-Feb-00	3,240
BABAUTA, LEONARDO	15-Dec-99	1043	04-Feb-00	5,000
EUGENIO, NOEL S	30-Sep-99	1045	15-Feb-00	4,000
SENATO, EDWIN B	29-Oct-99	1046	17-Feb-00	4,567
TYDINGCO, PATRICK B	29-Oct-99	1047	07-Mar-00	3,488
BOTELHO, PETER D.	15-Feb-00	1048	07-Mar-00	VOIDED
QUINTANILLA, JOSEPH C	25-Feb-00	1049	15-Mar-00	3,200
CAMACHO, CARLOS G	14-Mar-00	1050	15-Mar-00	2,800
AGUON, JESSE	04-Oct-99	1052	15-Mar-00	2,800
SAN NICOLAS, VINCENT JC	20-Mar-00	1053	23-Mar-00	1,367
GUERRERO, RONNIE	10-Mar-00	1054	23-Mar-00	4,004
SAYAMA, JOSE	04-Oct-99	1055	27-Mar-00	4,000
CASTRO, RICHARD R	15-Sep-99	1056	27-Mar-00	5,000
SOTOMAYOR, RITA T.	29-Oct-99	1057	28-Mar-00	3,600
CASTRO, AGUSTO	24-Apr-00	1058	24-Apr-00	4,376
ANDERSON, JERALD M	24-Apr-00	1059	24-Apr-00	4,560
BABAUTA, BENNY T	01-May-00	1060	01-May-00	4,100
CRISOSTOMO, GENE	01-May-00	1061	01-May-00	3,200
CHARGUALAF, ROBERT	01-May-00	1062	01-May-00	4,480
BLAS, RAYMOND J	01-May-00	1063	09-May-00	3,080
CALINAGAN, HECTOR T	01-May-00	1064	09-May-00	2,440
FERNANDEZ, EDWARD SN	01-May-00	1066	09-May-00	3,400
DORADO, ALEX M	01-May-00	1067	09-May-00	1,840
LIZAMA, KATHERINA C.	31-May-00	1068	31-May-00	3,320
Interfund to BOG a/c 018773		1069	08-Jun-00	500
OSHIRO, DARRYL/REMY	17-May-00	1070	22-Jun-00	3,160
CASTRO, JESUS S.J.	17-Apr-00	1071	22-Jun-00	2,840
PASCUA, RAUL AJ JOCELYN	17-Apr-00	1072	22-Jun-00	1,880
PABLO, PAKITO	05-May-00	1073	22-Jun-00	1,240
CRISOSTOMO, DEBORAH	05-May-00	1074	22-Jun-00	3,600
BARCINAS, MARTIN Q	14-Feb-00	1075	22-Jun-00	2,200
BARCINAS, VINCENT		1076	10-Jul-00	4,060
MUNDO, SHARON	15-Dec-99	1077	11-Jul-00	3,812
LAANAN, JOHN S	27-Jul-00	1078	27-Jul-00	209
FEJERAN, ROLAND A		1080	18-Aug-00	3,000
PEREZ, YVETTE J		1081	18-Aug-00	2,340
CRUZ, IGNACIO A		1082	18-Aug-00	3,780
PARKE, WILLIAM D		1083	18-Aug-00	2,320
RIOS, TROY B		1084	18-Aug-00	2,436
SANTOS, EDWARD G		1085	18-Aug-00	5,000
ROSARIO, RUDY A	12480/1086		15-Aug-00	2,920
RUSCH, ANDRE	12496/1087		22-Aug-00	2,880
BAUTISTA, EDWIN	12706/1088		03-Oct-00	4,000
SANTOS, ROBERT D.		1089	15-Nov-00	3,400
NADRES, JOSE M.		1090	15-Nov-00	3,880
DIEGO, EDWARD J		1091	05-Dec-00	3,880
GRINO, JERSON H.		1092	15-Dec-00	4,240
BORDALLO, ROSALIE T		1093	15-Dec-00	3,080
BABAUTA, MARGARET T		1094	15-Dec-00	3,590
CAMACHO, LOURSES		1095	15-Dec-00	1,006

TOTAL GRANT DISBURSEMENTS

370,915.17

NET FUNDS AVAILABLE FOR "FTHRF" GRANT

\$23,163.10

GUAM HOUSING CORPORATION
SCHEDULE OF UNSIGNED APPROVALS (SRF)
AS OF MARCH 23, 2001

BORROWER	DATE APPROVED	PURPOSE	LOAN AMOUNT	LOAN FEE/ REFINANCED AMOUNT	SRF APPROVALS
			0	0	0
			0	0	0
		TOTAL	<u>0</u>	<u>0</u>	<u>0</u>

SCHEDULE OF LOANS FOR FUNDS CERTIFICATION
AS OF MARCH 23, 2001

BORROWER	DATE APPROVED	PURPOSE	LOAN AMOUNT
		TOTAL	<u>0</u>

GUAM HOUSING CORPORATION
SCHEDULE OF PRIOR APPROVALS COMMITMENT BALANCES (SRF)
AS OF MARCH 23, 2001

BORROWER	LOAN NO.	DATE APPROVED	LOAN AMOUNT	LOAN DISBURSED	COMMITMENT BALANCE
TAITINGFONG, JOSE B	SRF-2640	07-Jan-00	165,600	165,600	0
GUEVARA, DAVID D	SRF-2637	15-Dec-99	153,569	153,569	0
QUENGA, JOSEPH F.	SRF-2641	07-Mar-00	61,147	61,147	0
BOTELHO, PETER, JULIE S.	SRF-2642	07-Mar-00			0
GUERRERO, JOSEPH H	SRF-2650	21-Mar-00	30,000	30,000	0
EUSTAQUIO, FELIX B	SRF-2649	22-Mar-00	25,000	25,000	0
CRISOSTOMO, GENE L	SRF-2651	26-Apr-00	61,000	61,000	0
CRISOSTOMO, DEBORAH T.	SRF-2656	15-Jun-00	51,000	50,000	1,000
MUNDO, DANNY A	SRF-2662	07-Jul-00	92,000	92,000	0
SANTOS, EDWARD G.	SRF-2663	10-Jul-00	123,000	100,219	22,781
ROSARIO, RUDY A	SRF-2672	04-Aug-00	108,000	108,000	0
UBALDO/ O'CONNOR, ANTONIO	SRF-2679	18-Aug-00	92,500	92,500	0
TECHAIRA, PAUL B	SRF-2644	14-Aug-00	92,165	92,165	0
FERNANDEZ, MONICA L	SRF-2685	29-Nov-00	63,080	63,080	0
PALACIOS, ANTONIO R	SRF-2688	06-Dec-00	50,000	45,000	5,000
LUJAN, DENNIS E	SRF-2686	10-Jan-01	87,870	87,870	0
TOTAL			\$1,255,931	\$1,227,150	\$28,781

GUAM HOUSING CORPORATION
SCHEDULE OF PRIOR APPROVALS COMMITMENT BALANCES (H M)
AS OF MARCH 23, 2001

BORROWER	LOAN NO.	DATE APPROVED	LOAN AMOUNT	LOAN DISBURSED	COMMITMENT BALANCE
QUIDACHAY, JOHN A	H M -239	21-Aug-97	61,200	61,200	0
SANTOS, JAIME S.	H M -251	23-Apr-98	47,000	47,000	0
TOTAL			\$108,200	\$108,200	\$0

GUAM HOUSING CORPORATION
SCHEDULE OF UNSIGNED APPROVALS (15)
AS OF MARCH 23, 2001

BORROWER	DATE APPROVED	PURPOSE	LOAN AMOUNT	REFINANCED AMOUNT	RF APPROVALS
TOTAL			<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SCHEDULE OF LOANS FOR FUNDS CERTIFICATION
AS OF MARCH 23, 2001

BORROWER	DATE APPROVED	PURPOSE	LOAN AMOUNT
TOTAL			<u>0</u>

GUAM HOUSING CORPORATION
SCHEDULE OF PRIOR APPROVALS COMMITMENT BALANCES (R/5)
AS OF MARCH 23, 2001

BORROWER	LOAN NO.	DATE APPROVED	LOAN AMOUNT	LOAN DISBURSED	COMMITMENT BALANCE
ALVAREZ, ROSA MARIA	R5-2343	30-Sep-96	47,000	47,000	0
ONEDERA, MARY JANE G.	R5-2347	12-Dec-96	130,000	130,000	0
CAMACHO, VANESSA M	R5-2357	17-Feb-97	95,000	95,000	0
CAMACHO, FRANK M	R5-2358	25-Feb-97	95,000	95,000	0
BARCINAS, STEVE	R5-2366	05-Jun-97	130,000	130,000	0
SANTOS, CASANDRA	R5-2367	05-Jun-97	130,000	130,000	0
CRISOSTOMO, DOREEN T	R5-2377	22-Jul-97	150,000	150,000	0
BEAVER, DAVID M	R5-2380	29-Jul-97	124,000	124,000	0
MENO, FAYE-ANN	R5-2381	29-Jul-97	127,313	127,313	0
CRISOSTOMO, GLEN L	R5-2384	12-Aug-97	76,220	76,220	0
SANTOS, SOLEDAD B AND ANA	R5-2375	13-Aug-97	113,300	113,300	0
TERLAJE, LAWRENCE & TINA	R5-2387	14-Aug-97	123,600	123,600	0
SAN NICOLAS, JOSE S	R5-2388	13-Aug-97	172,000	172,000	0
DIAZ, FRANCIS M	R5-2389	21-Aug-97	131,800	131,800	0
BUSTAMANTE, CARMEN M	R5-2391	21-Aug-97	122,000	122,000	0
ECLAVEA, ROSE T	R5-2392	21-Aug-97	118,540	118,540	0
PADRONES, PETER J	R5-2396	03-Sep-97	130,000	130,000	0
BORLAS, MARY CELYNOR S	R5-2397	05-Sep-97	150,000	150,000	0
FRANCES QUICHOCHO	C R5-2412	07-Oct-97	180,000	180,000	0
LIBBY, GELENN B	R5-2413	03-Oct-97	125,000	125,000	0
SHINOHARA, SAMUEL V	P R5-2421	23-Oct-97	180,000	180,000	0
DIAZ, MARY T	R5-2423	17-Nov-97	180,000	180,000	0
BORDALLO, DEBORAH	P R5-2430	19-Dec-97	172,000	172,000	0
UNTALAN, RAYMOND	C R5-2433	14-Jan-98	118,000	118,000	0
RESPICIO, RORY J	R5-2434	14-Jan-98	153,600	153,600	0
QUENGA, BILL /TAIJERON, MARI	R5-2432	23-Jan-98	160,000	160,000	0
BENNY CABRERA	R5-2442	13-Feb-98	150,400	150,400	0
FLORES, JOSEPH T	R5-2504	26-Mar-98	180,000	180,000	0
SHIROMA, BLU/TANYA	C R5-2514	01-May-98	146,400	146,400	0
BABAUTA, JOSEPH/EMILY	C R5-2515	01-May-98	180,000	180,000	0
MARIA CASTRO DUENAS	R5-2544	30-Jun-98	83,000	83,000	0
CAMACHO, CARLOS	R5-2551	09-Jul-98	180,000	132,565	47,435
OKADA, SANDRA	R5-2564	07-Dec-98	150,000	150,000	0
MUNA, DAVID	R5-2565	07-Dec-98	125,000	125,000	0
SUB-TOTAL			\$4,629,173	\$4,581,738	\$47,435
TOTAL			\$17,698,717	\$17,638,282	\$60,435

$$\begin{array}{r} 51,283 \\ \hline 1775,000 \end{array}$$

$$\begin{array}{r} 61,218 \\ \hline 177,000 \end{array}$$

GUAM HOUSING CORPORATION
SCHEDULE OF PRIOR APPROVALS COMMITMENT FINANCES (R/5)
AS OF MARCH 23, 2001

BORROWER	LOAN NO.	DATE APPROVED	LOAN AMOUNT	LOAN DISBURSED	COMMITMENT BALANCE
BALANCE BROUGHT FORWARD			12,837,544	12,837,544	0
SARMIENTO, JOSEPH C.	R5-2122	21-Mar-91	130,000	117,000	13,000
SIGUENZA, JOANN G	59302254	16-Feb-93	102,000	102,000	0
SUB-TOTAL			\$13,069,544	\$13,056,544	\$13,000

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 3/23/01

**GUAM HOUSING CORPORATION
 SCHEDULE OF (CAHAT)
 AS OF MARCH 23, 2001**

CAHAT FUNDS APPROPRIATIONS:		\$2,000,000
LOAN REPAYMENT:		417,436
LESS: LOSS FROM INVESTMENTS	(PER BOD 4/22/99)	(248,158)
TOTAL AVAILABLE		\$2,169,278

ELIGIBILITY CERTIFICATES:

APPLICANT	DATE APPROVED	AMOUNT ELIGIBLE
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TOTAL ELIGIBILITY CERTIFICATES		0
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LOAN COMMITMENTS:

APPLICANT	LOAN NO.	DATE APPROVED	AMOUNT ELIGIBLE
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TOTAL LOAN COMMITMENTS		0
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**GUAM HOLDING CORPORATION
SCHEDULE OF (CAHAT)
AS OF MARCH 23, 2001**

