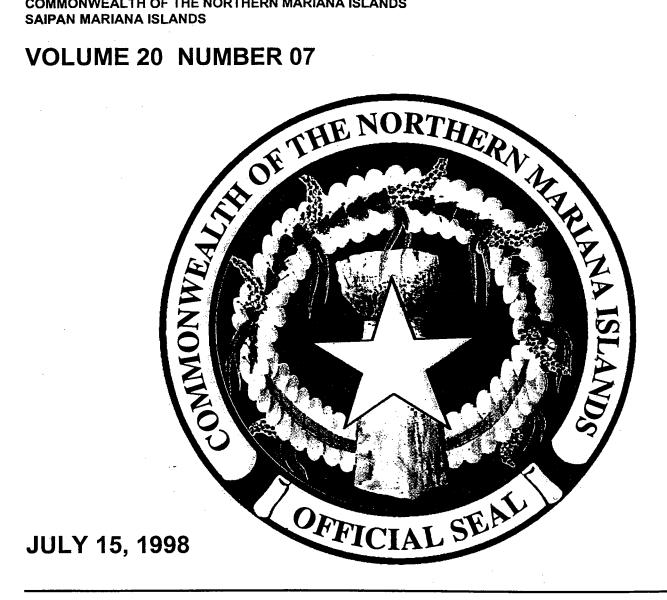
VOLUME 20 NUMBER 07



COMMONWEALTH

REGISTER

COMMONWEADTH REGISTER VOLUME 20 NEMBER 07 JULY 15, 1998

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Department of Commerce

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS Caller Box 10007 CK., Saipan, MP 96950 Tel. (670) 664-3000/1/2 • Fax: (670) 664-3067

PUBLIC NOTICE OF EXTENSION OF THE PUBLIC COMMENT PERIOD FOR THE PROPOSED AMENDMENTS TO THE "TAXICAB REGULATIONS" OF THE DEPARTMENT OF COMMERCE

Secretary of the Department of The Commerce of Commonwealth of the Northern Mariana Islands ("CNMI"), has proposed amendments to the Insurance Regulations in the Commonwealth Register, vol. 20, no. 6, at 15917-21 (June 15, 1998). The public comment period for these proposed "Taxicab Regulations" is extended until August 15, 1998.

BERNADITA T. PALACIOS, Acting Sec'y

Alui,

Department of Commerce

NUTISIAN PUPBLIKU PARA MA EXTENDI I TIEMPUN KOMENTUN PUPBLIKU GI AMENDASION REGULASION I "TAXICAB REGULATIONS" GI DIPATAMENTON I COMMERCE

I Secretariu i Dipatamenton i Commerce gi Commonwealth of the Northern Mariana Islands ("CNMI"), ha propoposa amendasion para i Regulasion i "Insurance Regulations" gi Commonwealth Register, vol. 20, no. 6, gi 15917-21 (Juniu 15, 1998). I tiempun komentun pupbliku mapropoposa na amendasion "Paxicab Regulations" ma extendi esta Augustu 15, 1998.

BERNADITA T. PALACIOS, Acting Sec'y

Dipatamenton Commerce

AROGORONGOL TOWLAP REEL EXTENSION-UL TIPEER ME MANGEMANGIIR TOWLAP LLIIWEL MELILOL OWTUL ALLEGHUL "TAXICAB REGULATIONS" SANGI DIPATAMENTOOL COMMERCE

Direktoodul Dipatamentool Commerce mellol Commonwealth of the Northern Mariana Islands ("CNMI"), sangi nge ebwe ayoora illiiwel mellol owtol "TAXICAB REGULATIONS" i ye llol Commonwealth Register, vol 20, no. 6, me 15917-21 (Juniu 15, 1998). Aramas ye e tipali nge emmwel schagh bwe ebwe ischiitiw meta tipal me mangemangil ree! lliiwel kkaal nge raa afanga ngali Secretariu, Dipatamentool Commerce, P.O. Box 10007, Saipan, MP 96950 mwal Augustu 15, 1998.

BERNADITA T. PALACIOS, Acting Sec'y

Dipatamentool Commerce



Department of Commerce

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS Caller Box 10007 CK., Saipan, MP 96950 Tel. (670) 664-3000/1/2 • Fax: (670) 664-3067

PUBLIC NOTICE OF EXTENSION OF THE PUBLIC COMMENT PERIOD FOR THE PROPOSED AMENDMENTS TO THE "INSURANCE REGULATIONS" OF THE DEPARTMENT OF COMMERCE

Secretary of the Department of Commerce of Commonwealth of the Northern Mariana Islands ("CNMI"), has proposed amendments to the Insurance Regulations in the Commonwealth Register, vol. 20, no. 6, at 15910-17 (June 15, 1998). The public comment period for these proposed "Insurance Regulations" is extended until August 15, 1998.

BERNADITA T. PALACIOS, Acting Sec'y Department of Commerce

NUTISIAN PUPBLIKU PARA MA EXTENDI I TIEMPUN KOMENTUN PUPBLIKU GI AMENDASION REGULASION I

"INSURANCE REGULATIONS" GI DIPATAMENTON I COMMERCE

I Secretariu i Dipatamenton i Commerce gi Commonwealth of the Northern Mariana Islands ("CNMI"), ha propoposa amendasion para i Regulasion i "Insurance Regulations" gi Commonwealth Register, vol. 20, no. 6, gi 15910-17 (Juniu 15, 1998). I tiempun komentun pupbliku mapropoposa na amendasion "Insurance Regulations" ma

extendi esta Augustu 15, 1998.

BERNADITA T. PALACIOS, Acting Sec'y

Dipatamenton Commerce

AROGORONGOL TOWLAP REEL EXTENSION-UL TIPEER ME MANGEMANGIIR TOWLAP LLIIWEL MELLOL OWTUL ALLEGHUL "INSURANCE REGULATIONS" SANGI DIPATAMENTOOL COMMERCE

Direktoodul Dipatamentool Commerce mellol Commonwealth of the Northern Mariana Islands ("CNMI"), sangi nge ebwe ayoora illiiwel mellol owtol "INSURANCE REGULATIONS" i ye llol Commonwealth Fegister, vol. 20, no. 6, me 15910-17 (Juniu 15, 1998). Aramas ye e tipali nge emmwel schagh bwe ebwe ischiitiw meta tipal me mangemangil reel lliiwel kkaal nge raa afanga ngali Secretariu, Dipatamentool Commerce, P.O. Box 10007, Saipan, MP 96950 mwal Augustu 15, 1998.

BERNADITA T. PALACIOS, Acting Sec'y

Dipatamentool Commerce



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS DEPARTMENT OF LABOR AND IMMIGRATION

SECOND FLOOR, AFETNA SQUARE BLDG., SAN ANTONIO, SAIPAN, MP (USA) 96950

Rules and Regulations to Implement Public Law 11-6, The Moratorium on Hiring Nonresident Workers

Citation of

Statutory Authority:

The Secretary is authorized to promulgate these regulations

pursuant to Section 7 of Public Law 11 - 6.

Short Statement of Goals and Objectives:

These rules and regulations are promulgated to assist in the implementation of Public Law 11-6. Public Law 11 - 6, which was signed into law by the Governor on March 27, 1998 and became effective immediately, imposes a moratorium on the hiring of nonresident workers in order "to provide the leadership with the opportunity to reassess the needs of the Commonwealth with respect to the employment of alien labor." The only exceptions for importation of new workers are for "new tourist-oriented development and critical professionals" (such as "health professionals, educators, scientists, and the like"). Renewals, consensual transfers during the contract period, and transfers at expiration of a

Brief Summary of the Rules:

The regulations provide guidance for implementation of Public Law 11-6 as to renewal of contracts for non-resident workers currently in the CNMI, obtaining off-island replacement workers, applying for the major new development and critical services exemptions, obtaining transfers, hiring workers who are on Temporary Work Authorizations, and defining

"pending" as used in Public Law 11-6

contract are permitted under the law.

For Further

Information, Contact:

Gil San Nicolas, Acting Director of Labor

Telephone: 670-664-2021 Facsimile: 670-664-3153

Citation of Affected

Rules and Regulations:

The Alien Labor Rules and Regulations, Vol. 10, No. 4, Commonwealth Register, April 15, 1988, as amended.

