

**TITLE 2: NATURAL RESOURCES**  
**DIVISION 4: LAND RESOURCES**

**§ 4483. Home Loan Authorized.**

(a) MPLT is authorized, consistent with its constitutional obligations, to loan up to \$10,000,000 to NMHC at an interest rate of not less than six percent and not more than 9.5 percent per annum for NMHC's use in the establishment of programs to provide for home loans to qualified Commonwealth residents as provided by this article. MPLT and the NMHC shall execute a comprehensive loan agreement setting forth the terms and conditions of the loan of funds to NMHC. The funds may be used directly for home loans under this article or placed by NMHC in interest bearing accounts with commercial banks to serve as security for the banks' lending to participants in the programs created by NMHC pursuant to this article. The banks may leverage any funds so deposited to provide the largest possible portfolio of home loans under this article.

(b) The funds may not be used by NMHC or any other governmental agency for any purpose other than the provision or securing of new home loans. In no event shall the funds be used, directly or indirectly, to pay off or retire any current or existing indebtedness of NMHC, the Commonwealth Development Authority, or any other governmental subdivision or agency. No existing home loan may be refinanced if the effect of the refinancing is to provide or unencumber funds which may be used by NMHC or any other governmental agency to pay off or retire current or existing indebtedness. Any misuse or misallocation of the funds shall, in addition to any other penalty or remedy provided by law, subject the person or persons responsible for the misuse or misallocation to personal liability therefor.

(c) NMHC shall require through regulation that all new home loan applicants, on a voluntary basis, may incorporate solar thermal technologies and/or a water collection and storage system into their new home developments applying similar internal rates for home loans or develop a separate loan program that will provide loans for homeowners to install such solar thermal technologies and/or a water collection and storage system into their homes.

**Source:** PL 10-29, § 4; subsection (a) amended by PL 10-49, § 3; subsection (a) amended by PL 11-20, § 1(b); (c) added by PL 15-26, § 2.

**Commission Comment:** PL 10-49 took effect March 19, 1997. Section 3 of PL 10-49 amended subsection (a) of this section. Section 1 of PL 10-49 set forth its purpose as follows:

Section 1. Purpose. It is the purpose of this Act to amend Public Law 10-29 in order to expand such law's current provisions for low income home financing recipients. Under such law at this time, NMHC is required under Section 9 (d) (1) and elsewhere to provide "a portion" of the home loans for low income home financing at a rate of 3% per annum. That Section and other parts of the law are amended by this Act to provide that half of the \$10,000,000 loaned from MPLT to NMHC under Public Law 10-29 shall be loaned by MPLT at an interest rate of 4% per annum, so that NMHC can then, in turn, loan those funds to low

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income home financing applicants at a rate of no greater than 6% per annum, and, at a rate of 3% per annum for the lowest income applicants.

Therefore, by this means and the provisions of this Act, the low income financing provisions and intentions of Public Law 10-29 are hereby expanded to further assist such persons in need of low interest financing for the purposes set forth in Public Law 10-29.

PL 10-49 also contained severability and savings clauses as follows:

Section 4. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 5. Savings Clause. This Act and any repealer or amendment contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers and amendments contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

PL 11-20 took effect July 9, 1998. Section 1(b) of PL 11-20 amended subsection (a) of this section. Sections 2 to 4 of PL 11-20 read as follows:

Section 2. Loan Agreement Approved. Any loan agreement between the Marianas Public Land Trust (MPLT) and the Northern Marianas Housing Corporation (NMHC) substantially in the form of the draft loan agreement attached hereto as Exhibit A and incorporated herein by reference is hereby approved, and shall be deemed in compliance with the MPLT-NMHC Home Financing Act of 1996 as amended.

Section 3. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence at the date this Act becomes effective.

PL 15-26 was enacted on August 25, 2006 and contained the following findings in addition to severability and savings:

Section 1. Findings. The Legislature finds that because of the increase in fuel prices and the uncertainty of the Commonwealth Utilities

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Corporation's power generation capability and the incessant and perennial problems with the availability of water, it is necessary for the Commonwealth to look into other methods of power generation and a water reservoir system for residential homes. Because of the Commonwealth's geographical location, an endless supply of the sun's abundant and clean energy remains untapped. Rain water is also available, but the problem of dependable water supply remains a perennial concern for most home owners.

Energy from the sun can be categorized in two ways: (1) in the form of heat (or thermal energy), and (2) in the form of light energy. Solar thermal technologies use the sun's heat energy to heat substances, such as water or air, for applications such as space heating, pool heating and water heating for homes and businesses. There are a variety of products on the market that utilize thermal energy. Often the products used for this application are called solar thermal collectors and can be mounted on the roof of a building or in some other sunny location. The sun's heat can also be used to produce electricity on a large utility-scale by converting the sun's heat energy into mechanical energy. For similar reasons, the abundance of rain could be captured as useable water through a proper collection and storage system in order to supplement the constant water shortage on the island.

The Legislature finds that the Commonwealth homeowner stands to benefit from the implementation of solar energy usage by including such technologies into the development of new homes as well as the installation of an affordable water collection and storage system. The Legislature further finds that it is feasible to grant the Northern Marianas Housing Corporation the authority to either require all new home loan applicants to incorporate solar thermal technologies into their new home developments or develop a separate solar thermal technologies loan program that will provide loans for homeowners to install such technologies into their homes.