LOAN DISBURSEMENTS:

APPLICANT	LOAN NO.	DATE APPROVED	AMOUNT DISBURSED
SACLA, REMIGIO E	69302259	09-Jun-93	31,850
BONANNO, JAMES	69302258	24-May-93	31,400
ARIZALA, JOSE P	69302260	21-May-93	40,000
GARRIDO, RAYMOND M	R6-2263	05-Aug-93	40,000
SORIANO, ALBERT J	R6-2264	21-May-93	40,000
SOLIVA, JERRY C	R6-2265	02-Jun-93	36,000
TIOTUICO, JESUS T	R6-2272	28-Oct-93	37,000
PEREZ, RODOLFO D & MARIA	R6-2277	29-Nov-93	37,500
SAN NICOLAS, JOHN B	R6-2278	09-Dec-93	40,000
PANGELINAN, DONALD C	R6-2279	09-Dec-93	32,500
SAN NICOLAS, FRED	R6-2282	01-Feb-94	40,000
DELA CRUZ, ROLLY M.	R6-2285	03-Mar-94	40,000
DELA CRUZ, JOSEFINA	R6-2289	29-Mar-94	40,000
FLORES, EDWARD & R.	R6-2290	18-May-94	27,600
SANTOS, PAUL J	R6-2291	23-May-94	40,000
GOGUE, BENNY C & RUTH	R6-2294	27-Jun-94	10,000
RARAS, STEVEN F. & J.	R6-2292	27-Jun-94	40,000
PAUNGAN, HELEN	R6-2298	04-Aug-94	40,000
MELENCIO, JOSE	R6-2299	05-Aug-94	40,000
ZAMORA, LUDOVICO G	R6-2302	29-Aug-94	26,439
NAVARRO, ANTHONY D. AND K	R6-2303	01-Sep-94	40,000
FRANCISCO, ANTONIO M	R6-2305	19-Sep-94	40,000
CRUZ, RICARDO & YVONNE	R6-2306	26-Oct-94	40,000
PERALTA, JOHN	R6-2307	13-Oct-94	25,000
MENDIOLA, JOHN	R6-2310	30-Nov-94 PD OFF	33,600
GAPUZ, DIEGO	R6-2312	27-Dec-94	40,000
BITANCOR, MATIAS L.	R6-2314	20-Dec-93	25,300
RESPICIO, ANTHONY	R6-2315	19-Jan-95	40,000
PALOMO, ANDREW S & KATHLE	R6-2318	27-Mar-95	30,800
SAN NICOLAS, PHILLIP S	R6-2319	06-Apr-95	40,000
BENAVENTE, RITA MARIE	R6-2320	06-Apr-95	20,000
VILLA, CASIMIRO	R6-2322	27-Apr-95	40,000
BABAUTA, JUAN P	R6-2323	17-May-95 PD OFF	40,000
RAMON, ROGELIO	R6-2326	06-Sep-95	27,000
SONDIA, ROLAND P & FRANCE	R6-2327	06-Sep-95	40,000
RESPICIO, AMBROSIO D	R6-2335	18-Mar-96	40,000
NARCISO, NEIL P	R6-2390	21-Aug-97	35,750
SERRANO, DORIS D	R6-2393	22-Aug-97	24,750
DIMLA, ROWENA Q	R6-2444	25-Feb-98	25,700
HORTON, JOSEPH L JR.	R6-2453	16-Mar-98	26,700
ROBERT B. TAYLOR	R6-2560	01-Sep-98	40,000
CAMACHO, ISABEL M	R6-2567	30-Dec-98	40,000
NAPUTI, RICHARD A	R6-2568	12-Jan-99 PDOFF	40,000
QUICHOCHO, LAWRENCE U.	R6-2572	03-Mar-99	31,800
FEJERAN, DOMETRO P	R6-2571	05-Mar-99	34,000
PREUC, FRANK	R6-2573	12-Mar-99	23,000
WAKI, DAVIDINA C	R6-2574	09-Apr-99	40,000
PRIETO, ROBERT	R6-2576	14-May-99	40,000
ANDERSON, JERALD M	R6-2578	25-May-99	40,000
CRISOSTOMO, JOSEPH C.	R6-2581	18-Jun-99	40,000
EUSTAQUIO, GERALDINE	R6-2583	12-Jul-99	40,000
CRUZ, VERONICA J	R6-2584	12-Jul-99	40,000
AGUON, AGNES F	R6-2585	12-Jul-99	39,625
DUENAS, JOSEPH P	R6-2586	12-Jul-99	40,000
PORTKA, JOSEPH A.	R6-2588	15-Jul-99	39,250
JACKSON, JOSEPH G	R6-2589	27-Jul-99	31,000
LEON GUERRERO, ALAN C	R6-2593	05-Aug-99	40,000
TAITINGFONG, JOSE	R6-2638	22-Dec-99	20,000
CRISOSTOMO, DEBORAH T	60002656	15-Jun-00	40,000
SANTOS, ROBERT	60002664	24-May-00	35,000
ROSARIO, RUDY A	60002672	04-Aug-00	20,250

TOTAL LOAN DISBURSEMENTS
NET FUNDS AVAILABLE FOR LOANS

2,138,814
\$30,464

CIAM HOUSING CORPORATION
SCHEDULE OF (DOWN PMT ASSISTANCE)
AS OF MARCH 23, 2001

DOWN PAYMENT ASSISTANCE FUNDS APPROPRIATIONS:	\$993,650.00
ADD: LOAN REPAYMENTS = AS OF FEBRUARY 28, 2000	43,510.06
LESS: ADMINISTRATIVE COST	(30,500.00)
TOTAL AVAILABLE	\$1,006,660.06

ELIGIBLE APPLICANTS:

APPLICANT	LOAN NO.	DATE APPROVED	AMOUNT ELIGIBLE
AFLEJE, KENNETH J.		07-Jul-00	N/A 20,000.00
MUNA, JOHN W.		07-Jul-00	N/A 20,000.00
KINTARO, GRACE M		17-Aug-00	N/A 20,000.00
AGUON, JESSE I		17-Aug-00	N/A 5,260.00
SABLAN, DAVID		17-Aug-00	N/A 20,000.00

TOTAL ELIGIBILITY **\$85,260.00**

LOAN COMMITMENTS:

APPLICANT	LOAN NO.	DATE APPROVED	AMOUNT ELIGIBLE
RADAZA, ROLANDO	900026--	07-Jul-00	N/A 20,000.00
CRUZ, KENNETH M.R.		07-Jul-00	N/A 20,000.00
DIEGO, EDWARD		01-Aug-00	N/A 20,000.00

TOTAL LOAN COMMITMENTS **\$60,000.00**

GUAM HOUSING CORPORATION
SCHEDULE OF (DOWN PMT ASSIST. ...ICE)
AS OF MARCH 23, 2001

LOAN DISBURSEMENTS:

APPLICANT	LOAN NO.	DATE APPROVED	DATE		CHECK NUMBER	AMOUNT DISBURSED
			FINANCED	DISBURSED		
BAZA, ALEJANDRO E.	99702398	10-Sep-97	10-Sep-97	FINANCED		
CRUZ, RAMON S	99702402	16-Sep-97	16-Sep-97	FINANCED		3,678.05
SAN NICOLAS, SILVESTRE C	99802426	24-Jan-98	24-Jan-98	FINANCED		
PALOMO, MAE F.	99802435	14-Jan-98	14-Jan-98	FINANCED		
QUIDACHAY, RITA I.	99802554	20-Jul-98	06-Aug-98	8483		9,440.00
TEMME, TRINIDAD S. A. Y.	99802555	24-Jul-98	24-Jul-98	FINANCED		
QUENGA, PATRICK/SONIA	99802561	31-Aug-98	31-Aug-98	FINANCED		3,866.00
TERLAJE, KEBRINA P	99802575	13-May-99	10-May-99	10087		20,000.00
GUTIEREZ, DAVID W.	C 99802577	14-May-99	14-May-99	10139		20,000.00
SAN NICOLAS, LAURIE N.	C 99802579	27-May-99	27-May-99	10220		19,054.82
DIAZ, LEO S.	99802580	28-May-99	08-Jun-99	10221		12,704.07
MANAHANE, JUDY M	C 99802582	22-Jun-99	18-Jun-99	10310		15,083.24
CALCETA, ANITA A.	99802587	09-Jul-99	12-Jul-99	10444		14,672.36
HERNANDEZ, MEL	99802590	09-Jul-99	30-Jul-99	10535		20,000.00
SALAS, MERCED	99802591	09-Jul-99	30-Jul-99	10536		7,066.76
QUENGA, PATRICK T	99802592	09-Jul-99	30-Jul-99	10537		14,847.75
TAYLOR, LARRY GENE	99802594	09-Jul-99	12-Aug-99	10605		14,416.56
SIGUENZA, DAWN R	99902596	31-Aug-99	27-Aug-99	10743		16,500.00
LAITAN, JENNA C.	99902602	10-Aug-99	20-Sep-99	10825		20,000.00
GARRIDO, JOANN C	99902620	30-Sep-99	28-Sep-99	N/A		19,391.00
FEJERAN, DAVID S.	99902621	04-Oct-99	04-Oct-99	N/A		11,906.00
TERLAJE, MARK A	99902622	30-Sep-99	30-Sep-99	N/A		19,687.79
CELES, KATRINA	99902619	09-Jul-99	01-Dec-99	11186		20,000.00
YAMAMOTO, JOY LEE	90002643	15-Feb-00	03-Jan-00	N/A		20,000.00
DIAZ, JUDITH B	90002647	15-Feb-00	01-Feb-00	N/A		17,096.00
CABANA, MELANIE L	90002627	09-Mar-00	07-Oct-99	N/A		18,553.36
CAMACHO, CARLOS	90002648	18-Apr-00	10-Mar-00	N/A		17,468.00
CRISOSTOMO, GENE L	90002651	26-Apr-00	26-Apr-00	N/A		20,000.00
TERLAJE, MATTHEW C.	90002652	03-Apr-00	31-Mar-00	N/A		20,000.00
BLAS, RAYMOND J	90002653	12-Apr-00	10-Apr-00	N/A		10,456.35
BLAS, RAYMOND J	90002653	12-Apr-00	10-Apr-00	11975		9,543.65
SAN NICOLAS, VINCENT JC	90002655	26-Apr-00	18-Apr-00	N/A		2,494.84
HERNANDEZ, REMEDIOS L	90002654	12-Apr-00	11-Apr-00	N/A		17,952.00
LIZAMA, KATHERINA/PETER	90002657	12-Jun-00	12-Jun-00	N/A		20,000.00
TUDELA, STEPHEN	90002658	16-Jun-00	15-Jun-00	N/A		12,059.03
CRUZ, FRANKLIN I/MARIE	90002659	15-Jun-00	15-Jun-00	N/A		20,000.00
DELA CRUZ, ALVIN S.	90002660	16-Jun-00	16-Jun-00	N/A		19,531.00
MUNDO, DANNY A	90002662	23-Jun-00	07-Jul-00	N/A		20,000.00
SANTOS, EDWARD G/THERESE	90002663	25-May-00	10-Jul-00	N/A		20,000.00
AYUYU, TINA R/SABLAN	90002661	03-Jul-00	03-Jul-00	N/A		20,000.00
QUINATA, BERT F.M.	90002665	07-Jul-00	07-Aug-00	N/A		20,000.00
HOOMANA, EDCELINE M.	90002666	07-Jul-00	07-Aug-00	N/A		13,832.00
QUIDACHAY, THOMAS J.	90002667	07-Jul-00	07-Aug-00	N/A		20,000.00
TAMAN, VINCENT	90002668	07-Jul-00	07-Aug-00	N/A		20,000.00
CONCEPTION, VICENTE I.	90002669	07-Jul-00	07-Aug-00	N/A		19,257.50
GOMEZ, DAN	90002670	07-Jul-00	07-Aug-00	N/A		20,000.00
TAIANAO, THERESE C	90002671	07-Jul-00	07-Aug-00	N/A		20,000.00
DIAZ, FREDERICK E	90002673	07-Jul-00	07-Aug-00	N/A		19,725.20
DEL MUNDO, ALEXANDER B	90002674	07-Jul-00	08-Aug-00	N/A		20,000.00
PANGILINAN, MARINA	90002675	07-Jul-00	11-Aug-00	N/A		20,000.00
ADA, CHARLES H. JR.	90002676	07-Jul-00	10-Aug-00	N/A		20,000.00
DIAZ, ROSALIE S.	90002677	07-Jul-00	10-Aug-00	N/A		20,000.00
QUICHOCHO, BENIGNO F.	90002678	07-Jul-00	11-Aug-00	N/A		20,000.00
OBISPO, RENEE R.M.	90002682	07-Jul-00	14-Sep-00	N/A		20,000.00
SANTOS, JOEY M	90002683	07-Jul-00	14-Sep-00	N/A		20,000.00
RAVAL, JR. RICARDO L.	90002684	17-Aug-00	29-Sep-00	N/A		20,000.00
NADEN, WILLIAM	90002687	07-Jul-00	30-Nov-00	N/A		20,000.00
ADAWAG, CHRIS/PAULINE	90002689	25-May-00	13-Dec-00	N/A		20,000.00