Submitted by:

Mark D. Zachares

Secretary

2/21/78

Date

NOTICE OF EMERGENCY REGULATIONS PROMULGATED PURSUANT TO PUBLIC LAW 11-6 AND NOTICE OF INTENTION TO ADOPT PERMANENT REGULATIONS AND AMENDMENTS TO EXISTING ALIEN LABOR RULES AND REGULATIONS

EMERGENCY: The Secretary of Labor and Immigration finds that pursuant to Public Law 11 - 6 and with the concurrence of the Governor, the public interest requires the adoption of Emergency Regulations to implement the legislation "to impose a moratorium on the hiring of nonresident alien workers in the Commonwealth; and for other purposes." The Secretary further finds that the public interest requires adoption of these regulations immediately upon the concurrence of the Governor. Once approved, the Emergency Regulations shall remain in effect as long as the provisions of Public Law 11 - 6 remain in effect.

REASON FOR THE EMERGENCY: Public Law 11 - 6 "To impose a moratorium on the hiring of nonresident alien workers in the Commonwealth; and for other purposes" was signed into law by the Governor on March 27, 1998 and became effective immediately. The law imposes a moratorium on the hiring of nonresident workers in order "to provide the leadership with the opportunity to reassess the needs of the Commonwealth with respect to the employment of alien labor." The only exceptions for importation of new workers are for "new tourist-oriented development and critical professionals" (such as "health professionals, educators, scientists, and the like"). An employer may renew a current worker or replace that worker once his or her departure is verified. In addition, consensual transfers are permitted in order to "accommodate economic flexibility in such a restricted labor pool." Because the new law is a "departure from the prior policy of the Commonwealth which allowed for very liberal importation of alien labor," it requires the adoption of Emergency Regulations without the usual 30 days notice.

CONTENTS: The regulations provide guidance for implementation of Public Law 11-6 as to renewal of contracts for non-resident workers currently in the CNMI, obtaining off-island replacement workers, applying for the major new development and critical services exemptions, obtaining transfers, hiring workers who are on Temporary Work Authorizations, and defining "pending" as used in Public Law 11-6.

INTENT TO ADOPT: The Secretary intends to adopt these regulations and amendments to existing regulations as permanent regulations pursuant to 1 CMC Section 9104(a)(1) and (2), and therefore publishes in the Commonwealth Register this notice of opportunity to submit comments. If necessary, a hearing will be provided. Copies on the content of the regulations may be sent to: Secretary, Department of Labor and Immigration, Caller Box 10007, Capitol Hill, Saipan, MP 96950.

<u>AUTHORITY</u>: The Secretary is authorized to promulgate these regulations pursuant to Section 7 of Public Law 11 - 6.

Issued by:	Mark Zachares Secretary, Department of Labor and Immigration	5/29/98 Date			
Concurred by:	Pedro P. Tenorio Governor	6/16/98 Date			
Received by:	Donna Cruz Office of the Governor	6/16/98 Date			
Pursuant to 1 CMC Section 2153 as amended by P-L 10-50, the rules and regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General's Office. Dated this					
Dated this day	Acting Attor By Ellion N. Sa	ROBERT B. DUNCES ney General ttler ttorney General			
Filed and Recorded b	Soledad B. Sasamoto Registrar of Corporations	6/16/98 Date			

NUTISIA PUT FINATINAS REGULASION GOTPE NA NISISIDAT NI MANMACHOGUE SIGUN GI LAI PUPBLIKU 11-6 YAN MUTISIA PUT INTESION INADAPTAN PETMANENTE NA REGULASION YAN AMENDASION SIHA PARA I PRESENTE NA REGULASION YAN AREKLAMENTO PUT HOTNALEROS TAOTAO HIYONG

COTPE NA PISISPAT: I Acting na Sekretariun Labor Yan Immigration ha sodda' na sigun gi Lai Pupbliku 11-6 yan inakonfotman Gubietno, para minaolek yan interes pupbliku na nisisita ma adapta Regulasion Gotpe Na Nisisidat para u ma implementa yan mafa lai "para u ma enfuetsa este para u mana paran-ñaihon manmangonne' magi taotao hiyong gi Commonwealth tempurariu; yan otro siha na propositu." Lokkue'i Acting Secretary ha sodda' na para minaolek yan interes pupbliku na nisisita ma adapta este na regulasion ensegidas gigun ha konfotme i Gubietno. Gigon ha ma aprueba, este i Regulasion Gotpe na Nisisidat u efektibu sigun gi prubinsion Lai Pupbliku 11-6 komu efektibu.

RASON PUT GOTPE NA NISISDAT: I Lai Pupbliku 11-6 "Para ma enfuetse este para u mana paran-ñaihon put mangonen taotao hiyong magi Commonwealth; yan otro siha na propositu" ma fitma komu Lai ni Gubietno gi Matso 27, 1998 ya mana efektibu ensegidas. Este na Lai i para u ma enfutsa este mangonen taotao hiyonh put para u mana guahayi siha i manehante opputinidat para u ma atan maolek i nisisidat Commonwealth kon respetu put mangonen taotao hiyong para u fanmachocho' guine gi Commonwealth (employemtn of alien labor." Fuera ayu siha i para u fanma konne komu "new tourist oriented development yan profesionat siha" (tat komu "profesionart hinemlo', fafa'na'gue', scientist, yan parehuña siha". I manempleleha siña ha ha reneuba i presente na taotao cho'cho' pat transferi ayu na taotao gigion ha ma aprueba iyon-ña dipattasion. Lokkue' i inakonfotma na transefri manma sedi pot rason "para u mana guahayi economic flexibility gi ayu na klasen restricted labor pool." Put rason na i nuebo na lai " ginen hagas na areklamenton Commonwealth ni ha sedi manafanahlom taotao hiyong para u fanmacho'cho' gi ," ha nisisita para u ma adapta este i Regulasion Gotpe Na Nisisidat sin i trenta (30) dias na nutisia.

Este bna regulasion para u prubiniyi ginihan implementasion este i Lai Pupbliku 11-6 put ma renueban kantrak para taotao hiyong ni manmachoʻchoʻchoʻ ni gi prisenti manggaige gi CNMI, mangonne ginen hiyong para tahguen osino tulaikan taotao choʻchoʻ, aplika para nuebo siha na klasen choʻchoʻ yan kritikat na setbisiu ni man sahnge yan manfuera, guahayi tfabsefri, manmangonnen taotao choʻchoʻ ni manteporariu Manmaturisa para u fanmachoʻchoʻ, yan difina "pending" nu ma usa gi halom Lai Pupbliku 11-8

MADAPTA: I Acting Secretary ha intensiona para u adapta este siha na regulasion yan amendasion para i prisenti na regulasion komu petmanente na regulasion sigun gi sinangan 1 CMC Seksiona 910[a](1) yan [2], yan u ma pupplika gi Rehistran Commonwealth este na nutisia para u guaha opputunidat para i puppliku para u fana/halom komentu. Yanggen nisisisariu, u managuaha inekungok put este. Kopian este na na Regulasion siña ha manamachule gi: Secretary, Dipatamenton Labor yan Imimigration, Caller Box 10007, Capitol Hill, Saipan, MP 96950.

ATURDAT: I Acting Secretary malaturisa para ulcho'gue este siha na regualsion sigun gi sinangan yan fuetsan Seksion 7 gi halom Lai Pupbliku 11-6.

ARONGORONG REEL <u>EMERGENCY REGULATIONS</u> E TOWOW SANGI OUTOL ALLEGHUL ARAMAS TOULAP 11-6 BWAL ARONGORONG REEL IGHA EBWE <u>ADOPT PERMANENT REGULATION</u> BWAL LLIWEL KKA EYOOR IYEEY REEL ALLEGHUL ALIEN LABOR.

Toulap 11-6 me ebwe alúghúlúgh sángi Sów Lemelem, me tiper Aramas Toulap reel ebwe adoptionul Emergency Regulation reel ebwe implementalong llól Imwal Sów Allégh "Ebwe fféer meratorium reel mille umwuumwul (hiring) reel nonresident aliens workers mellól Commonwealth; me akkááw bwulúl ". Acting Sekereteri ebwal schuungi bwe llól tipeer aramas toulap nge fil ebwe akkáyil adoptalong allégh kkaal sángi alúghúlúghúl Sów Lemelem. Ngare schagh a alléghéló, Emergency Regulation kkasi ebwe lléghéfischiló meigha eschiwel llégh schagh akkalewal autol Alléghúl Toulap 11-6.

