

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4463. Definitions.

(a) As used in this chapter:

(1) "Appraised value" means the fair market value of a parcel of real property at a given point in time as determined by a qualified real estate appraiser, who is approved by MIHA and the federal agency insuring or guaranteeing the mortgage;

(2) "Claim value" means the total of the insurance benefits paid by a federal mortgage insurer to a mortgagee under the insurance agreement between them after a default by a mortgagor on a federally-insured mortgage, whether such insurance benefits are paid before or after the foreclosure of such mortgage by the mortgagee or the insurer, and all expenses incurred by the federal mortgage insurer that are not contained in such insurance benefits for liens, assessments, taxes, comprehensive and extended hazard insurance, maintenance, upkeep and repairs to the property;

(3) "Federal mortgage insurer" means any agency or instrumentality of the government of the United States of America which insures or guarantees mortgages and other loans for residential housing;

(4) "Federally-insured mortgage" means a mortgage or deed of trust on the title to an interest in real property to secure a loan or other advance, payment of which is insured or guaranteed by a federal mortgage insurer, and which is held by a mortgagee or, pursuant to an assignment, by the federal mortgage insurer;

(5) "Freehold interest" means an interest or estate by inheritance which may be acquired or transferred by deed, will or intestate succession, such as a fee simple interest in real property, and may also mean an interest or estate not by inheritance, such as a life estate;

(6) "Interest in real property" means a freehold interest or a leasehold interest, whether or not it is a permanent and long-term interest;

(7) "Leasehold interest" means a right granted by contract or created by law for the possession and use of specific real property for a specified period, usually of years;

(8) "Permanent and long-term interest(s)" means freehold interests and leasehold interests in real property or land of more than 40 years, including renewal rights;

(9) "Real property" means a specific parcel of land and any and all improvements located thereon;

(10) "Title assurance" means any form of assurance, such as title insurance policy, certificate of title, abstract of title, interim title insurance binder, or attorney's opinion of title, which reports on the state of title to an interest in real property and which either,

(A) Indemnifies the insured party (owner or mortgagee) against loss or damage sustained or incurred by reason of defects, liens, adverse interests, encumbrances and other matters affecting such title, or

(B) Provides the basis for an action at law or a proceeding in equity if such loss or damage is suffered by the insured party;

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(11) “Title insurance” means an undertaking, in the form of an insurance policy, for a valuable consideration, to indemnify the insured party (owner or mortgagee) against loss or damage sustained or incurred by reason of defects, liens, adverse interests, encumbrances and other matters affecting the title to an interest in real property; and

(12) “Torrens system” means a system of land registration used in several American and foreign jurisdictions, the key features of which include the establishment and transfer of title to interests in real property pursuant to government certification and registration, indefeasible vesting of title (with certain exceptions) in any person named in a certificate of title issued with respect to an interest in real property entered in the system, recordation of certificate of certain nonownership interests that exist or are claimed to exist in the property, and indemnification by the government of persons for injuries sustained due to loss of interest in real property as a result of faulty system operation.

(b) For purposes of this chapter, terms defined in the following acts shall have the same meanings as used in such acts:

(1) The Land Commission Act of 1983 (2 CMC § 4211 et seq.);

(2) DL 5-67 (2 CMC § 4411 et seq.), relating to the Mariana Islands Housing Authority (MIHA); and

(3) DL 4-143 (2 CMC § 4511 et seq.), relating to real estate mortgages.

Source: PL 5-8, § 3.

Commission Comment: With respect to the references to the “Mariana Islands Housing Authority (MIHA),” see Executive Order 94-3 (effective August 23, 1994), reorganizing the executive branch, changing agency names and official titles, and effecting other changes, set forth in the Commission comment to 1 CMC § 2001; see also the comment to 2 CMC § 4411.