TOTAL LOAN DISBURSEMENTS

920,283.33

NET FUNDS AVAILABLE FOR LOANS

(\$58,883.27)

**GUAM HOUSING CORPORATION
SCHEDULE OF (FIRST TIME HOMEOWNER)
AS OF MARCH 23, 2001**

FUNDS APPROPRIATIONS:	\$390,418.42
ADD: REFUND FROM CUSTOMERS/BANKS	6,567.19
LESS: ADMINISTRATIVE COST	
LESS: REFUNDS TO TITLE COMPANY	(2,907.34)
TOTAL AVAILABLE	\$394,078.27

GRANT COMMITMENTS:	
APPLICANT	DATE APPROVED
AMOUNT ELIGIBLE	AMOUNT ELIGIBLE
	0
TOTAL GRANT COMMITMENTS	\$0.00

GRANT DISBURSEMENTS:	
APPLICANT	DATE APPROVED
AMOUNT ELIGIBLE	AMOUNT ELIGIBLE
AGUON, TOMAS S.N. /PEGGY	30-Jul-99 1 03-Aug-99 3,680
TAITINGFONG, GINA F	30-Jul-99 2 05-Aug-99 4,720
VILLAGOMEZ, MARK G.C.	24-Aug-99 3 24-Aug-99 3,454
QUINATA, BERT F.M.	24-Aug-99 4 24-Aug-99 3,400
ESTAQUIO, JOSEPH	23-Aug-99 5 24-Aug-99 3,140
FEJERAN, ESTHER M.M.	25-Aug-99 6 25-Aug-99 4,000
NAUTA, ROBERT I	03-Sep-99 7 03-Sep-99 3,472
ROQUE, EDUARDO N	03-Sep-99 8 03-Sep-99 4,200
NOCHE, CARMELA B	13-Sep-99 9 13-Sep-99 4,600
PEPITO, ROBERT S.N.	13-Sep-99 10 13-Sep-99 4,200
MAFNAS, ANTOINETTE F	13-Sep-99 11 14-Sep-99 4,560
TOVES, EDLIENE A	13-Sep-99 12 14-Sep-99 4,640
NEDEDOG, JONATHAN	15-Sep-99 13 16-Sep-99 3,400
DUFFY, ROGER W.	21-Sep-99 14 22-Sep-99 3,680
FERN A OSHIRO	29-Sep-99 15 29-Sep-99 700
UNTALAN, JEANNE A.L.	29-Sep-99 16 29-Sep-99 4,280
CRUZ, FRANKLIN I.	29-Sep-99 17 01-Oct-99 3,040
FERGURGUR, JUSTO R. JR.	29-Sep-99 18 01-Oct-99 3,400
EFLIN, VANCE STANLEY	03-Aug-99 19 01-Oct-99 4,860
ESPINO, EMMANUEL J	15-Sep-99 20 14-Oct-99 3,200
PALOMO, THOMAS	29-Sep-99 21 14-Oct-99 4,160
CONWAY, MARISSA T/ LG	15-Sep-99 22 14-Oct-99 3,420
PAULINO, VINCENT A	21-Oct-99 23 21-Oct-99 3,760
MAGUDDAYAO, MARIAM	20-Oct-99 11036/1022 28-Oct-99 1,600
ROBERTO, RAYMOND	28-Oct-99 1001 29-Oct-99 1,760
CABANA, MELANIE L	29-Oct-99 1002 29-Oct-99 1,141
MAGOFNA, OLYMPIO	07-Oct-99 1003 29-Oct-99 4,940
PANGELINAN, STEVEN	28-Oct-99 1004 29-Oct-99 3,160
SMITH, ROBERT	28-Oct-99 1005 09-Nov-99 3,200
ANGOCO, MATTHEW J	29-Oct-99 1006 09-Nov-99 1,676
PAURILLO, ANTHONY JR.	28-Oct-99 1007 09-Nov-99 3,920
PEREZ, PHILLIP	28-Oct-99 1008 09-Nov-99 4,505
CALMA, RAYMOND	28-Oct-99 1009 09-Nov-99 4,236
ROCO, JEROME O.	15-Nov-99 1010 15-Nov-99 4,760
SAN MIGUEL, CHRISTOPHER	1011 22-Nov-99 3,040
VALDEZ, PETER	17-Nov-99 1012 24-Nov-99 2,621
BLAS, THOMAS R	17-Nov-99 1013 24-Nov-99 4,432
BALAGTAS, ZENAIDA	19-Nov-99 1014 24-Nov-99 1,520
MANIBUSAN, JOSEPH C	17-Nov-99 1015 24-Nov-99 2,000
SHIMIZU, RON G	23-Nov-99 1016 26-Nov-99 3,580
CAMACHO, LUIS	17-Nov-99 1017 26-Nov-99 4,120

SUBTOTAL GRANT DISBURSEMENTS

ACTION PLAN

FOR GHC

RECOVERY PLANNING DOCUMENT

April 3, 2001

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Mission and Recovery

The GHC's primary mission is to provide loans for first time homebuyers in the low to moderate income range. The GovGuam Retirement Fund, Citibank, the Bank of Guam, the Federal Home Loan Bank, the GHC Revolving Loan Fund and GHC's own funds have supported the origination of home loans over the past four decades. Our island is better for the 2,694 homes that have been built by families who were rejected by mainstream sources. The future of the GHC is to continue to provide loans to those who are not helped by Banks and traditional mortgage loan providers.

In the early 1990s, when the GHC moved from providing loans to project development on Lada Estates, the Corporation's operations changed. The legacy of Lada's good intentions – the expenditure of millions of dollars in revenues from one Administration to another, the expansion of staff to support project development instead of home loans, and a continuing effort by all to make the project happen – have impacted the GHC. (It is also important to note that at around the time of the Lada Estates "build-up" at GHC the GHC also lost \$372,236 in municipal funds investments). Making loans and overseeing the development of a project that has not materialized have weighed heavily on the GHC's operations and have ultimately resulted in costs that have reduced the GHC's ability to make loans to those who most need its assistance.

The problems faced by the GHC are not new, but they are now critical. With the past catching up to current operations the GHC, over the past 16 months, has deferred payments to GovGuam's Guam Housing Corporation Revolving Loan Fund (GHCRLF). This deferred monthly obligation of \$107,000 is now due. This payment requirement means that 80% of the GHC's monthly operational costs cannot be met. Even without paying the GHCRLF obligation, the GHC's monthly operation expenses have regularly exceed revenues by \$20,000.

The Board's adoption of a Recovery Planning document on February 27, 2001 and its call for an accompanying Action Plan in its meeting of March 22, 2001, have been accelerated by the requirement of a payment of the GHCRLF in April 2001. The Board's proposals, however, are dependent on a combination of Executive and Legislative action.

Without an immediate infusion of cash the GHC will not meet operational requirements in April 2001. The cash infusion, however, is only a short-term fix. For the GHC to accomplish its mission, the Corporation must be reformed while its debt to GovGuam is realigned by the Legislature. It will take the Governor and the Legislature – acting together with the Board – to secure the future of the GHC.

With the implementation of the Action Plan, the GHC is a recoverable public entity. The combination of actions outlined in the Action Plan, together with the

changing debt service obligations of the GHC in 2003 will allow the GHC, by January 2004 fully resume payment on all its obligations while operating on interest income.

The following pages provide an overview of the impact of the Action Plan on the GHC's Cash Flow and Income Statement through FY 2003.

	OCT 2000	NOV 2000	DEC 2000	EPT 2001	YTD TOTAL	MO.AVERAGE FY 2001	ANNUALIZED FY 2001	ESTIMATED FY 2002	ESTIMATED FY 2003
CASH INFLOW									
Adjusted Revenue	315,623	319,863	333,118		968,604	322,868	3,718,271	3,609,929	3,551,020
Uncollected Interest Revenue=Loans	(30,577)	(23,943)	(63,364)		(117,904)	(39,301)	(471,616)	0	0
Collected Delinquent Interest=Loans							200,000	150,000	150,000
Principal collection = GRC	5,009	5,021	5,094		15,084	5,021	60,255	62,791	64,701
Principal collection = REGULAR	108,250	108,250	108,250		318,750	106,250	1,275,000	1,284,000	1,284,000
Principal collection = PREPAYMENTS	82,662	88,685	39,441		210,788	70,263	843,151	840,000	840,000
Principal collection = DELINQUENCY							50,000	75,000	75,000
Proceeds = Foreclosure Sales							170,317	1,938,288	750,000
N/PAYABLE PROCEEDS = FHLB REFI									3,950,000
	\$478,966	\$495,876	\$420,459	\$0	\$1,395,302	\$465,101	\$5,845,378	\$7,957,988	\$10,664,721
CASH OUTFLOW									
Adjusted Operating Costs	166,793	166,991	183,208		516,991	172,330	2,067,963	1,235,307	1,085,304
Loan Increments = SRF	36,792	18,000	67,223		122,015	40,672	488,059	1,000,000	2,000,000
Retirement Unfunded Liability	8,082	7,830	9,723		25,434	8,478	101,736	102,000	102,000
Debt Service (P & I) =DOA	0	0	0		0	0	0	0	0
Debt Service (P & I) =CITI	121,779	121,909	121,606		365,194	121,731	1,460,776	1,419,767	800,074
Debt Service (P & I) =FHLB	124,555	128,980	124,092		375,627	125,209	1,502,507	1,461,173	4,793,286
	\$458,001	\$441,510	\$505,750	\$0	\$1,405,260	\$468,420	\$5,621,041	\$5,218,247	\$8,780,673
CASH OVERAGE/(SHORTAGE)	\$20,965	\$54,367	(\$85,291)	\$0	(\$9,959)	(3,320)	224,337	2,739,741	1,884,048

ASSUMPTIONS:

**NO DOA MONTHLY PAYMENTS DUE TO DEFFERMENT OR FOREGIVENESS.
 FHLB REFINANCED ALL NOTES AT MATURITY.
 REDUCED CASH EXPENDITURES.
 INCREASED COLLECTIONS ON DELINQUENCY.
 SELL FORECLOSED PROPERTIES.**

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GUAM HOUSING CORPORATION
INCOME STATEMENT and CASH FLOW
FISCAL YEAR 2001

	OCT 2000	NOV 2000	DEC 2000	SEPT2001	YTD TOTAL	MO.AVERAGE FY 2001	ANNUALIZED FY 2001	ESTIMATED FY 2002	ESTIMATED FY 2003
INTEREST INCOME:									
Interest on Loans Receivable	279,850	289,134	302,004		870,988	290,329	3,483,951	3,173,098	3,114,189
Interest on bank deposits	7,134	6,348	6,153		19,635	6,545	78,540	70,888	70,888
Interest on Invest. w/ Trustee	231,070	221,086	231,878		684,034	228,011	2,736,137	0	0
	\$518,054	\$516,568	\$540,035	\$0	\$1,574,657	\$524,886	\$6,298,627	\$3,243,783	\$3,184,874
Interest expense	112,803	108,072	110,553		331,428	110,476	1,325,713	1,065,289	492,421
Interest expense-Bonds Payable	220,704	220,704	220,704		662,111	220,704	2,648,442	0	0
NET INTEREST INCOME	\$184,547	\$187,792	\$208,779	\$0	\$581,118	\$193,706	\$2,324,472	\$2,158,494	\$2,692,453
OTHER INCOME:									
Loan Origination fees	7,287	4,951	4,178		16,416	5,472	65,665	65,665	65,665
Loan Origination fees (MRB)	0	0	0		0	0	0	0	0
Management fees	17,817	17,875	20,735		56,427	18,809	225,710	225,710	225,710
Service Fees	675	645	610		1,930	643	7,720	7,720	7,720
Compliance Fees (MRB)	100	200	200		500	167	2,000	0	0
Other	7,582	5,242	3,929		16,763	5,588	67,051	67,051	67,051
	\$33,471	\$28,914	\$29,652	\$0	\$92,037	\$30,679	\$368,146	\$366,146	\$366,146
	\$218,018	\$216,705	\$238,431	\$0	\$673,155	\$224,385	\$2,692,618	\$2,824,640	\$3,058,599
EXPENSES:									
Salaries & Benefits	152,064	147,734	185,275		465,073	155,024	1,704,144	942,634	792,631
Loan Origination Costs	4,850	3,010	2,514		10,374	3,458	41,496	41,496	41,496
Loan Origination Costs (MRB)	0	0	0		0	0	0	0	0
Commitment Fees	0	0	0		0	0	0	0	0
Rent	0	0	0		0	0	0	0	0
Contractual Services	6,354	12,262	11,197		29,813	9,938	119,253	169,253	169,253
Professional services	(550)	400	700		550	183	2,200	2,200	2,200
Trustee Fees (MRB)	6,483	6,555	6,656		19,694	6,565	78,775	0	0
Directors' Fees	250	0	0		250	83	1,000	1,000	1,000
Travel	0	0	0		0	0	20,000	20,000	20,000
Supplies and Materials	1,931	2,449	2,819		7,199	2,400	28,798	28,798	28,798
Bad Debts	0	0	0		0	0	0	0	0
Depreciation	6,390	6,311	6,310		19,011	6,337	76,045	0	0
Amortization (MRB)	3,292	3,292	9,335		15,918	5,306	83,871	0	0
Other	1,892	1,138	704		3,732	1,244	14,928	29,928	29,928
TOTAL EXPENSES	\$182,957	\$183,148	\$206,508	\$0	\$671,813	\$190,638	\$2,150,308	\$1,236,307	\$1,085,304
NET INCOME	\$35,081	\$33,558	\$32,923	\$0	\$101,541	\$33,847	\$542,311	\$1,289,333	\$1,973,294

Action Plan Overview

The Action Plan is based on the Recovery Planning document. The focus of the Action Plan is enhanced to identify an immediate-term (30 days), intermediate-term and long-term. These time-based measurements are to assist all parties in appreciating the urgency of the GHC's condition as well as its recoverable potential.