BYJUL META EBYE EMERGENCY REEL: Alléghúl Toulap 11-6 "Ebwe fféér memotorium reel mille umwuumwul (hiring) reel nonresident aliens workers mellól Commonwealth me akkáaw ibwuiúl "a takkal alléghéló sángi Sów Lemelem Ilól maramal Mailap(March) 27, 1998 me ebwe léghéléghéló. Allégh yeel reel fféérétáál meratorium reel imwuumwul schóól angaang(hiring) ikka aliens nge efil reel; "ebwe ayoora lemetágheyá Ilól oppurtunity kka e amweril meta kka efil mellól Commonwealth kka ebwe ghol me ghatch ngáliir aliens". Millikka schagh e auscheya reel umwumwolongol schóól angaang nge ebwe, meta kka effé reel mille tourist-oriented development me angaang kka e weirás me e llangeló. ("new tourist-oriented development and critical professional"). Schóól umwuumwul schóól angaang nge emmwel schagh bwe ebwe féérú sefáliiy me ngáre umwuuw schagh aramas ye a fasil angaang ngáli me ngáre afangaaló epeigh ngáre schagh ra angúngúúw yaal departure. Bwal eew nge emmwel schagh bwe rebwe liweli leliyel ngárere ghule fengál schóól umwuumw bwelle ebwe yoor mille re ghal ira bwe economicflexibility reel tappal angaang kkaal." Bwelle igha Allégh ye efféétá nge e bwelbwogh sángi Alléghúl Commonwealth igha e ayoora mille umwuumwulongul schóól angaang me lúghúl,"Nge eghi fi I rebwe kkáyi ladoptaay mille Emergency Regulation nge ese bwal fil ebwe eyoor elligh(30) rál reel arongorong.

AUTOL: Allégh kkaa likka elo bwe afalafal mellól <u>implementasionul</u> Alléghúl Toulap 11-6 reel ebwe liiwel sefáál <u>contracts</u> reer schóól angaang ikka <u>non-resdent</u> ikka re lollo llól <u>CNM</u>, reel isiisil schóól lúghúl <u>(non-resident workers)</u> reel ebwe liweliir schóól angaang, <u>applika</u> llól angaang kka effé me ikka e weirás me liimweiló, isiis ikka re <u>transfer-liir</u>, umwuumw schóól angaang kka e <u>temporary</u> yaar <u>authorization</u>, me meta faal "<u>pending</u>" iye elo llól Alléghúl Toulap 11-5.

EFFILE FRAME ADOPT: Acting Secretary nge ekke mángily bwe ebwe <u>adoptááli</u> allégh kkaal mealongal liliwel kka elo liól ngare ebwe alléghéló sángi bwángil me allééwal mille 1<u>CMC</u> Táli ye 9104(a)(1) me (2), me ebwe toowow liól <u>Commonwealth Register</u> arongorong yeel bwe toulap rebwe tapalégh le atotoolong meta tipeer me mángemángiir. Ngare efil nge rebwe ayoora <u>hearing</u>. Eyoor <u>kopiyal</u> allégh kkaal nge emmwel rebwe afanga ngáli: <u>Secretary, Dipartment of Laborand Immigration</u>, <u>Caller Box</u> 10007, <u>Capitol Hill</u>, <u>Saipan</u>, <u>MP</u> 96950.

BWANG: Eyoor bwangil <u>Acting Sekereteri</u> bwe ebwe féérú Allégh kkaal sangi bwangil me Tálil ye 7 mellól Alléghúl Toulap ye 11-6

REGULATIONS

A. Renewals

1. A renewal application should be filed with the Division of Labor 30 days prior to the expiration of the worker's current contract. If the employer does not intend to renew the employee, the employer should give the employee 30 days notice of its intent not to renew in order to enable the employee to seek alternate employment pursuant to Section 3 (b) of Public Law 11-6.

B. Replacement Workers

- 1. "Replacement" refers to potential employees who are not currently residing in the CNMI. An employee in possession of a valid Temporary Work Authorization or an employee who transfers to an employer either consensually during the contractual period or at the expiration of the contract period is not a "replacement" worker for the purposes of Public Law 11-6.
- 2. Prior to submission of an application for a replacement worker, an employer must check with the Division of Employment Services to determine if "there is a nonresident worker already lawfully in the Commonwealth, seeking employment, and eligible and qualified for the position." Section 4, Public Law 11-6. The Division of Employment Services will maintain a list of nonresident workers who are lawfully in the Commonwealth and seeking employment, as categorized by job classification and other skills. All nonresident workers on the list will be considered eligible for unskilled positions. An employer must make a good-faith effort to contact any individual deemed "eligible and qualified for the position" and determine if that individual suits the employer's needs. If a match on the Employment Services' list is found, the burden is on the employer to inform Employment Services if the employee is not "eligible and qualified for the position" or cannot be located. Once the employer provides this information to Employment Services, Employment Services will certify that the employer may hire a replacement worker.
- 3. To submit an application for a replacement worker under Public Law 11- 6, the employer must submit the original Labor and Immigration Identification System (LIIDS) card and a verification of departure of the employee who is being replaced. Under exceptional circumstances and upon approval by the Director of Labor or his or her designee, a notarized affidavit explaining the absence of the original LIIDS card with a copy of the LIIDS card attached will be accepted by the Processing Section in lieu of the original card.
- 4. The employer may bring the application to the Division of Labor ("Labor") for review prior to submission of the verification of departure to ensure that the application is complete. However, the application fee shall not be remitted to the Treasury nor will the application be accepted by Labor prior to submission of the LIIDS card and verification of departure.
- 5. A worker may be considered a "replacement" for another worker if the prospective employee's application is submitted to the Division of Labor within 90 days from the date of the previous worker's expiration of entry permit. An employer may employ only one

replacement worker for each worker that departs. Note that the law requires that the replacement worker be hired for the same position as that of the employee who has departed.

C. Major New Development and Critical Services Exemptions

- 1. Only the Governor may approve an exemption under Section 2 (d) and (e). Any request for these exemptions should be put in writing and forwarded, with the supporting documentation to substantiate the exemption criteria, to the Office of the Governor for review.
- 2. The burden is on the employer to provide sufficient documentation to substantiate its claim that it meets the exemption criteria. If the documentation is insufficient, the Governor or his or her designee may request additional support or may deny the request. Note that meeting the exemption criteria does not automatically entitle the employer to the exemption; the discretion lies with the Governor.

D. Transfers

Note: This section amends Section VI (F) (10) (d) of the Alien Labor Rules and Regulations

1. In General

- a. Under Public Law 11-6, there are three (3) kinds of transfer: consensual, after expiration of a contract, and through an Administrative Order issued by the Hearing Office.
- b. An employer must comply with all the provisions of the Nonresident Workers Act, 3 CMC Section 4411 et. seq., including advertising.
- c. An employee may change job class or wage rate by going through the transfer process, including the advertising of the position.

2. Consensual

- a. Transfers are permitted during the contract period with the permission of all parties.
- b. Before commencing the consensual transfer procedure, the employer should advertise the position in accordance with the Nonresident Workers Act, 3 CMC Section 4432.
- c. In order to effectuate a consensual transfer, the new employer must provide the designee of the Director of Labor with the following documentation:
 - 1. three (3) copies of the consensual transfer form;
 - 2. a copy of the employee's work and entry permit (i.e., the LIIDS card);
 - 3. a copy of the new employer's business license;
 - 4. a two (2) year work certification form (experience) if the employee is changing job categories;

- 5. a bond; and
- 6. any additional documentation deemed necessary by the Director of Labor or his or her designee.
- d. After the Director's designee receives the documentation enumerated above, he or she shall set an appointment for an interview with the current employer, the prospective employer, and the employee.
- e. The consensual transfer must be approved by the Director of Labor or his or her designee prior to submission of the new application for a work and entry permit. The completed application must be submitted within 45 days from the date of approval by the Director of Labor or his or her designee. However, as soon as the consensual transfer is approved by the Director of Labor or his or her designee, the accepting employer becomes responsible for all costs associated with the non-resident worker, including but not limited to medical and repatriation costs.
- f. For transfers during the initial contract period, the original employer may have his or her recruitment and hiring costs reimbursed by the prospective employer. The right of reimbursement belongs to the original employer; therefore the original employer may waive reimbursement during the initial contract period if he or she chooses.
 - 3. After Expiration of a Contract
- a. Employees may transfer from one employer to another after the expiration of a contract. Neither the prospective employer nor the employee needs to reimburse the original employer for recruitment or hiring costs.
- b. An employee has 45 days from the date of expiration of a contract to find a new employer. The 45 days runs from the date of expiration of the previous contract to the date of submission of a completed application. An application that is facially deficient upon review by a member of the processing staff will not be accepted. If an application is accepted and then is discovered to have deficiencies, the employer will have 10 days to rectify the deficiencies. Failure to correct the deficiencies within the prescribed period will result in rejection of the application. That application can only be resubmitted or a new application with a different employer processed if the initial 45 day period has not yet run.