What is clear is that the future of the availability of first-time homeowner loans for low-to-moderate income families depends on confluence of actions over the next 30 days.

If the GHC is to provide loans to eligible families the Board must act, the Governor must act and the Legislature must act. The failure of any one of these parties to act leaves the future of the Guam Housing Corporation in question. The actions of each party – the Board, the Governor and the Legislature – in the next 30 days can assure the continuation of the GHC's long tradition of providing loans to low and moderate income families.

The Recovery Planning document and the Action Plan should be seen as an integrated approach to the GHC's future. No single element in the Recovery Planning document or the Action Plan will result in GHC's recovery. All elements – addressing the loan portfolio, staff reductions, obligations to the GHCRIF and other creditors – need to be addressed together to address the GHC's immediate stabilization and its long-term viability.

It should be noted, however, that one element of the Recovery Planning document – Lada Estates – is not incorporated into the Action Plan. While Lada Estates must be addressed within the scope of the GHC's mission and obligations, it is currently the subject of a parallel track negotiation. Given the magnitude of Lada Estates it is appropriate that it be addressed as a parallel issue.

The Action Plan addresses the issues raised in the Recovery Planning document in the immediate-term (30 days), intermediate-term (through the end of FY2001) and the long-term (January 2004). It is anticipated that the GHC will continue to make loans to low-to-moderate income families from any and all available resources through each of these identified time-based periods. It is the objective of this Action Plan to increase the GHC's housing loan portfolio to 45,000,000 by January 2004.

ACTION ITEMS

Immediate Term

In the immediate term, a cash infusion for 30 days is necessary to sustain operations while the first phase of staff adjustments is implemented. This cash infusion of \$200,000 is recommended to come from advanced amounts owed to the GHC by the GRC.

Equally important is statutory authorization necessary to address the GHC's GHCRLF obligation and the status of the GHCRLF and several other elements of the Action Plan that are to be implemented over the intermediate term. Among these additional elements that require Legislative action are (a) provision for the expedited movement of personnel while assuring job security, and (b) authorization for the sale and/or lease-to-own of GHC/GRC assets, and (c) the establishment of a Guam Housing Fund from the sale of real property and interest on escrow deposits.

Intermediate Term

In the intermediate term, the second phase of staff adjustments is to occur, reducing the GHC's annual personnel costs to below \$1 million. The recruitment of an industry professional to assume management of the GHC and preparations for the outsourcing of several components of the GHC's current staff operations is also to occur.

The re-incorporation of the GHC to encompass GRC as a division should also be considered in the intermediate term. In this process, the GHC should also look to the sale and lease-to-own of Lada Gardens units to qualified first-time homeowners.

As these adjustments occur, the GHC is to move aggressively on addressing its non-performing assets and the divestiture of excess (such as vehicles.) Given the fact that some of the non-producing assets may not result in revenue until the long-term, aggressive identification of intermediate processes is critical.

The disposition of an approach to address the issues surrounding Lada Estates is to be addressed in the intermediate term.

Long-Term

Beginning in FY 2002, with a more efficient organization. Complete personnel streamlining with Phase III staff adjustments consistent with a

recruited President's evaluation of GHC programs, system and personnel most efficient organization requirements.

Continue debt service obligations. Pay-off Citibank note in 2003 and re-negotiate or prepare for principal payments of FHLB note in 2003.

Continue loan origination through direct loan program, GHCRLF, FHLB lines of credit and other identified sources.

Delinquency and Collection

We recognize that the high delinquency rate is a growing concern. Every home mortgage lender is similarly affected. Higher delinquency rates and more foreclosure activities are not isolated to Guam Housing Corporation. We can safely conclude that the prime cause for this situation is the state of our island's sluggish economy. In addition, the clientele we are mandated to provide assistance are not the most financially capable borrowers. In fact, our direct loan program requires that we only extend assistance to those who have been rejected by the private mortgage lenders. Yet, even under these circumstances, we will pursue the following actions to reduce our delinquency and foremost meet the conditions we have agreed upon with our investors (Citibank, Federal Home Loan Bank and Dept. of Administration) relative to the collateral covenants of our loan agreements.

We have already taken steps towards an even greater concentration on our collection efforts. Almost all of the loan section staff have been working 100% towards collections and servicing. In the absence of any origination activities, the loan officers will assist in the processing of refinances, re-amortizations and additional partial payment agreements to ensure the borrowers can realistically make the payments and not just delaying the inevitable.

Immediate Term

1. Conduct a comprehensive review of each delinquent account commencing with those in the 120 days and over category. This will also include those loans already referred to legal counsel. We will identify all possible solutions to cure delinquency as allowable in our Collection, Servicing and Foreclosure Policy. If we have determined that the borrowers cannot pay the loan and thus maintain homeownership, we will require legal counsel to pursue foreclosure immediately.

This review, however, can only be completed within 30 days if the Data Section is brought to full staff by filling the Data Coordinator Position. This action will alleviate the backlog of work that contributes to the unavailability of accurate and current information.

2. Properties referred for foreclosure proceedings. There is no question that the desired result of a foreclosure proceeding is to recover the corporation's investment. However, if the appraisal report reflects an amount below our costs, we must allow other parties to bid below costs but never below the market value. If the market value is below our costs, the corporation's bid should be at the market value. This will clearly show the deficiency to satisfy the note and thus allow the corporation to pursue a deficiency judgment from the borrower.

3. Sell the foreclosed properties immediately upon acquisition. Despite the recent change in our foreclosure policy to allow for the sale below costs, we will make every effort to recover our investment. We will accomplish this by retaining realtors to sell the properties to recover costs and to include the agreed commission. In the interim, these properties will be made available for rent on a short term. We are currently requesting for proposals for such services. We have recently conducted inspections on our acquired properties and have determined if immediate repair to rent or sell would be feasible.

Properties requiring major rehabilitation and repair will be sold "as is" even at the risk of not recovering our investments.

4. The Corporation must provide information on its loan portfolio with the Credit Bureau to ensure that our borrowers do not jeopardize their repayment ability with GHC by overextending themselves.

ACTION ITEMS

- Prepare RFP for realtor services and appraisal services.
- ~~Provide inspection and assessment reports on each referred account with~~ Legal Counsel.
- Obtain appraisal reports on all foreclosed units to determine sales price for units in poor condition.
- Complete the data information on each borrower and provide to Credit Bureau within 30 days.

Loan Origination Activities

Although we must make great emphasis on decreasing our delinquency rate, we must remain cognizant of our mandate to make loans. Obtaining financial relief by the deferment of the GHCRLF obligation and demonstrating to our investors that our portfolio is in fact performing, we can initiate a request to FHLB for additional loan assistance. However, in the interim, we should dedicate any prepayments and ultimately all principal payments to funding new loans. This will result in sustaining our loan portfolio of \$40 million and eventually increasing it. (To create only a sinking fund at the expense of making loans, will be an admission of our failure to meet our mandate).

Our loan program objective is to provide loans to those applicants who were rejected by private mortgage lenders. The corporation, however, must ensure its loans are within acceptable lending standards. As such, it is management's recommendation that the underwriting policy be amended to include the establishment of a loan review committee. The committee will be comprised of a Board member, the Loan Administrator or Underwriter and the Quality Assurance Officer with its primary function to review each loan application package and provide recommendation to the President for approval or disapproval. It will also provide recommendation to amend the underwriting policy as necessary to comply with current lending requirements.

In addition, the corporation must explore other sources of funding for its lending capital, particularly by way of a grant. Inquiries to Federal Home Loan Bank and Department of Housing and Urban Development will be made within thirty (30) days. We will immediately apply for those programs in line with meeting our objective.

ACTION ITEMS

- Monitor the collection reports to identify all prepayments made and process loan applications accordingly. Corporation should be able to fund at least one loan a month.
- Commence research immediately and submit grant applications within 30 -- 60 days.
- Communicate with Chamorro Land Trust and Ancestral Land Commission on their loan origination and servicing requirements.

COLLECTION AND SERVICING TIMELINE

• **COMPREHENSIVE REVIEW ON EACH ACCOUNT**

ONGOING

120 DAYS AND OVER

1. 17 Accounts being packaged for referral to Legal Counsel for foreclosure proceedings
2. 30 Accounts to be refinanced or processed for additional partial payment agreements.
3. 10 accounts require loan analysis

Pending inspection and assessment report. Will complete packaging within one week.

Will be completed within 30 – 60 days.

Will be completed within 30 days

90 DAYS AND BELOW

1. Review all accounts and complete Action to bring account to current status.

Ongoing

• **ACCOUNTS REFERRED TO LEGAL COUNSEL**

~~Twenty-one (21) Accounts (List Attached)~~

1. Complete inspection on each house and request status report from Legal Counsel on each account.

Complete within 2 weeks

Total - \$1.2 million

2. Nineteen (19) Loan packages for referral

Complete within 1 week

Total - \$2.1 million

• **REVIEW EACH ACQUIRED PROPERTY FOR RENTAL OR IMMEDIATE SALE**

ONGOING

PROPERTY DESCRIPTION

ASSESSMENT/RECOMMENDATION

1. 3 Bedroom, 2 bath Dwelling on Lot 9-1-1, Tract 1535, Adacao
2. 2Bedroom, 1 Bath Condo, Pacific Towers, Tamuning
3. 4Bedroom, 2-1/2 bath, concrete dwelling, Lot 9, Block 1, Windward Hills, Yona

Currently vacant and in average condition; Repairs required (\$4,625); Recommend immediate sale

Currently being rented and in good condition; Recommend immediate sale.

Unit is vacant and in average conditions; Minor repair required (\$4,175); Pursue immediate sale

- | | |
|---|--|
| 4. 3 Bedroom, 2 bath concrete house, #338
Macheche Avenue, Dededo | Unit vacant and in average condition;
Requires minor repair (\$4,000);
Recommend immediate sale. |
| 5. 4 Bedroom, 1 Bath Concrete, Chalan Sta.
Bernadita, Astumbo, Dededo | Vacant and in fair condition; minor repairs
required (\$5,500); Recommend immediate
sale. |
| 6. 2 Bedroom, 2 Bath concrete Home, Lot 7
Block 6, Astumbo, Dededo | House vacant and in fair condition;
Minor repairs needed (\$4,480);
Recommend rental and pursue immediate
sale. |
| 7. 2 Bedroom, 1 Bath Concrete House with
a wood and tin roofing kitchen extension.
Lot 6, Block 6, Sagan, Astumbo, Dededo | House appears to be occupied; Unit appears
to be in good condition. Rental is
recommended during right of redemption;
Period; Require legal assistance to
evict current occupants. |
| 8. 3 Bedroom, 2 bath concrete dwelling; Lot 9
Block 25, Astumbo, Dededo | House is being occupied; Need to
evict current occupants and pursue
Immediate sale of unit |
| 9. 3 Bedroom, 2 Bath concrete house, Chalan
Agu Hga, Astumbo, Dededo | House is vacant and in poor condition;
Requires major renovation (\$7,650);
Recommend sale of property in "as is"
Condition. |
| 10. 3 Bedroom, 1 bath semi concrete structure
Agana Hts. | House is dilapidated and probably not
structurally sound. Recommend immediate
Sale of property "as is" condition. |
| 11. 3 Bedroom, 2 Bath Concrete House, Lot
89-4-2, Agana Springs | Unit vacant and in very poor condition;
May not be structurally sound; recommend
immediate sale in as-is condition |

TOTAL: \$1.3 Million - Corporation's investments

Guam Housing Corporation Revolving Loan Fund (GHCRLF) Obligations

The Recovery Planning document's discussion of the GHC's obligation to make equal monthly payments to the GHCRLF has been by-passed by recent events. These events have accelerated the requirement and magnified the scope of the various elements of a recovery plan that needs to be implemented in the immediate term.

In attempting to work with the appropriate officials of the Government of Guam on the Recovery Planning document's recommendations, those responsible for the GHCRLF and the Attorney General expressed a view that questioned the validity of the GHC's February 2000 (re)negotiated note with DoA. As such, the requirement for the GHC to make equal monthly payments under the terms of the law and prior notes with DoA was deemed to be prudent. The Attorney General also observed that if GHC was not meeting its obligation to make payments and was using funds necessary to make payments for other purposes, that it may be a "misappropriation of government funds."

GHC Counsel, on 29 March 2001 noted that the Governor of Guam, pursuant to section 6 of Guam P.L. 20-210 had the ability to exercise certain powers in the event of a default by the GHC on its payments to the GHCRLF and that the note of February 2000 was consistent with these powers. The February 2000 note, however, makes no reference to a default by the GHC pursuant to the law, nor the agreement's execution in accordance with this legal provision. It should be noted that a notice of default would likely alarm other creditors and further compound the GHC's recovery efforts.

In view of the fact that the creditor questions the validity of the deferment note of February 2000, and has informed the GHC Acting President of the same, it is prudent that the GHC pay the note under the original terms. An amount of \$107,000 is payable in April.

ACTION ITEMS

Immediate Term

- Identify funds necessary to carry operations for 30 days to implement intermediate-term solutions to operational costs, loan repayment and loan drawdowns.
 - An amount of \$180,000 owed to the GHC for approved work on the Guam Comprehensive Housing Study was a part of a \$900,000 appropriation. This amount would be nearly enough to carry GHC for a 30-day period. It was determined, however, that this amount was deappropriated under public law and is no longer available. While seeking a Legislative re-appropriation of the amount owed to the GHC, the GHC can enter into a short-term note with GRC or receive an accelerated payment from GRC on the note with GHC to cover these immediate revenue needs.

- Seek legislative re-appropriation of \$180,000 to the Guam Housing Corporation, a portion of amount originally appropriated in Guam Public Law but de-appropriated prior to GHC being paid for its expenses.
- Seek Legislative support for a capital infusion into the Guam Housing Corporation by transferring the net balance of the GHCRLF to the GHC, providing by statute authority for the deferment of GHC principal and interest into the GHCRLF until January 01, 2004.
 - Capital infusion into GHC would incorporate accountability requirements for GHC in administering fund.
 - Deferment until 2004 is necessary to allow GHC the ability to expand its loan portfolio, meet principal payments to the FHLB in 2003 and to pay off its Citibank loan in the same year while continuing streamlined operations.
 - Statute to provide for note consolidation and repayment period extended from 240 months to 360 months.

Debt Service and Enhanced Revenue Generation

The GHC must concentrate on cutting the corporation's costs inclusive of:

- a) debt service
- b) personnel
- c) contracts
- d) supplies and services

We must also consider an initiative in restructuring the corporation's debt:

- a) restructuring our debt the GHC Revolving Loan Fund (RLF)
- b) restructuring our debt with the Federal Home Loan Bank of Seattle
- c) restructuring our debt with Citibank

The GHC should also look to the creation of new programs such as a State Housing Fund and lease-to-own programs.

Restructuring Debt

To restructure the debt with the RLF is *paramount*. This is not feasible with the FHLB as the weighted average on these loans is less than the current cost of money. In addition, the FHLB loans are amortized over a 30 year period with call dates or balloons due over various periods. The loan with Citibank will mature on December 21, 2003.

The Guam Housing Corporation we should also consider an additional change to the RLF reauthorization to include extending the amortization period to 30 years instead of the 20 currently provided for in law. Financing the principal amount of \$11,100,000 for 20 years reflects a cost of \$67,264 per month or only \$52,993 at 30 years, this would generate a cash flow of \$14,200 per month or \$71,250 annually. Regardless of the administering authority, the deferment period should extend through January 2004 to provide for the GHC to be recovered to the extent to meet this obligation.

We must consider growing the corporation through seeking funding from sources that are or may be available:

- a) sale of the corporation's foreclosed properties;
- b) close out funding from the Mortgage Revenue Bond, approximately .98% of the value of loans written and sold. When processed this should equate to the return \$53,000 +/- of the corporations funds currently held in escrow while generating a return of 9 basis points (.09%) or \$ 4,500 annually on the declining principal. As the ability to use the proceeds of the bond expires on 01

- November, 2001 all loans initiated by the lenders or otherwise funded by the master servicer should have been sold;
- c) settling the corporations account with the private mortgage insurer, Radian may amount to approximately \$ 12,000+/- annually on the declining principal balance;
 - d) solicit additional funding from the FHLB. It is their position that any loan they offer should not to exceed 20% of the corporations assets. However the FHLB have made the exception to total 40% which would permit for a loan at \$ 16 million. Based on this we would have a borrowing ability of \$1.5 million +/- . Requiring a collateralization ratio of 1:1.25 an additional \$ 1.9 million in performing loans would be required.

The greater the corporation increases its asset base the greater the potential for obtaining additional funding.

It is also the FHLB's position that they not be the corporation's primary source of capital which plays a role in the amount of funding available from this source. They do, however, remain open to providing the GHC loan capital.

Unlike the corporations other credit sources the FHLB allows for an amortization period of 30 years. With this we can gain the benefit of the difference between the cost of money and its return. With a 1 - 1.25% spread on \$ 1.5 million the corporation could realize revenue and cash of \$ 18,750 annually. (It should be cautioned however that the call date on any note may be far less than its respective amortization period).

The initiatives noted above could materialize after the GHC demonstrates a stabilized operations – at least 12 months. However, working with the FHLB to secure future capital is a goal well worth pursuing.

Excise Tax and Interest on escrow deposits.

The corporation should examine, in concert with the Executive and Legislative branches of Government, the funding of a "State Housing Fund" or an excise tax and interest on escrow deposits. The benefit of these monies would be to fund the state housing programs including subsidies and discounts.

Over the past two years, according to the article in the PDN provided by Nick Captain, approximately \$160,000,000 in residential real estate changed hands, this would have at a rate of 1% on sales, a State Housing Fund would have collected \$1.6 million.

Interest earned on deposits of funds escrowed or in trust for security or earned on sales

should also be deposited into a State Housing Fund. These funds are not normally benefited from by the tenant, they do not belong to the landlord, and should not be considered as revenue for the bank. This money could also be directed to the "State Housing Fund".

The benefit of the Government and subsequently the taxpayer is that these funds could take the place of the government/tax payer funded programs.

The players needed to activate these issues include GEDA, the Tax Commissioner and the Insurance Commissioner along with the Legislature. The insurance issue has gained Freddie Mac approval however initiation by local authority remains. The other issues would require validation, research and review.

Stimulate the construction industry and homeownership through a lease program and permitted tax incentives:

- a) The issue regarding the reduction of typhoon insurance is currently back in the office of Freddie Mac for their review and hopefully for immediate implementation. This issue has been ongoing for some time however with the hard work and involvement of the Governor's office, Public Works and key players of Guam Housing it is coming to fruition. This initiative will create a major cost reduction for the current and future homeowner;
- b) Generate the Rules and Regulation and implement the Mortgage Credit Certificate program
- c) Incorporate a "Lease-to-Own or "Reacquire" program for the corporation's foreclosed properties in addition to a program for the corporation to purchase other bank foreclosures for the same purpose.

Staffing of the Guam Housing Corporation

The Recovery Planning document called for a "streamlining of operations, reducing costs and increasing efficiency across the board." The requirement for addressing staffing is now central to the viability of the GHC in the immediate term, and its recovery over the long-term.

It is critical to note that staffing reductions together with statutory deferral of the GHCRLF obligation are required to address the GHC's sustenance beyond April 2001. In seeking Legislative authorization for deferring the GHCRLF obligation it is clear that the exercise of Executive authority to reduce personnel costs must occur analogously. This is more than a mutually assuring confidence-building measure; unless Legislative and Executive actions occur in concert, the GHC will not have the revenues to continue operations.

The Action Plan's proposal provides specific recommendations for staff changes in the immediate (30 day) term and intermediate term leading up to the FY 2002 budget. Both unclassified and classified personnel are affected, with unclassified personnel being disproportionately impacted in the immediate terms, providing for a longer transition period for classified personnel. Additional personnel changes are anticipated over the long-term but these are not addressed in the Action Plan; these decisions should be left to a future GHC President who is able to assess efficiency needs following the settling of the following recommendations.

ACTION ITEMS

Immediate-Term

- The separation of eight (8) unclassified positions by May 1 would result in an annual savings of approximately \$369,000 per year for the GHC. For the final five months of FY 2001, it would result in a savings through the end of the fiscal year of approximately \$156,146.
 - A savings of approximately \$20,000 per month, or \$100,000 through FY2001 is required (in concert with a statutory defement of the GHCRLF obligation).
 - Approximately \$80,000 is required to pay in full the lump sum annual leave of these unclassified employees. Unclassified employees with excess leave will be asked to take annual leave immediately upon the approval of the action plan to lower the amounts payable.
- Legislative authorization for transfers of unclassified personnel (without follow-on funds) would result in lower lump sum payment costs and greater security for personnel.

Intermediate-Term

- Seven (7) classified and one unclassified personnel would be transferred between May and September 2001. One unclassified staff is to retire and one classified staff is to be transferred to the GRC. The annual cost-savings to the GHC of these adjustments is approximately \$443,000.
 - Legislative assistance in providing for expedited transfers, employee retraining and assistance in funding personnel at an appropriate agency may be necessary. The absence of approved reduction-in-force rules and regulations underscores the necessity of Legislative assistance.
 - Personnel are realigned in the GHC to provide for a FY2002 operational alignment that has at its core the Loan Division, the Accounting/Data Division and an Administration Division. Personnel costs in FY2002 would be approximately half of FY2001.

Long-Term

- Additional personnel adjustments are anticipated (Accounting and Data) in 2002 following the recruited President's evaluation of program, system and personnel requirements.

GUAM HOUSING CORPORATION
STAFF BUDGET

020

Division

Division	Position	Status	Salary	Increment Date	Amount	Total Benefits	Total Salary
Exec Office	Pres	UnClass	\$67,150.00			\$7,852.36	\$75,002.36
	Manager	UnClass	\$0.00			\$0.00	\$0.00
	QA Officer	Class	\$40,383.00	26-Dec-00	1,229.46	\$6,194.36	\$46,577.36
	Record Man	UnClass	\$44,524.00			\$12,324.00	\$56,848.00
	Exec Sec	UnClass	\$31,014.00			\$5,511.36	\$36,525.36
	Admin Asst	UnClass	\$0.00			\$0.00	\$0.00
				\$183,071.00		1,229.46	\$31,882.08
Planning	Admin	UnClass	\$49,747.00			\$13,381.00	\$63,128.00
	Prog Dev Officer	UnClass	\$44,524.00			\$6,382.36	\$50,906.36
	Project Coord	UnClass	\$43,018.00			\$12,022.00	\$55,040.00
	Project Coord	UnClass	\$44,524.00			\$12,324.00	\$56,848.00
	Clerk Typist III	Class	\$20,942.00	2-Sep-01	91.83	\$4,867.36	\$25,809.36
	Construction Insp	Class	\$39,780.00	1-Jan-02		\$10,796.00	\$50,576.00
				\$242,535.00		91.83	\$59,772.72
Accounting	Controller	UnClass	\$0.00			\$0.00	\$0.00
	Accounting Manager	Class	\$50,717.00	16-Mar-01	961.46	\$13,758.00	\$64,475.00
	Accountant II	Class	\$42,813.00	1-Oct-00	1,492.00	\$12,241.00	\$54,854.00
	Accountant I	Class	\$34,518.00	8-Feb-02	0.00	\$10,318.00	\$44,836.00
	Accounting Tech III	Class	\$35,818.00	6-Oct-00	1,247.00	\$10,254.00	\$45,872.00
	Accounting Tech III	Class	\$35,818.00	6-Apr-02	0.00	\$10,022.00	\$45,640.00
	Accounting Tech II	Class	\$32,083.00	1-Apr-01	561.50	\$9,942.00	\$42,025.00
	Accounting Tech II	Class	\$32,083.00	1-Jun-01	374.33	\$9,905.00	\$41,988.00
	Payroll Tech II	Class	\$30,972.00	24-Dec-00	908.04	\$5,566.36	\$36,538.36
Data Processing	Data Processing Manager	Class	\$47,904.00	28-Oct-00	1,689.42	\$6,709.36	\$54,613.36
	Data Oper. Coordinator	Class	\$27,738.00			\$8,958.00	\$36,696.00
	Data Control Technician	Class	\$25,571.00	16-Oct-00	920.35	\$8,708.00	\$34,279.00
	Data Entry Op./Cashier	Class					\$0.00
	Cashier I	Class	\$15,840.00	36810	990.00	\$4,596.36	\$20,436.36
			\$411,275.00			\$110,978.08	\$522,253.08