E. Hiring Workers Who Have an Authorization to Seek a Temporary Employer

1. An employee who is authorized to seek a temporary employer pursuant to the filing of a labor complaint may work for any bona fide employer whether or not that employee is replacing another worker who has exited the CNMI.

F. Pending Applications

1. For purposes of Section 6 of Public Law 11-6, an application is "pending" on the date a Job Vacancy Announcement (JVA) is submitted to the Department for approval to advertise, as evidenced by the "received" stamp on the face of the document, not on the date of certification on the back of the JVA.



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS DEPARTMENT OF LABOR AND IMMIGRATION

SECOND FLOOR, AFETNA SQUARE BLDG., SAN ANTONIO, SAIPAN, MP (USA) 96950

Rules and Regulations Regarding Security Guard and Manpower Companies and Service Providers

Citation of

Statutory Authority:

The Secretary is authorized to promulgate these regulations

pursuant to 3 CMC Section 4424 (a)(1) and (6).

Short Statement of

Goals and Objectives:

These rules and regulations are promulgated to assure that

employees being renewed or employed by a group of employers identified as having a disproportionate number of labor complaints filed against them (security guard and manpower companies and service providers) have been and

will continue to be paid.

Brief Summary of the Rules:

The rules and regulations provide stringent reporting

requirements with which security guard and manpower

companies and service providers must comply.

For Further

Information, Contact:

Gil San Nicolas, Acting Director of Labor

Telephone: 670-664-2021 Facsimile: 670-664-3153

Citation of Affected

Rules and Regulations:

The Alien Labor Rules and Regulations, Vol. 10, No. 4,

Commonwealth Register, April 15, 1988, as amended.

Submitted by:

Mark D. Zachares

Secretary

6/12/98

Date

NOTICE OF EMERGENCY RULES AND REGULATIONS REGARDING SECURITY GUARD AND MANPOWER COMPANIES AND SERVICE PROVIDERS AND NOTICE OF INTENTION TO ADOPT PERMANENT REGULATIONS AND AMENDMENTS TO EXISTING ALIEN LABOR RULES AND REGULATIONS

EMERGENCY: The Secretary of Labor and Immigration finds that due to the alarmingly high percentage of labor complaints filed against security guard and manpower companies and service providers, stringent measures are required. The Secretary further finds that the public interest requires adoption of these regulations immediately upon the concurrence of the Governor. Once approved, the Emergency Regulations shall remain in effect as long as the provisions of the Nonresident Workers Act, 3 CMC Section 4411, et. seq. remain in effect.

REASON FOR THE EMERGENCY: The alarmingly high and disproportionate percentage of labor complaints filed against security guard and manpower companies and service providers necessitate emergency action.

CONTENTS: The regulations provide stringent requirements that security guard and manpower companies and service providers must meet in order to renew or employ nonresident workers.

INTENT TO ADOPT: The Secretary intends to adopt these regulations and amendments to existing regulations as permanent regulations pursuant to 1 CMC Section 9104(a)(1) and (2), and therefore publishes in the Commonwealth Register this notice of opportunity to submit comments. If necessary, a hearing will be provided. Copies on the content of the regulations may be sent to: Secretary, Department of Labor and Immigration, Caller Box 10007, Capitol Hill, Saipan, MP 96950.

<u>AUTHORITY</u>: The Secretary is authorized to promulgate these regulations pursuant to 3 CMC Section 4424 (a)(1) and (6).

Issued by:

Mark Zachares

Secretary, Department of Labor and Immigration

Date

15979

6/12/98

Concurred by: Pedro P. Tenorio Date Governor Received by: I. Deleon Guerrero Special Assistant for Admin. Date Pursuant to 1 CMC Section 2153 as amended by P-L 10-50, the rules and regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General's Office. Dated this _____ day of June, 1998. Robert Dunlan Acting Attorney Ge Elliott A. S **Assistant Attorney General** 6/16/98 Filed and Recorded by: Soledad B. Sasamoto Date **Registrar of Corporations**

NUTISIA PUT MAMATINAS AREKLAMENTO YAN REGULASION GOTPE NA NISISIDAT PUT KOMPANIAN SECURITY GUARD YAN MANOWER YAN MANATEN SETBISIU YAN MUTISIAN INTENSION PARA INADAPTAN PETMANENTE NA REGULASION YAN AMERICASION PARA I PRISENTI NA REGULASION YAN AREKLAMENTO PARA MANESTRANGHERU SIHA HOTNAT

GOTPE NA MISSOAT: I Sekritariun Hotnateru yan Imigrasion ha sodda' na put esta gof tatkilo' gi put siento i keha siha put hotnat gi bandan kompanian security guard yan manpower yan manna'en setbisiu, debi di u guaha mas fotmat yan rekto na kondision inisisita machogue. I Sekretariu lokkue', ha sodda' na para minaolek publiku este i para u maadapta este siha na regulasion ensegidas gigon ha konfotme i Gubetno. Gigon ha ma aprueba, i Regulasion Gotpe na Nisisidat maseha kuantos tiempo komu efektibu ha i prubinsion Nonresident Workers Act, 3 CMC Seksiona 4411, et seq.

RASON PUT GOTPE NA NESISDAT: Put na1uhan yan gof tatkilo yan lokkue'ti bumalansia i put siento na keha siha ni manma file kontra i kompanian security guard yan manpower yan lokkue'i manna'en setbisiu nisisariu para u guaha gotpe na aksion.

SUFFETU: I regulazion para u na'guaha mas rekto yan fotmat na nisisdat ni ma nisisisita i kompanian security guard yan manpower yan lokkue' manna'en setbisiu para u macho'gue put para u marenueba osino fanmagonne halom nonresident workers.

ENTENSION ENADAPTA: I Sekretariu ha intensiona para u adapta este siha na regulasion yan amendasion gi prisenti na regulasion komu petmanente na regulasion sigun gi sinangan 1 CMC Seksiona 9104(a)(1) yan (2), yan mapublika gi Rehistran Commonwealth este na nutisia yan na guaha opputunidat para i publiku para u fanna'halom komentu. Yanggen nisisisariu, u mana guaha inekungok. Kopia put suhetun este na regulasion siña ha manahanao guato para i : Sekretariu, Dipatamenton Hotnalero yan Imigrasion, Caller Box 10007, Capitol Hill, Saipan, MP 96950.

ATCHEDAT: I Sekretariu ma aturisa para u cho'gue este siha na regulasion sigun gi sinangan yan fuetsan 3 CMC Seksiona 44 24(a)(1) yan (6).

Unaknos as

Mark Zachare) Gekretanun, Diaptamenton Hotnalero yan Imigrasion

ARONGORONG REEL EMERGENSIIL ALLEGHUL SECURITY GUARD ME KOMPANIYAL MANPOWER BWAL SERVICE PROVIDERS ME ARONGORONGOL INTENTIONUL REEL EBWE ADOPTAAY EBWE PERMANENT ALLEGHUL KKAAL ME LLIIWEL KKA EYOOR IYEEY BWELLE REEL ALLEGHUL ALIEN LABOR

EMERGENCY: Sekereteril Labor me Immigration e schuungi bwe igha aghi llang percentage reel labor compliants ikka re filed lil kontora security guard me kompaniyaal manpower, bwal service provider, ebwe kkamal me llégh meta kka efil rebwe féérú bwelle milleel. Sekereteri ebwal schuungi bwe reel aghatchúúr toulap efil ebwe adoptaaló allégh kkaal sángi alúghúlúghúl Sów Lemelem. Ngare schagh e alléghéló, Emergency Regulations kkaal ebwe effektibwo ló schagh meighl provision veel reel Nonresident Workers Act. 3 CMC Tálil 4411, et. seq. ekke effektibwo schagh.