GUAM HOUSING CORPORATION
STAFF BUDGET

Division

Division	Position	Status	Salary	Increment Date	Amount	Total Benefits	Total Salary
Loan	Loan Administrator	Class	\$53,432.00	3-Aug-01	307.00	\$8,976.36	\$60,408.36
	Loan Underwriter	Class	\$0.00			\$0.00	\$0.00
	Mortgage Ins. Underwriter	Unclass	\$43,018.00			\$12,022.00	\$55,040.00
	Loan Officer	Class	\$42,813.00	8-Apr-01	746.00	\$6,307.36	\$48,920.36
	Loan Officer	Class	\$37,128.00	3-Feb-02	0.00	\$5,904.36	\$43,032.36
	Loan Technician	Class	\$30,085.00	24-Sep-01	43.88	\$5,453.36	\$35,538.36
	Loan Technician	Unclass	\$18,723.00			\$4,717.36	\$23,440.36
	Loan Servicing Assistant	Class	\$36,831.00	1-Oct-00	1,289.00	\$5,969.36	\$42,800.36
	Trust Fund Clerk	Unclass	\$28,963.00			\$9,204.00	\$38,167.00
	Collection Agent	Class	\$23,404.00	27-Sep-01	39.00	\$5,022.36	\$28,426.36
			\$314,197.00		2,424.88	\$61,576.52	\$375,773.52
Administration	Hsing Svc Adm	Unclass	\$46,062.00			\$12,633.00	\$58,695.00
	Admin Secretary II	Class	\$26,736.00	28-Feb-01	623.58	\$5,275.36	\$32,011.36
	Asst Supply Mgt. Admin	Class	\$39,780.00			\$11,373.00	\$51,153.00
	Personnel Specialist III	Unclass	\$38,716.00			\$11,159.00	\$49,875.00
	Buyer II	Class	\$24,968.00	24-Jun-01	291.38	\$8,461.00	\$33,429.00
	Clerk III	Class	\$22,486.00	18-Oct-01	0.00	\$7,905.00	\$30,391.00
	Supply Clerk	Unclass	\$16,656.00			\$4,585.36	\$21,241.36
	Clerk II	Unclass	\$16,830.00			\$4,596.36	\$21,426.36
	Office Aide	Unclass	\$14,534.00			\$4,448.36	\$18,982.36
	700 Program Maint Worker I	Class	\$17,635.00		1,926.38	\$4,772.36	\$22,407.36
			\$264,403.00		2,841.34	\$75,208.80	\$339,611.80
GRAND TOTALS			\$1,415,481.00			\$339,418.20	\$1,754,899.20

2

Changes by May 1, 2001

Division

Division	Position	Status	Salary	Increment		Total Benefits	Total Salary	Note
				Date	Amount			
Exec Office	Pres	UnClass	\$67,150.00			\$7,852.36	\$75,002.36	
	Manager	UnClass	\$0.00			\$0.00	\$0.00	
	QA Officer	Class	\$40,383.00	26-Dec-00	1,229.46	\$6,194.36	\$46,577.36	
	Record Man	UnClass	\$0.00			\$0.00	\$0.00	Jose Aquinino
	Exec Sec	UnClass	\$31,014.00			\$5,511.36	\$36,525.36	
	Admin Asst	UnClass	\$0.00			\$0.00	\$0.00	
			\$138,547.00		1,229.46	\$19,558.08	\$158,105.08	
Planning	Admin	UnClass	\$49,747.00			\$13,381.00	\$63,128.00	Joe Cruz
	Prog Dev Officer	UnClass	\$0.00			\$0.00	\$0.00	Dee Villosoto
	Project Coord	UnClass	\$0.00			\$0.00	\$0.00	Billy Gutierrez
	Project Coord	UnClass	\$44,524.00			\$12,324.00	\$56,848.00	
	Clerk Typist III	Class	\$20,942.00	2-Sep-01	91.83	\$4,867.36	\$25,809.36	
	Construction Insp	Class	\$39,780.00	1-Jan-02		\$10,796.00	\$50,576.00	
			\$154,993.00		91.83	\$41,368.36	\$196,361.36	
Accounting	Controller	UnClass	\$0.00			\$0.00	\$0.00	
	Accounting Manager	Class	\$50,717.00	16-Mar-01	961.46	\$13,758.00	\$64,475.00	
	Accountant II	Class	\$42,613.00	1-Oct-00	1,492.00	\$12,241.00	\$54,854.00	
	Accountant I	Class	\$34,518.00	8-Feb-02	0.00	\$10,318.00	\$44,836.00	
	Accounting Tech III	Class	\$35,618.00	6-Oct-00	1,247.00	\$10,254.00	\$45,872.00	
	Accounting Tech III	Class	\$35,618.00	6-Apr-02	0.00	\$10,022.00	\$45,640.00	
	Accounting Tech II	Class	\$32,083.00	1-Apr-01	561.50	\$9,942.00	\$42,025.00	
	Accounting Tech II	Class	\$32,083.00	1-Jun-01	374.33	\$9,905.00	\$41,988.00	
	Payroll Tech II	Class	\$30,972.00	24-Dec-00	908.04	\$5,566.36	\$36,538.36	
	Data Processing Manager	Class	\$47,904.00	28-Oct-00	1,689.42	\$6,709.36	\$54,613.36	
Data	Data Oper. Coordinator	Class	\$27,738.00			\$8,958.00	\$36,696.00	
	Data Control Technician	Class	\$25,571.00	16-Oct-00	920.35	\$8,708.00	\$34,279.00	
	Data Entry Op./Cashier	Class	\$0.00			\$0.00	\$0.00	
	Cashier I	Class	\$15,840.00	36810	990.00	\$4,596.36	\$20,436.36	
				\$411,275.00			\$110,978.08	\$522,253.08

Changes by May 1, 2001

Division

Division	Position	Status	Salary	Increment		Total Benefits	Total Salary	
				Date	Amount			
Loan	Loan Administrator	Class	\$53,432.00	3-Aug-01	307.00	\$6,976.36	\$60,408.36	
	Loan Underwriter	Class	\$0.00			\$0.00	\$0.00	
	Mortgage Ins. Underwriter	Unclass	\$0.00			\$0.00	\$0.00	Joe Cruz
	Loan Officer	Class	\$42,613.00	8-Apr-01	748.00	\$6,307.36	\$48,920.36	
	Loan Officer	Class	\$37,128.00	3-Feb-02	0.00	\$5,904.36	\$43,032.36	
	Loan Technician	Class	\$30,085.00	24-Sep-01	43.88	\$5,453.36	\$35,538.36	
	Loan Technician	Unclass	\$18,723.00			\$4,717.36	\$23,440.36	To Data
	Loan Servicing Assistant	Class	\$36,831.00	1-Oct-00	1,289.00	\$5,969.36	\$42,800.36	
	Trust Fund Clerk	Unclass	\$28,963.00			\$9,204.00	\$38,167.00	
	Collection Agent	Class	\$23,404.00	27-Sep-01	39.00	\$5,022.36	\$28,426.36	
			\$271,179.00		2,424.88	\$49,554.52	\$320,733.52	
Administration	Hsing Svc Adm	Unclass	\$0.00			\$0.00	\$0.00	David Cruz
	Admin Secretary II	Class	\$26,736.00	28-Feb-01	623.58	\$5,275.36	\$32,011.36	
	Asst Supply Mgt. Admin	Class	\$39,780.00			\$11,373.00	\$51,153.00	
	Personnel Specialist III	Unclass	\$0.00			\$0.00	\$0.00	Gleena Libby
	Buyer II	Class	\$24,968.00	24-Jun-01	291.38	\$8,461.00	\$33,429.00	
	Clerk III	Class	\$22,486.00	18-Oct-01	0.00	\$7,905.00	\$30,391.00	
	Supply Clerk	Unclass	\$0.00			\$0.00	\$0.00	Gene Guzman
	Clerk II	Unclass	\$0.00			\$0.00	\$0.00	Mike San Agustin
	Office Aide	Unclass	\$14,534.00			\$4,448.00	\$18,982.00	To Data
	700 Program Maint Worker I	Class	\$17,635.00		1,926.38	\$4,772.36	\$22,407.36	
			\$146,139.00		2,841.34	\$42,234.72	\$188,373.72	
GRAND TOTALS			\$1,122,133.00			\$263,693.76	\$1,385,826.76	
Savings Per year							\$369,072.44	
Savings from May 1 to End of Fiscal Year							\$156,146.03	

Changes May-Sept 2001

Division	Position	Status	Salary	Increment Date	Amount Total	Benefits Total	Total Salary
Exec Office	Pres	UnClass	\$67,150.00			\$7,852.36	\$75,002.36
	Manager	UnClass	\$0.00			\$0.00	\$0.00
	QA Officer	Class	\$40,383.00	26-Dec-00	1,229.46	\$6,194.36	\$46,577.36
	Record Man	UnClass	\$0.00			\$0.00	\$0.00
	Exec Sec	UnClass	\$0.00			\$0.00	\$0.00
	Admin Asst	UnClass	\$0.00			\$0.00	\$0.00
Planning	Admin	UnClass	\$107,533.00		1,229.46	\$14,046.72	\$121,579.72
	Prog Dev Officer	UnClass	\$0.00			\$0.00	\$0.00
	Project Coord	UnClass	\$0.00			\$0.00	\$0.00
	Project Coord	UnClass	\$44,524.00			\$12,324.00	\$56,848.00
	Clerk Typist III	Class	\$20,942.00	02-Sep-01	91.83	\$4,867.36	\$25,809.36
	Construction Insp III	Class	\$0.00	01-Jan-02	91.83	\$0.00	\$0.00
Accounting	Controller	UnClass	\$65,466.00		91.83	\$17,191.36	\$82,657.36
	Accounting Manager	Class	\$50,717.00	16-Mar-01	961.46	\$13,758.00	\$64,475.00
	Accountant II	Class	\$42,613.00	01-Oct-00	1,492.00	\$12,241.00	\$54,854.00
	Accountant I	Class	\$34,518.00	08-Feb-02	0.00	\$10,318.00	\$44,836.00
	Accounting Tech III	Class	\$35,618.00	06-Oct-00	1,247.00	\$10,254.00	\$45,872.00
	Accounting Tech II	Class	\$35,618.00	06-Apr-02	0.00	\$10,022.00	\$45,640.00
	Accounting Tech II	Class	\$32,083.00	01-Apr-01	561.50	\$9,942.00	\$42,025.00
	Accounting Tech II	Class	\$32,083.00	01-Jun-01	374.33	\$9,905.00	\$41,988.00
	Payroll Tech II	Class	\$30,972.00	24-Dec-00	908.04	\$5,566.36	\$36,538.36
	Data Processing Manager	Class	\$0.00	28-Oct-00	1,689.42	\$0.00	\$0.00
	Data Oper. Coordinator	Class	\$27,738.00			\$8,958.00	\$36,696.00
	Data Control Technician	Class	\$0.00	16-Oct-00	920.35	\$0.00	\$0.00
	Data Entry Op./Cashier	Class	Fill				
Cashier I	Class	\$15,840.00	36810	890.00	\$4,596.36	\$20,436.36	
			\$337,800.00		\$95,560.72	\$433,360.72	

Changes May-Sept 2001

Division

	Position	Status	Salary	Increment Date	Amount Total	Benefits	Total Salary
Loan	Loan Administrator	Class	\$53,432.00	03-Aug-01	307.00	\$6,976.36	\$60,408.36
	Loan Underwriter	Class	\$0.00			\$0.00	\$0.00
	Mortgage Ins. Underwriter	Unclass	\$0.00			\$0.00	\$0.00
	Loan Officer	Class	\$42,613.00	08-Apr-01	746.00	\$6,307.36	\$48,920.36
	Loan Officer	Class	\$0.00	03-Feb-02	0.00	\$0.00	\$0.00 Leg Asst
	Loan Technician	Class	\$30,085.00	24-Sep-01	43.88	\$5,453.36	\$35,538.36
	Loan Technician	Unclass	\$18,723.00			\$4,717.36	\$23,440.36 Move to Data
	Loan Servicing Assistant	Class	\$0.00	01-Oct-00	1,289.00	\$0.00	\$0.00 Leg Asst
	Trust Fund Clerk	Unclass	\$28,963.00			\$9,204.00	\$38,167.00
	Collection Agent	Class	\$23,404.00	27-Sep-01	39.00	\$5,022.36	\$28,426.36
			\$197,220.00		2,424.88	\$37,680.80	\$234,900.80
Administration	Hsing Svc Adm	Unclass	\$0.00			\$0.00	\$0.00
	Admin Secretary II	Class	\$0.00	28-Feb-01	623.58	\$0.00	\$0.00 Leg Asst
	Asst Supply Mgt. Admin	Class	\$39,780.00			\$1,373.00	\$51,153.00
	Personnel Specialist III	Unclass	\$0.00			\$0.00	\$0.00
	Buyer II	Class	\$0.00	24-Jun-01	291.38	\$0.00	\$0.00 GSA 7/Leg Asst
	Clerk III	Class	\$0.00	18-Oct-01	0.00	\$0.00	\$0.00
	Supply Clerk	Unclass	\$0.00			\$0.00	\$0.00
	Clerk II	Unclass	\$0.00			\$0.00	\$0.00
	Office Aide	Unclass	\$14,534.00			\$4,448.00	\$18,982.00 To Data
	700 Program Maint Worker I	Class	\$0.00		1,926.38	\$0.00	\$0.00 To GRC
			\$54,314.00		2,841.34	\$15,821.00	\$70,135.00
GRAND TOTALS			\$762,333.00			\$140,300.60	\$942,633.60
							\$443,193.16