BWULUI EBWE FMERGENCY: Bwelle reel llangal <u>percentage</u> reel <u>labor compliants</u> ikka e <u>filed</u> <u>kontora security guard</u> me <u>kompinayal manpower</u> bwal <u>service providers</u> efil rebwe kkayil féérúúló meta (<u>emergency action</u>).

AUTOL: Allégh kkaal ikka e ayoora ebwe llégh meta kka efil bwelle reel mille <u>security guard</u> me <u>kompaniyaal manpower</u> bwal <u>service providers deebi</u> rebwe schu bwe rebwe féérú sefááli ngare eew umwuumwul(<u>employ</u>) schóól angaang kka <u>nonresident</u>.

EFIL EBWE ADOPT: Sekereteri e tipeli ebwe adopt lil allégh kkaal me lliiwel kka eyoor iyeey bwe ebwe permenant ló allégh kkaal sángi alleewal 1 CMC Tálil 9104(a) me (2), me ebwe póblikalong Commonwealth Register arong yeel reel igha ebwe yoor ópotunidód reel isisilongol tip, mángemáng. Ngare e nesesóriyo, arongorong(hearing) ebwe yoor. Kopiyaal allégh kkaal reel tip, mángemáng, aiyegh ebwe akkafang ngáli: Sekereteri, Bwulasiyol Labor me Immigration, Caller Box 10007, Capitol Hill, Saipan MP. 96950.

BWANCIL: Eyoor bwangil <u>Sekereteri</u> ebwe arongawow allégh kkaal sangi aileewal 3 <u>CMC</u> Tálil 4424(a) me (6)

E towow mereel:

Mark Zachares

Sekere/en /

Byulasiyol Labor are Immigration

REGULATIONS

- 1. Security guard and manpower companies and service providers cannot hire any employees (including replacements under Public Law 11-6) from outside the CNMI.
- 2. All security guard and manpower companies and service providers must be screened pursuant to the Memorandum of Understanding between the Department of Labor and Immigration and the Department of Commerce prior to filing applications for renewal of employees or to have employees transferred to them. There shall be no waiver of the Job Vacancy Announcement for any security guard, manpower, or service provider employees.
- 3. If the security guard or manpower company or service provider is deemed unfit to hire nonresident employees by the Department of Commerce, then the employee shall either be allowed to transfer to a qualified second party employer (the one at which the employee was working), otherwise transfer pursuant to the regulations promulgated pursuant to Public Law 11-6, or be repatriated at the expense of the security guard or manpower company or service provider.
- 4. If the security guard or manpower company or service provider is deemed unfit to hire nonresident employees by the Department of Commerce, the Department of Labor and Immigration will request that the Department of Commerce hold a hearing to determine whether the employer's business license should be revoked.
- 5. If the security guard or manpower company or service provider is deemed fit to hire nonresident employees by the Department of Commerce, then the employer shall file the following:
 - (1) a timely, complete labor application;
 - (2) timecards and canceled paycheck stubs (or signed receipts for cash) for the entire period (not to exceed one year) that the employee worked for the employer;
 - (3) an affidavit signed by both the employer and employee affirming that the employee did not pay for the processing costs, fees, or health screening, and that he or she got paid by the employer for the last year or whatever period the employee worked for that employer; and
 - (4) a cash bond in the amount of three months wages and one-way airfare to the employee's place of origin.

Failure to provide any of the above (given the usual 10 days to correct deficiencies) will result in denial of the application.



Department of Finance

Office of the Secretary Commonwealth of the Northern Mariana Islands PG. Box 5234 CHRB Saivan, MP 96950

Cable Address Con. NMI Saipan Phone: 664-1100 Facsimile: 664-1115

NOTICE OF EMERGENCY AND ADOPTION OF RULES AD REGULATIONS FOR THE RULES OF PLAY FOR THE ONLINE LOTTERY GAMES OF THE CNMI LOTTERY

Emergency: The Commonwealth of the Northern Mariana Islands (CNMI) Secretary of Finance as successor, pursuant to Section 307(a) of Executive Order 94-3, to the CNMI Lottery Commission finds that pursuant to Title 1 CMC Division 9, Chapter 1, and in particular 1 CMC §9104(b), that the pubic interest requires the adoption, on an emergency basis, of Rule and Regulations pursuant to which the various online games of the CNMI Lottery can be played. The Secretary of Finance further finds that the public interest requires that these Rules and Regulations shall become effective immediately upon concurrence of the Governor and filing with the Registrar of Corporation; and unless adopted on a permanent basis, shall remain effective for a period of 120 days, as more fully hereinafter set forth.

Reason for Emergency: The public interest requires adoption of these Rules and Regulations upon fewer than thirty (30) days notice due to the fact that the CNMI Lottery Commission Act, and in particular 1 CMC §3901, requires the CNMI Lottery to implement and operate its games on a basis that will "produce the maximum amount of net revenue for the Commonwealth". Publication of the attached Rules and Regulations in the Commonwealth Register could occur no sooner than July 15, 1998 and waiting for a period of at least seventy (70) days before such Rules and Regulations can be fully implemented, would be contrary to the legislative mandate that the CNMI Lottery generate "maximum revenue". The adoption of these Rules and Regulations on an emergency basis will permit the CNMI Lottery to continue to generate revenue by operating its online lottery games without interruption rather than terminating these games until the attached Rules and Regulations are approved and implemented sometime on or after September 25, 1998. This procedure will permit the CNMI Lottery to continue to generate maximum revenue for the CNMI general fund as required by law.

<u>Contents</u>: These Rules and regulations provide a comprehensive plan for the regulation of play for the various online games of the CNMI Lottery. These Rules and Regulations are published immediately following this Notice.

<u>Public Comment</u>: It is the intention of the CNMI Secretary of Finance to adopt these Rules and Regulations as permanent Rules and Regulations pursuant to 1 CMC §9104(a)(1) and (2). Therefore, publication in the Commonwealth Register of these proposed Rules and Regulations, this Notice, and an opportunity for public comment

pursuant to the requirement of the CNMI Administrative Procedure Act, are hereby provided. Comments on the content of these proposed regulations may be sent to the CNMI Lottery, c/o Ester Calvo, Secretary of Finance Office, P. O. Box 5234, Saipan MP 96950, phone 670-664-1100; fax 670-664-1115.

<u>Authority</u>: The Secretary of Finance, as successor to the CNMI Lottery Commission is authorized to promulgate these regulations pursuant to one or more of the following laws: 1 CMC §9305(c); 1 CMC §9306; 1 CMC §9313(c); and of Executive Order 94-3 §307(a).

Certified By:

Lucy DLG. Nielsen Secretary of Finance

Date

Concurrence:

PEDRO P. TENORIO

Date

Governor

Filing With:

Soledad B. Sasamoto Registrar of Corporations 7/1/98

CERTIFICATION

I, Lucy DLG Nielsen, Secretary of the Department of Finance, which is publishing the "Notice of Emergency and Adoption of Amendments to the Rules and Regulations for the Rules for Play for Online Lottery Games of the CNMI Lottery", by my signature below, certify that the attached "Rules and Regulations for the Rules of Play for the Online Lottery Games of the CNMI Lottery" are a true, correct, and complete copy of the rules and regulations adopted by the Department of Finance. I further request and direct that this certification and the "Rules of Play for the Online Lottery Games of the CNMI Lottery" be published in the Commonwealth Register.

I declare under penalties of perjury that the foregoing is true and correct and that this declaration was executed on the /5t day of July, of 1998, at Saipan, Commonwealth of the Northern Mariana Islands.