FY2002 Staffing

Division	Position	Status	Salary	Increment Date	Amount	Total Benefits	Total Salary
Administration	Pres	UnClass	\$75,000.00				\$75,000.00
	QA Officer	Class	\$40,383.00	28-Dec-00	1,229.46	\$6,194.36	\$46,577.36
	Project Coord	UnClass	\$44,524.00			\$12,324.00	\$56,848.00
	Clerk Typist III	Class	\$20,942.00	2-Sep-01	91.83	\$4,867.36	\$25,809.36
	Asst Supply Mgt. Admin	Class	\$39,780.00			\$11,373.00	\$51,153.00
			\$220,629.00		1,229.46	\$34,758.72	\$255,387.72
Accounting	Accounting Manager	Class	\$50,717.00	16-Mar-01	961.46	\$13,758.00	\$64,475.00
	Accountant II	Class	\$42,613.00	1-Oct-00	1,492.00	\$12,241.00	\$54,854.00
	Accountant I	Class	\$34,518.00	8-Feb-02		\$10,318.00	\$44,836.00
	Accounting Tech III	Class	\$35,618.00	6-Oct-00	1,247.00	\$10,254.00	\$45,872.00
	Accounting Tech III	Class	\$35,618.00	6-Apr-02	0.00	\$10,022.00	\$45,640.00
	Accounting Tech II	Class	\$32,083.00	1-Apr-01	561.50	\$9,942.00	\$42,025.00
	Accounting Tech II	Class	\$32,083.00	1-Jun-01	374.33	\$9,905.00	\$41,988.00
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	Data Oper. Coordinator	Class	\$27,738.00			\$8,958.00	\$36,696.00
	Office Aide	Unclass	\$14,534.00			\$4,448.00	\$18,982.00
Data	Loan Technician	Unclass	\$18,723.00			\$4,717.36	\$23,440.36
	Cashier I	Class	\$15,840.00	36810	990.00	\$4,596.36	\$20,436.36
			\$371,057.00			\$104,726.08	\$475,783.08
Loan	Loan Administrator	Class	\$53,432.00	3-Aug-01	307.00	\$8,976.36	\$60,408.36
	Loan Officer	Class	\$42,613.00	8-Apr-01	746.00	\$8,307.36	\$48,920.36
	Loan Technician	Class	\$30,085.00	24-Sep-01	43.88	\$5,453.36	\$35,538.36
	Trust Fund Clerk	Unclass	\$28,963.00			\$9,204.00	\$38,167.00
	Collection Agent	Class	\$23,404.00	27-Sep-01	39.00	\$5,022.36	\$28,426.36
		\$178,497.00		1,135.88	\$32,963.44	\$211,460.44	

Data Management
Contract approx \$50,000 annually.

\$942,631.24

Executive Direction

The Guam Housing Corporation should prepare to recruit an industry professional to assist in its recovery. This recruitment will provide further refinements to the GHC's long-term recovery efforts through increased efficiencies, resource knowledge, and enhanced creditor confidence. The GHC should have flexibility in hiring a professional President, including personal and professional service contracts.

With the recruitment of an industry professional as President, the GHC should also prepare itself for heightened interaction with its executive officer. Many other public boards are supported through the training of its members in specialized areas. It is recommended that GHC Board of Director members undergo specialized training in FY2002.

ACTION ITEMS

Immediate Term

- Statutory authorization for flexibility in the recruitment of professional President

Intermediate Term

- Recruit President
 - FY2002 budget preparations for BoD training opportunities.
-

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guahan
Twenty-Sixth Guam Legislature

May 3, 2001

The Honorable Carl T.C. Gutierrez
Maga'lahaen Guahan
R. J. Bordallo Governor's Complex
Agana, Guam 96932

Re: Committee Public Hearing: Tuesday, May 8, 2001

Dear Governor Gutierrez:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Tuesday, May 8, 2001 commencing at 8:30 a.m. in the Legislative Public Hearing Room.

Bill No. 16 (COR), "RELATIVE TO AUTHORIZING THE REFINANCING OF 1997 GUAM MEMORIAL HOSPITAL AUTHORITY DEBT ('1997 HOSPITAL NOTE')

Bill No. 42 (LS), "AN ACT TO AMEND §8134(a) OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO SURVIVOR ANNUITIES."

Bill No. 67 (COR), "AN ACT TO AMEND §8210(e) OF TITLE 10, GUAM CODE ANNOTATED, AND TO ADD A NEW §8217(c) TO THE SAME TITLE, RELATIVE TO ADMINISTRATIVE EXPENSES OF THE GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM."

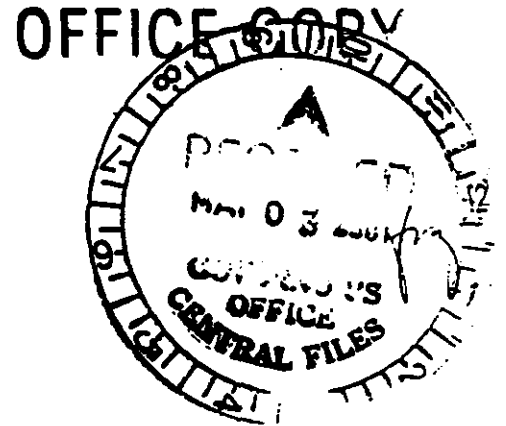
Bill No. 72 (COR), "AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION."

As these measures and appointment affect the people of Guam, the Committee encourages that your assigned cabinet official(s) be in attendance. The Committee members and I would appreciate receiving fifteen (15) copies of your Administration's position statement and or supporting documents relating to the subject matter prior to the start of the hearing. A copy of the hearing Agenda is enclosed for your reference and information.

Thank you,


KALEO S. MOYLAN

Enclosure:



Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature

May 1, 2001

The Honorable Carl T.C. Gutierrez
Maga'lahaen Guåhan
R. J. Bordallo Governor's Complex
Agana, Guam 96932

Re: Committee Public Hearing: Tuesday, May 8, 2001

Dear Governor Gutierrez:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Tuesday, May 8, 2001 commencing at 8:30 a.m. in the Legislative Public Hearing Room.

Bill No. 16 (COR) by Chairman, Committee on Rules, General Governmental Operations, Reorganization and Reform, & Federal, Foreign and General Affairs, by request of *I Maga'lahaen Guåhan*, the Governor of Guam, in accordance with the Organic Act of Guam.

RELATIVE TO AUTHORIZING THE REFINANCING OF 1997 GUAM MEMORIAL HOSPITAL AUTHORITY DEBT ('1997 HOSPITAL NOTE')

Bill No. 42 (LS) AN ACT TO AMEND §8134(a) OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO SURVIVOR ANNUITIES.

Bill No. 72 (COR) AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION.

As these measures and appointment affect the people of Guam, the Committee encourages that your assigned cabinet official(s) be in attendance. The Committee members and I would appreciate receiving fifteen (15) copies of your Administration's position statement and or supporting documents relating to the subject matter prior to the start of the hearing. A copy of the hearing Agenda is enclosed for your reference and information.

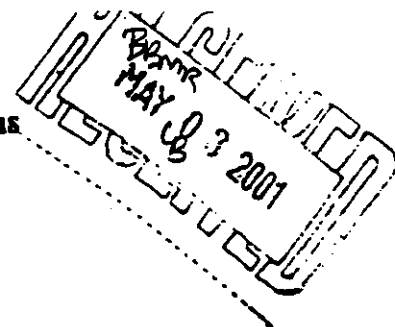
Thank you,



KALEO S. MOYLAN

Enclosure:

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guahan
Twenty-Sixth Guam Legislature



OFFICE COPY

May 3, 2001

Mr. Joseph Rivera
Director
Bureau of Budget and Management Research
R. J. Bordallo Governor's Complex
Hagåtña, Guam 96932

Re: Request for Fiscal Notes

Dear Mr. Rivera:

Please find attached a copies of Bill Nos. 16 (COR), 67 (COR) and 72 (COR) and Bill No. 42 (LS) referred to the Committee on Way and Means which I respectfully request issuance of a Fiscal Note.

Thank you,

for **KALEO S. MOYLAN**

Attachment:

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature

May 1, 2001

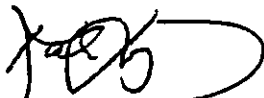
Mr. Joseph Rivera
Director
Bureau of Budget and Management Research
R. J. Bordallo Governor's Complex
Hagåtña, Guam 96932

Re: Request for Fiscal Notes

Dear Mr. Rivera:

Please find attached a copies of **Bill Nos. 16 (COR) and 72 (COR)** and **Bill No. 42 (LS)** referred to the Committee on Way and Means which I respectfully request issuance of a Fiscal Note.

Thank you,



KALEO S. MOYLAN

Attachment:

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guahan
Twenty-Sixth Guam Legislature

May 3, 2001

Mr. Joseph Duenas
Interim Director
Department of Administration
Hagåtña, Guam 96910

Re: Committee Public Hearing: Tuesday, May 8, 2001

Dear Mr. Duenas:



This is to inform you that the Committee on Ways and Means will conduct a public hearing on Tuesday, May 8, 2001 commencing at 8:30 a.m. in the Legislative Public Hearing Room.

Bill No. 16 (COR), "RELATIVE TO AUTHORIZING THE REFINANCING OF 1997 GUAM MEMORIAL HOSPITAL AUTHORITY DEBT ('1997 HOSPITAL NOTE')."


Bill No. 42 (LS), "AN ACT TO AMEND §8134(a) OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO SURVIVOR ANNUITIES."

Bill No. 67 (COR), "AN ACT TO AMEND §8210(e) OF TITLE 10, GUAM CODE ANNOTATED, AND TO ADD A NEW §8217(c) TO THE SAME TITLE, RELATIVE TO ADMINISTRATIVE EXPENSES OF THE GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM."

Bill No. 72 (COR), "AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION."

As this measure affects the Department of Administration, the Committee encourages that you or your assigned staff be in attendance. The Committee members and I would appreciate receiving fifteen (15) copies of your position statement and or supporting documents relating to the subject matter prior to the start of the hearing. A copy of the hearing Agenda is enclosed for your reference and information.

Thank you,


KALEO S. MOYLAN

Enclosure:

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guahan
Twenty-Sixth Guam Legislature

May 3, 2001

OFFICE COPY

Mr. John Rios
Director
Government of Guam Retirement Fund
Maite, Guam 96927

GOVERNMENT OF GUAM

Re: Committee Public Hearing: Tuesday, May 8, 2001

M. Aguirre

Dear Mr. Rios:

This is to inform you that the Committee on Ways and Means will conduct a public hearing on Tuesday, May 8, 2001 commencing at 8:30 a.m. in the Legislative Public Hearing Room.

Bill No. 42 (LS), "AN ACT TO AMEND §8134(a) OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO SURVIVOR ANNUITIES."

Bill No. 67 (COR), "AN ACT TO AMEND §8210(e) OF TITLE 10, GUAM CODE ANNOTATED, AND TO ADD A NEW §8217(c) TO THE SAME TITLE, RELATIVE TO ADMINISTRATIVE EXPENSES OF THE GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM."

As these measures affect the Retirement Fund, the Committee encourages that you or your assigned staff be in attendance. The Committee members and I would appreciate receiving fifteen (15) copies of your position statement and or supporting documents relating to the subject matter prior to the start of the hearing. A copy of the hearing Agenda is enclosed for your reference and information.

Thank you,



K KALEO S. MOYLAN

Enclosure:

cc: Mr. Gerald S.A. Perez,
Chairman, Board of Trustees

Senator Kaleo S. Moylan
Chairperson, Committee on Ways and Means
Mina'Bente Sais Na Liheslaturan Guåhan
Twenty-Sixth Guam Legislature

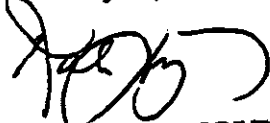
May 1, 2001

MEMORANDUM

To: All Members, Committee on Ways and Means
From: The Chairperson,
Subject: Committee Public Hearing

This is to inform you that the Committee Ways and Means will be conducting a public hearing on Tuesday, May 8, 2001, at 8:30 a.m., in the Legislative Public Hearing Room. A copy of the hearing Agenda is attached for your review.

Thank you,



KALEO S. MOYLAN

Attachment:

cc: Clerk of Legislature
Protocol
Media

MINA'BEN' SAIS NA LIHESLATURAN GUAHAN

Senator Kaleo S. Moylan, Chairman

Committee on Ways and Means

Public Hearing

8:30 a.m., Tuesday, May 8, 2001

A G E N D A

Revised

I. Call to Order:

II. Announcement & Introduction of Members:

III. Legislative Measures:

Bill No. 16 (COR) by Chairman, Committee on Rules, General Governmental Operations, Reorganization and Reform, & Federal, Foreign and General Affairs, by request of *Maga'lahaen Guahan*, the Governor of Guam, in accordance with the Organic Act of Guam.

RELATIVE TO AUTHORIZING THE REFINANCING OF 1997 GUAM MEMORIAL HOSPITAL AUTHORITY DEBT ('1997 HOSPITAL NOTE')

Bill No. 42 (LS) by: V. C. Pangelinan

AN ACT TO AMEND §8134(a) OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO SURVIVOR ANNUITIES.

Bill No. 67 (COR) by: V. C. Pangelinan

AN ACT TO AMEND §8210(e) OF TITLE 10, GUAM CODE ANNOTATED, AND TO ADD A NEW §8217(c) TO THE SAME TITLE, RELATIVE TO ADMINISTRATIVE EXPENSES OF THE GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 72 (COR) by K. S. Moylan, A. L.G. Santos

AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION.

IV. Remarks:

V. Adjournment:

**The Hearing will take place at the Guam Legislature's Public Hearing Room.
Individuals requiring special accommodations, auxiliary aids or services are asked to contact the
Office of Senator Kaleo S. Moylan at 472-3342.**

GOVERNMENT MEETINGS

▲ Continued from Page 9

public hearing room, Hagåtña. Bills 46, 61. Confirmation of Je- sus P. Cruz as GWA board of di-

5:30 p.m., today, Chamorro Lan- guage and Culture Division, 101 H St., Tiyan. Public invited. Those who need special accommoda-

BOARD OF ALLIED HEALTH EX- AMINERS: Noon, tomorrow, hearing room, Hagåtña. Confir-

tions should call 475-4226/4279. PLANNING COUNCIL: Resched-

Health Professional Licensing of- fice, 1302 E. Sunset Blvd., Tiyan. Agenda copies available at 1304

DOE 10 year capital facilities plan; GovGuam Emergency Re-

SAFETY AND THE JUDICIARY: Public hearing 10 a.m. tomorrow,

land use component; miscella- neous matters. Call Ike Santos,

Legislature public hearing room, Hagåtña. Bills 69, 70; judicial

COMMITTEE ON NATURAL RE- SOURCES: Public hearing/confir-

Those who need special accom- mation 9 a.m., today, Legislature

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Open 7 Days a week
Happy Hour 3pm - 7pm Daily
Sun-Thurs 3pm - 2am
Fri-Sat-Holidays 3pm - 4am
Upper Tumon Views Nissan Motors
647-7448

ence room, 490 Chdon Palasyo. Agona Heights. Adverse action

GVA, dismissal, hearing; pay shift policy for executive managers of Guam Retirement Fund Divi-

BOARD OF DIRECTORS: 5:30 p.m., Tuesday, center's conference room. Those who need special ac-

COMMITTEE ON EDUCATION: 9 a.m., Saturday, Legislature public hearing room, Hagåtña. Confir-

mation hearings for Beth McClure and Joyce Camacho to serve as members of Guam Public Library,

4682 or TTY 475-7401. BOARD. Those who need special accommodations should call Vice

Speaker Larry Kasperbauer, 475-5437. BOARD OF COSMETOLOGY: Noon Monday, Health Profes-

sional Licensing office, 1302 E. Sunset Blvd., Tiyan. Agenda

5:30 p.m., Tuesday, CSC confer- ence room. Call 646-7262.

BOARD: May 10, 24, board con- ference room. Call 646-7262.

CONTRACTORS LICENSE (corr). Those who need special accommodations should call Sen.

Hagåtña. Bills 16 (corr.), 42, 72 (670) 233-3415/0650. INTERAGENCY WATERSHED:

9:30 a.m., Wednesday, Division of Environmental Quality. Call

6482 or TTY 475-7401. MEANS: 8:30 a.m., Tuesday, Leg-

islature public hearing room, Hagåtña. Bills 16 (corr.), 42, 72

CONTRACTORS LICENSE (corr). Those who need special accommodations should call Sen.

Hagåtña. Bills 16 (corr.), 42, 72 (670) 233-3415/0650. INTERAGENCY WATERSHED:

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CONTRACTORS LICENSE (corr). Those who need special accommodations should call Sen.

Hagåtña. Bills 16 (corr.), 42, 72 (670) 233-3415/0650. INTERAGENCY WATERSHED:



SIGN UP FOR

TALAYA

DOSTAL

AND GET THE FIRST MONTH

***FREE!**

SEE MEETINGS, PAGE 11

which was to be presented by Guam on issues affecting Guam.



MINA'BENTE SAIS NA LIHESLATURAN GUAHAN

Senator Kaleo S. Moylan, Chairman
Committee on Ways and Means

Public Hearing
8:30 a.m., Tuesday, May 8, 2001

A G E N D A

Bill No. 16 (COR) AN ACT AUTHORIZING THE REFINANCING OF 1997 GUAM MEMORIAL HOSPITAL AUTHORITY DEBT (1997 Hospital Note)

Bill No. 42 (LS) AN ACT TO AMEND §8134(a) OF TITLE 4, GUAM CODE ANNOTATED, RELATIVE TO SURVIVOR ANNUITIES.

Bill No. 67 (COR) AN ACT TO AMEND §8210(e) OF TITLE 10, GUAM CODE ANNOTATED, AND TO ADD A NEW §8217(c) TO THE SAME TITLE, RELATIVE TO ADMINISTRATIVE EXPENSES OF THE GOVERNMENT OF GUAM DEFINED CONTRIBUTION RETIREMENT SYSTEM.

Bill No. 72 (COR) AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION.

The Hearing will take place at the Guam Legislature Public Hearing Room located in Hagatña. Individuals requiring special accommodations, auxiliary aids or services are asked to contact the office of senator Kaleo S. Moylan at 472-3342.



GUAM MEMORIAL HOSPITAL AUTHORITY
Aturidat Espetat Mimuriat Guahan

850 GOV. CARLOS CAMACHO ROAD
OKA, TAMUNING, GUAM 96911
TEL: 647-2444 or 647-2330 • FAX: (671) 649-3640

REQUEST FOR PROPOSAL



Water, poaching to at Legislature hear

By Adam Steven Fogerson
Variety News Staff

THE Guam Legislature's Natural Resources Committee will take up a bill to assess new users of Guam's water and wastewater system hooking up, a bill to issue citations and fines to poachers, and the re-appointment of a Guam Waterworks Authority board member during a meeting this morning at 9:00 a.m.

Bill 46, authored by Sen. Tom Ada, would re-institute a Systems Development Charge paid by all new homes and buildings connecting to the Guam water system. Laws to establish such a charge has existed for years, but was never implemented because of concerns over the calculation of the charges, according to Sen. Joanne Brown, chairperson of the committee that will hear the bill.

"Some of the previous figures that have surfaced are astronomically high. For a three-bedroom residential home, the systems development charge, eight or nine years ago, was calculated at about \$7,000," Brown said. "At the same time, we recognize the need to address upgrading and improving the infrastructure."

Brown said the Public Utilities

would require sanctions fish' w enforcement "Current violation essentially anyone ti said the lengthy proposes fic ticket

"We f much be message people fr preserves

Fines go to A. ultion Fun funding of Guam

The c up the r Cruz to Authorit Brown position t that she's said he r commit

"We what hi

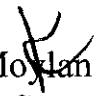
RECEIVED

MAY 08, 2001

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2001 (FIRST) Regular Session

Bill No. 72 (COR)

Introduced by:


K. S. Moylan
A. L.G. Santos

AN ACT RELATIVE TO THE GUAM HOUSING CORPORATION.

BE IT ENACTED BY THE PEOPLE OF GUAM:

- Section 1. Legislative Intent.**
- Section 2. Guam Housing Corporation Revolving Loan Fund.**
- Section 3. Disposal of Assets.**
- Section 4. Guam Housing Corporation Accountability Measures.**
- Section 5. Corporation Progress.**
- Section 6. Amendment to Section 5 of Public Law Number 20-120.**
- Section 7. Severability.**

Section 1. Legislative Intent. Due to the failed financial condition of the Guam Housing Corporation (hereinafter "Corporation") it is the intent of *I Liheslaturan Guåhan* to review the Corporations continued mission. As such, *I Liheslaturan Guåhan* intends to allow the Corporation one hundred twenty (120)

1 days reprieve from its loan obligation owing to the Government of Guam, during this
2 period the Corporation shall comply with the terms and conditions herein stated.

3 In addition, *I Liheslaturan Guåhan* recognizes that the Attorney General of
4 Guam has declared the Promissory Note entered into on February 23, 2000, by and
5 between the Corporation and the Government of Guam to defer the unpaid principal
6 and interest accrued between November 1999 through March 2001, null and void.
7 Understanding that an investigation by the Attorney General into the nature of this
8 deferment is being undertaken, *I Liheslaturan Guåhan* will await the final outcome
9 of that investigation before addressing any future action in regards to the delinquency
10 of these payments owed by the Corporation to the Government of Guam.

11 **Section 2. Guam Housing Corporation Revolving Loan Fund.**

12 Notwithstanding any other provision of law or this Act, the Governor is hereby
13 authorized to defer the payment of the unpaid principal and interest accrued on the
14 Note owed by the Corporation to the Government of Guam (Department of
15 Administration) for the period between April 1, 2001 through July 31, 2001; provided
16 that the Corporation shall commence payments no later than August 1, 2001 on its
17 obligations for unpaid principal and interest accrued between April 1, 2001 and July
18 31, 2001.

19 **Section 3. Disposal of Assets.** To provide the Guam Housing
20 Corporation the ability to augment its available resources to ensure that it retains
21 necessary loan loss reserves and principal repayment of lending capital, *I*
22 *Liheslaturan Guåhan* hereby authorizes the sale of the individual home comprising
23 Lada Gardens, and authorizes the Corporation to promulgate rules and regulations to
24 govern the sale pursuant to the Administrative Adjudication Law.

25 **Section 4. Guam Housing Corporation Accountability Measures.**

1 **(a) Performance.** To assure that *I Liheslaturan Guåhan* and Guam
2 Housing Corporation has performed its due diligence on the financial condition of the
3 Corporation before deciding its final disposition. The Corporation shall conduct and
4 report to *I Liheslaturan Guåhan* on or before June 30, 2001 the following:

5 **(b) Reports.** The Corporation shall submit to the Speaker of *I*
6 *Liheslaturan Guåhan* a report no later than June 20, 2001, detailing and containing
7 the following:

8 **(1) Balance Sheet and Statement of Condition.** The
9 Corporation shall have an independent CPA/Accounting firm that has some
10 experience with auditing financial institution conduct and audit on the
11 Corporation and prepare a Balance Sheet/Statement of Condition with assets
12 valued in accordance with generally accepted accounting principals. The
13 assessment shall include a valuation of the assets.

14 (A) The Corporation shall prepare an aging of loans receivable
15 with an estimate of the value of the collateral for each delinquent loan.
16 Write off that portion of the loan that is not collectable. If it is a
17 foreclosure case, the Corporation shall write the loan down to the current
18 market value of the collateral, less selling costs.

19 (B) The Corporation shall write off that portion of accrued
20 interest receivable that is not collectable. The Corporation shall write off
21 accrued interest receivable that is over 90 days past due.

22 (C) The Corporation shall write down the value of acquired real
23 estate to current market value, less selling cost.

24 **(2) Income Statement and Projected Net Income.** The
25 Corporation shall have the independent auditor generate an Income

1 Statement/Statement of Operation and a projected net income based on the
2 current activities of the Corporation.

3 (A) The Corporation shall place loans that are ninety (90) days
4 past due on non-accrual. This means that if the loan is ninety (90) days
5 past due the Corporation can no longer include interest on that loan as
6 income.

7 (3) **Internal Audit.** The Corporation shall have an independent
8 auditor conduct an internal audit.

9 (4) **Independent Audit.** The Corporation shall have an
10 independent auditor conduct an audit on its loan portfolio. The audit shall
11 assess the risk on each and every loan in the Corporations portfolio. The audit
12 shall detail the true value of the loan portfolio.

13 **Section 5. Corporation Progress.** It is the mandate of the *I Liheslaturan*
14 *Guåhan* that the Corporation shall achieve measurable progress in the following
15 areas:

16 (1) The Corporation shall bring its personnel and operational expenses
17 in line with the revenue it receives.

18 (2) The delinquency rate shall be brought to between two percent
19 (2%) and four point two percent (4.2%).

20 (3) The Corporation shall bring the loan loss reserve Fund amounts in
21 compliance with the Corporation's audit recommendation.

22 **Section 6.** Section 5 of Public Law Number 20-120 is hereby *amended* to
23 read as follows:

24 **“Section 5 Loans to be made: rate of interest.** The
25 loans to be made by the Corporation to its qualified moderate and low income

1 families and individuals shall bear interest at the rate of six percent (6%) per
2 annum. Priority for loans shall be established based on published federal
3 Department of Housing and Urban Development (HUD) income limits, with
4 first priority being those in the Very Low Income category, next priority to
5 those in the Low Income category, and then to those in the Median Income
6 category. Employees, Directors, Cabinet members of the administration and
7 their immediate family members (i.e., sons and daughters) shall not be eligible
8 to receive any loan from the Corporation. All other terms and conditions shall
9 be in accordance with the Corporation's lending programs as authorized in
10 Chapter 4, Title 12, Guam Code Annotated."

11 **Section 7. Severability.** *If any provision of this Law or its application to*
12 *any person or circumstance is found to be invalid or contrary to law, such invalidity*
13 *shall not affect other provisions or applications of this Law which can be given effect*
14 *without the invalid provisions or application, and to this end the provisions of this*
15 *Law are severable.*