Lucy DLG! Nielsen

Secretary of Finance

COMMONWEALTH REGISTER

REGULATION 1 - INTRODUCTION

- 1.1 The Mail Service under the business name of TMS Global Lottery Services conduct and promote Consultations in accordance with the Consultations Act 1958 of the State of Victoria and under licence from several other jurisdictions.
- 1.2 Prize money payable to winners of 6/44 or 6/45 Lotto Consultations is derived from the Prizes Fund constituted under the Act and into which not less than between 55% & 60% of all subscriptions received are payable.
- 1.3 Each Consultation will be identified by a number.
- 1.4 TMS Global Lottery Services shall determine the day and time of closure of any Consultation.
- 1.5 The objective of subscribers to a 6/44 or 6/45 Lotto Consultation is to forecast or select 6 winning numbers from the numbers 1 to 44 or 1 to 45 respectively.
- 1.6.1 These Regulations and the Conditions on the current entry coupons shall be binding on all subscribers.
- 1.6.2 There must also be compliance with all directions on the current entry coupons and the entry ticket.
- 1.7 Unless a subscriber shall have completed the appropriate anonymity request TMS Global Lottery Services shall be at liberty to publicise the names of major prize winners. TMS Global Lottery Services shall not be liable for any inconvenience loss damage or injury suffered if prize winners details are released contrary to instructions.
- 1.8 If it is held by a court of competent jurisdiction that:
 - (a) any part of the Regulations are void or illegal or unenforceable; or
 - (b) the regulations would be void voidable illegal or unenforceable in whole or in part unless a part were severed therefrom:

then that part shall be severable from and shall not effect the continued operation of the remainder of the Regulations.

- 1.9 The Mail Service may at any time amend, modify or abrogate these Regulations.
- 1.10 Any liability of TMS Global Lottery Services to a subscriber in a consultation, arising from any statement about that consultation made by or any negligence on the part of, an employee, servant, agent or contractor of TMS Global Lottery Services, or any other person, shall be limited to the cost of the subscriber's subscription in that consultation.

- These Regulations shall be displayed at the North Melbourne office of TMS Global Lottery Services and at the place of business of Accredited Representatives and may be made public by any other means.
- 1.12 In the event of a subscriber suffering any loss or damage as a result of any unlawful act of an employee, servant, agent or contractor of TMS Global Lottery Services or any Accredited Representative or other party, or as a result of any fire, flood, tempest, storm, riot, civil commotion, lockout, strike or equipment failure, any liability of TMS Global Lottery Services to that subscriber shall be limited to the cost of that subscriber's subscription in the particular consultation involved.

REGULATION 2 - ENTRY COUPONS

- 2.1 Each entry coupon shall contain game squares for number selection from 1 to 44 or 1 to 45 respectively.
- A game in a consultation is constituted by a subscriber selecting six (6) numbers from the numbers 1 44 or 1 45 as set out in the entry coupon.
- A subscriber may select other than six (6) numbers in the form of a "Systems entry" or "Take 4/5" entry which give the subscriber multiple games as fully described in Appendix Two.
- 2.4 Each properly completed entry coupon shall be processed through an Accredited Representative's on-line computer terminal and except in relation to entries by mail returned to the subscriber with a ticket of the kind described in Regulation 5.1.
- A subscriber on an entry coupon may opt for all or any of the choices available eg. advance, 2, 5 or 10 weeks, system or Take 4/5.
- 2.5 Additional Regulations governing Season Participation, System Participation, and Advance Participation are annexed as Appendices one to three respectively.

REGULATION 3 - FORECAST INSTRUCTIONS

3.1 Subscribers shall mark their selected numbers by hand in each game square. Except with the prior approval of The Mail Service, a subscriber shall not mark any selection upon an entry coupon by any mechanical means and no entry coupon in which a selection is marked by any mechanical means shall be considered a properly completed entry coupon for the purposes of these Regulations. Without limiting the generality of the foregoing, with the exception of any entry coupon for which The Mail Services' prior approval has been obtained, an Accredited Representative shall not accept for processing pursuant to Regulation 2.4, any entry coupon upon which a selection is marked by any mechanical means.

- 3.2 Multiple 6 number games or combinations may be entered in any game square using the System or Take 4/5 options in accordance with these Regulations.
- 3.3 A subscriber may request a computer generated entry whereupon the ticket issued containing computer selected numbers shall constitute an accepted entry for the purposes of Regulations 5 and 6.

REGULATION 4 - COST

- 4.1 The cost of entering a 6/44 or 6/45 Lotto Consultation comprises a subscription of 40 cents per game together with a handling charge payable to the Accredited Representative.
- 4.2 The minimum subscription in a 6/44 or 6/45 Lotto Consultation will be determined on a jurisdiction by jurisdiction basis.

REGULATION 5 - ACCEPTANCE OF ENTRIES AT TERMINAL

- 5.1 A subscriber having made a numbers selection and paid the entry fee plus handling charges shall be issued with a ticket or tickets recording:-
 - (i) The selected numbers;
 - (ii) The 6/44 or 6/45 Lotto Consultation Number/s;
 - (iii) The number of the relevant selling point terminal;
 - (iv) The subscribers paid ticket cost, including handling charge;
 - (v) The ticket/s serial number/s;
 - (vi) The Draw Date.
- The issued ticket/s, the particulars on which should be checked at the time by the subscriber or the person buying the ticket/s for the subscriber, shall then constitute an accepted entry for the Consultation/s identified thereon. A ticket may only be voided or cancelled on the day of terminal issue, prior to draw closure, and only at the terminal of issue. The taking of the ticket/s shall constitute an acknowledgment by the subscriber that subject to Regulation 6.2 the numbers thereon are the subscriber's selection and that all other particulars on the ticket are correct. No entry coupon or oral evidence shall then have validity or be of proof value for the purposes of any Consultation/s thus entered.

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REGULATION 6 - ACCEPTANCE OF ENTRIES

The printing and issuing by a computer terminal of a ticket in accordance with Regulation 5 shall constitute an acknowledgment by TMS Global Lottery Services of such entry in the numbered 6/44 or 6/45 Lotto Consultation/s.

- Where a dispute arises, the subscriber shall be bound by the prize determination founded on the particulars recorded on the pre-draw Government held copy of the computer gaming system master transaction file. No subsequent or manual alteration to a computer ticket shall be made or if made have any validity for any purpose.
- A ticket which has been recorded as void or cancelled on the computer gaming system shall be void and of no validity in claiming a prize, and the subscriber shall have no claim against TMS Global Lottery Services whether such void recording is at the request of the subscriber, by reason of operator error, or otherwise.

REGULATION 7 - DRAWING AND DIVISION OF PRIZES

- 7.1.1 In each 6/44 or 6/45 Lotto Consultation there shall be a single draw in which 8 balls will be drawn from a drawing device containing 45 balls numbered 1 to 44 or 1 to 45 respectively.
- 7.1.2 The first six drawn balls are the Winning Numbers and the seventh and eighth drawn balls are the Supplementary Numbers.
- 7.1.3 Numbers are deemed drawn when a numbered ball rests in the display section forming part of the drawing equipment.
- Each drawing shall be conducted under the supervision of a representative of the Government and shall be final for the purpose of determining prize winners for the particular 6/44 or 6/45 Lotto Consultation drawn.
- 7.3 Subject to any revision of the prize structure by The Mail Service there shall be 5 prize divisions in each 6/44 or 6/45 Lotto Consultation comprising:

Division One:

subscribers who have correctly forecast the 6 winning numbers in any

one game;

Division Two:

subscribers who have correctly forecast any 5 of the 6 winning

numbers plus one or both of the supplementary numbers in any one

game;

Division Three:

subscribers who have correctly forecast any 5 of the 6 winning

numbers in any one game;

Division Four:

subscribers who have correctly forecast any 4 of the 6 winning

numbers in any one game;

Division Five:

subscribers who have correctly forecast any 3 of the 6 winning

numbers, plus one or both of the supplementary numbers, in any one

game:

- 7.4 If in any 6/44 or 6/45 Lotto Consultation no entry contains the correct 6 winning numbers then the Division One prize pool for that 6/44 or 6/45 Lotto Consultation shall jackpot by adding to and forming part of the prize pool distributable to the Division One prize pool in the next 6/44 or 6/45 Lotto Consultation in accordance with this Regulation and Regulations 7.4.2 and 7.4.3.
- 7.5 No six number game shall win more than one prize in any one 6/44 or 6/45 Lotto Consultation.

REGULATION 8 - PAYMENT OF PRIZES

8.1.1 Subject to a rounding off process to the nearest sum containing a five cent multiple, the prize money provided by The Mail Service from subscriptions to the particular consultation shall be distributed as nearly as possible in the percentages listed below:-

Division One:	Six winning Numbers		26.2% thereof
Division Two:	Any five winning numbers plus the supplementary numbers	either of	6.7% thereof
Division Three:	Any five winning numbers		12.4% thereof
Division Four:	Any four winning numbers	energia. Ligares prospers ere s sep rat	21.1% thereof
Division Five:	Any three winning numbers pluthe supplementary numbers	s either of	33.6% thereof

The Mail Service may at their discretion further increase the distributable prize money by appropriations from the Prizes Fund.

- 8.2 Prize money distributable to 6/44 or 6/45 Lotto winners in the first and second divisions shall be paid following expiration of the claim period specified in Regulation 9 and may be reduced if the approved winners exceed the number publicised as provisional winners.
- 8.3 Subject to Regulations 8.4 and 8.11, all prizes in the last three divisions in a 6/44 or 6/45 Lotto Consultation may be collected in the twelve weeks after the draw date at any selling point equipped with a terminal. Uncollected prizes other than those referred to under Regulation 10 shall then be paid at the North Melbourne office of TMS Global Lottery Services.

Other than payments at Accredited outlets to an amount and time limit specified by The Mail Service, all prizes will be paid at the North Melbourne office of TMS Global Lottery Services. Cash will only be paid to the limit specified by The Mail Service and above this payment will be by cheque either personally or by post, or by remittance through a nominated bank account.

The delivery of any prize winning ticket to TMS Global Lottery Services is the responsibility and at the expense of the subscriber. Proof of posting or bank lodgement will not be accepted as proof of delivery.

- 8.5 The subscriber shall accept all risks, losses, delays, errors or omissions which may occur in Australia Post or the banking system and TMS Global Lottery Services shall be under no obligation to send any remittances by registered, recorded or security post. The cost of the remittance of prize money may be deducted and shall be paid by the prize winner.
- 8.6 Subject to Regulation 8.2, prizes for 6 winning numbers or five winning numbers plus either of the supplementary numbers, including any other prizes on these winning entries, shall be paid at the North Melbourne office of TMS Global Lottery Services.
- 8.7 If in any division there is more than one winning game the prize money allocated to that division will be apportioned amongst such winning games equally.
- 8.8 Subject to Regulation 7.4 if there are no winners in any one division the prize pool allocated to that division will be added to the prize pool allocated to the next lower division.
- Subject to Regulation 8.12 and even though a ticket may bear only the name of a syndicate, TMS Global Lottery Services will recognise only the person/s by whom the ticket is surrendered as the absolute owner (and where more than one in equal shares) and except as ordered by a Court of competent jurisdiction shall not be bound to take notice or to see to the execution of any trust whether express, implied or constructive to which any such ticket may be subject. Payment by TMS Global Lottery Services to the person/s surrendering the ticket of any prize money payable thereon shall be a good discharge to TMS Global Lottery Services, notwithstanding any notice TMS Global Lottery Services may have of the right, title, interest or claim of any other person/s to such prize money.
- 8.10 TMS Global Lottery Services shall not be bound by any rule or agreement made between syndicate or group entrants.
- 8.11.1 In order for a ticket to be valid for prize payment the following conditions must be met:
 - a) The ticket must not be mutilated, altered, reconstituted, counterfeit, stolen, stamped paid, cancelled or a duplicate of another ticket and must have been issued in an authorised manner by TMS Global Lottery Services or by an Accredited Representative.

- b) The full ticket details matching the record in regulation 6.2 must appear on the ticket which must not be misregistered, defectively printed or produced in error to an extent that it cannot be processed by TMS Global Lottery Services.
- c) The ticket must pass all other confidential security checks of TMS Global Lottery Services and there must not be any breach of these regulations which in the opinion of TMS Global Lottery Services justifies disqualification.
- d) The ticket held by the subscriber will have no value other than allowing payment of a prize held on the central computer systems, and not previously removed from file by TMS Global Lottery Services.
- 8.11.2 Notwithstanding any other provision contained in these Regulations, TMS Global Lottery Services may require any subscriber claiming a prize to complete a Statutory Declaration prior to payment of such prize, to the effect that the subscriber is not part of any syndicate associated with any person who has acted in contravention of Section 10A of the Consultations Act 1958 (as amended).
- Subject to the discretion of The Mail Service and Regulation 10, no prize money shall be payable in any Consultation save on surrender of the prize winning ticket to TMS Global Lottery Services. The ticket name and address section should be completed before presentation for prize validation, and full identification may be required prior to payment.
- 8.13 Any subscribers who believe that their 6/44 and 6/45 Lotto winning entries have been incorrectly evaluated by TMS Global Lottery Services or who are unable to produce their prize winning ticket may lodge written claims at their cost on forms available from the North Melbourne office of TMS Global Lottery Services.
- 8.14 A terminal produced replacement season ticket supplied on prize payment will be recognised for the next prize validation. The season ticket used for payment ceases to be valid, and only the replacement will be accepted for further prize collection.

REGULATION 9 - MAJOR PRIZES

9.1 Subscribers who believe they are entitled to a prize for 6 winning numbers must contact TMS Global Lottery Services for confirmation. In the case of a prize for 5 winning numbers plus either of the supplementary numbers, the subscriber must seek confirmation by presentation of the ticket at any computer equipped outlet. Confirmation must be sought before the expiration of the claim period as defined in regulation 9.4. Claims for unconfirmed major prizes must be lodged within the claim period.

- 9.2 Claim forms shall be provided at the North Melbourne office of TMS Global Lottery Services. All major prize claims must be forwarded to or lodged at that office and be accompanied by the subscriber's ticket and a self-addressed envelope bearing the correct postage for letter delivery of the The Mail Services' response to the claim.
- 9.3 No major claim shall be entertained unless received in accordance with regulation 9.2 and in the claim period. The lodging of claim forms shall be at the cost and responsibility of the claimant and late lodgement will not be accepted.
- The period for lodging a major prize claim ends on the fourteenth day after the draw date of the consultation in which the prize is claimed. If the fourteenth day, or any day or days immediately preceding it, is a Saturday, Sunday or Public Holiday, the period ends on the last working day prior to the fourteenth day. All such periods end at 3.00pm. Eastern Standard Time or Eastern Summer Time as the case may be, on the nominated day.

REGULATION 10 - PUBLICATION OF RESULTS

TMS Global Lottery Services will publicise the results of each Consultation drawing as soon as practicable after each drawing.

REGULATION 11 - DECISIONS BY THE MAIL SERVICE AND DEFINITIONS

- The subscribers to a 6/44 or 6/45 Lotto Consultation undertake by subscribing to comply with these regulations and to accept the decisions made by The Mail Service as final and binding including the determination of prize winners and the distribution of prize money and the meaning and effect of these regulations.
- If there is an inconsistency between the instructions on an entry coupon or receipted ticket and these regulations, these regulations prevail to the extent of the inconsistency.
- 11.3 Accredited Representative means person/s or corporation/s accredited by The Mail Service to process entries none of whom shall be deemed to be the agent of TMS Global Lottery Services for any of the purposes of a 6/44 or 6/45 Lotto Consultation.
- Supplementary Accredited Representatives are persons associated with an Accredited Representative who will for an agreed handling charge be engaged by the Accredited Representative to effect entries via the Accredited Representative's computer terminal.
- For the payment by a subscriber of a handling charge, an Accredited or Supplementary Representative shall be engaged as the agent of the subscriber for the purpose of processing an entry. TMS Global Lottery Services may deal with the ticket purchaser as the principal and a subscriber using an Accredited or Supplementary Representative will be bound by all acts or omissions of such agents or their servants.

- 11.6 TMS Global Lottery Services shall not be responsible to any subscriber for any neglect, omission, delay or failure by an Accredited Representative or Supplementary Representative to process an entry in accordance with these regulations.
- It shall be a term of the engagement of the Accredited Representative by the subscriber that neither the Accredited Representative nor his servant, Supplementary Accreditation nor agent shall be responsible for any loss, damage or expense which may be sustained by the subscriber by reason of any neglect, omission, delay or failure on the part of the Accredited Representative, his servant, Supplementary Accreditation or agent to properly process any entry.
- The engagement of an Accredited or Supplementary Representative by a subscriber does not exempt the subscriber from observing these regulations.
- Mail entries are entries processed by an Accredited Representative where the subscriber is often remote from a computer terminal, either via the mail or by other means approved by TMS Global Lottery Services.
- 1.10 No Supplementary Accredited Representative or Accredited Representative who accepts entries through the mail has authority to verify the accuracy of or completion by a subscriber of any part of an entry or entry coupon.
- Entries accepted through a Supplementary Accredited Representative or through the mail by a subscriber does not exempt the subscriber from observing these regulations.
- A subscriber who uses the Mail Service or any Supplementary Accreditation shall accept all risks, losses, delays, errors or omissions which may occur in any manner in relation to such entry or prize payment.
- 11.13 The subscriber is bound by this Regulation except in so far as the Trade Practices Act 1974 is deemed to apply.
- These Regulations shall be effective for consultations drawn on and after the 1st day of February 1997. The Regulations in force immediately prior to the draw upon which these Regulations take effect are hereby rescinded in respect of draws that take place after that date. Notwithstanding such rescission the previously operative regulations shall continue to apply to any earlier drawn consultation.

APPENDIX ONE - SEASON PARTICIPATION

A1.1 An entry coupon will have the Week numbers 2, 5 and 10 printed thereon. A subscriber must indicate the number of consecutive Consultations sought to be entered and pay the requisite entry cost plus handling fee.

A1.2 These regulations shall apply to a Season Participation ticket as to each and every Consultation thereby entered and the regulations and all appendices in force at the commencement of the week for which the Season Participation ticket is an entry shall bind the subscriber as to such entry or entries.

APPENDIX TWO - SYSTEM PARTICIPATION

- A2.1 An entry coupon will have Systems 7, 8, 9-20 and Take 4/5 printed thereon. To participate in a System a subscriber must mark the System to be entered. A subscriber shall not mark more than one of these System numbers. A subscriber may enter up to twelve systems of the one type for systems 7 12, and Take 4/5, up to ten systems of the one type for systems 8 and 9, up to six systems of the one type for Systems 10 to 15 and one only of the one type for Systems 16 to 20 on any one entry coupon.
- A2.2 A system entry gives multiple games, each game costing the fee covered in Regulation 4.
- A system entry shall be completed by marking the number of numbers corresponding to the System entered by the subscriber (ie. if System 7 has been marked, seven numbers are marked in Game A: System 8 eight numbers are marked in Game A and so forth).

 Ordinary and System participation shall not be accepted if completed on the on 6/44 or 6/45 Lotto coupon.
- A2.4 Acceptance by a subscriber of a ticket shall constitute an acknowledgment that the System entry numbers recorded thereon are the subscriber's selections subject to Regulation 6.2.
- A2.5 A subscriber may complete a System entry for season or advance participation. The Regulations set out in Appendix One (Seasons Participation) or Appendix Three (Advance Participation) shall apply to such participation.
- A2.6 The provisions of these Regulations shall apply to a System participation entry as to each and every 6/44 or 6/45 Lotto Consultation thereby entered.

APPENDIX THREE - ADVANCE ENTRIES

- A3.1 A subscriber may nominate a future draw number of his choice up to 9 weeks ahead of the current draw for any type of consultation entry embraced by these regulations.
- A3.2 The provisions of Regulation 1 11 inclusive shall apply to an advance sale entry as to each and every Consultation thereby entered and the regulations and all appendices in force at the commencement of the week for which the advance sale ticket of whatever character is an entry shall bind the subscriber as to such entry or entries.



NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 514, Saipan, MP 96950

Tels: (670) 234-6866

234-7689 234-7670

Fax: (670) 234-9021

NORTHERN MARIANAS HOUSING CORPORATION

Citation of

Pursuant to Executive Order No. 94-3; Section 407 of Reorganization Plan Statutory Authority:

No. 2 of 1994; Directive No. 138; the CNMI Administrative Procedure Act, 1 CMC 9101, et. seq., 2 CMC 4433(i), (s), & (t); 4 CMC 10203(a)(2), (5), (17), (29), & (32); and Section 2-201(1) of the CNMI Procurement

Regulations.

Short Statement of

Adopt regulations governing the procurement of goods and services in a Goals & Objectives:

procurement system administered by NMHC.

Brief Summary of

the Rule:

The regulations will set up and govern a procurement system to be

administered by NMHC, so that NMHC may conduct its own

procurement.

For Further

Information Contact:

Marylou S. Ada, Corporate Director, telephone no. 234-9447/7689, fax no.

234-9021 or e-mail at nmhc@gtepacifica.net.

Citation of Related and/or Affected Statutes Regulations

and Orders:

NMHC's proposed procurement regulations as published in the

Commonwealth Register, at Volume 9, Number 5, May 15, 1987.

Fax (670) 532-9441

Fax (670) 433-3690



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NOTICE OF PROPOSED PROCUREMENT REGULATIONS

The Board of Directors of the Northern Marianas Housing Corporation (NMHC) hereby notifies the general public that it has adopted proposed Procurement Regulations to govern the Procurement of goods and services by NMHC.

Copies of the proposed regulations are available at NMHC's Central Office, Garapan, Saipan and its field offices on Tinian and Rota.

NMHC urges the public to submit written comments and recommendations regarding the proposed definition within thirty (30) days after the first publication in the Commonwealth Registrar to the following address:

Northern Marianas Housing Corporation P.O. Box 514 CK Saipan, MP 96950

Dated this 10th day of June,	1998.
Hilleri .	maylor 1 Sa
JUAN S. TENORIO	MARYLOU/\$. ADA
Chairman of the Board	Corporate Director
7/14/98	Received by: Jose I. Deleon Guerrero
Date	Special Assistant for Administration
	Office of the Governor
7/14/98	Received by:
Date	SOLEDAD SASAMOTO
	Registrar of Corporations

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15, 1998 PAGE 15997 "NMHC is an equal employment and fair housing public agency"

Rota Field Office: Tel. (670) 532-9410 Fax (670) 532-9441

Tinian Field Office: Tel. (670) 433-9213 Fax (670) 433-3690

NOTICE OF PROPOSED PROCUREMENT REGULATIONS

Pursuant to Executive Order No. 94-3, Section 407 of Reorganization Plan No. 2 of 1994, Directive No. 138 and the Administrative Procedures Act at 1 CMC 9101, et. seq., the rules and regulations attached hereto have been reviewed and approved by the CNMI Attorney General's Office.

Dated this ____

lay of ______,

Maya B. Kara

Attorney General (Acting)

By:_

Assistant Attorney General



NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 514, Saipan, MP 96950

NUTISIA PUT I PANPONEN REGULASION MANULEN FEKTOS SIHA (670) 234-6866

I Board of Directors Northern Marianas Housing Corporation (NMHC) ginen este ha nutisia (170) 234-9021 pupbliku na esta ha adapta i priniponen Regulasion Manulen Fektos Siha ni para u ginobietna i

Procurement of goods van setbisiu siha ginen NMHC.

Guaha kopian este siha na regulasion guatu gi ofisinan NMHC, giya Garapan, Saipan yan i Ofisinan niha giya Tinian yan Luta.

I NMHC ha sosoyu todu i mannga interes para u fana'halom yan dokomentu yan rekomendasion gi tinige' put i manmaproporopone siha na regulasion gi halom trenta (30) dias despues di ma publika huyong gi Rehistran Commonwealth ya u matugi'e guatu gi siginte na adres:

Northern Marianas Housing Corporation P.O. Box 514 CK Saipan, MP 96950 gi mina' 104% na dia guine names Chairman i Board Direktoran Kotporasion Deleon Guerrero Rinisibi as: Fecha Special Assistant for Administration Ofisina Gubetno Fecha Rinisibi as: SOLEDAD B. SASAMOTO Rhistradoran Kotporasions Sigun gi Otden Eksekatibu Numiru 94-3, Seksiona 407 gi Reorganization Plan Numiru 2 gi sakkan 1994, Directive no. 138 yan i Administrative Procedures Act gi 1 CMC 9101, et seq, i areklamento yan regulasion siha ni chechetton guine esta manmaribisa yan aprebani Ofisinan

na dia guine na mes

NUMBER 07

Ginen: ELLIOTT A. SA Assistantiva பிரையாக அடிக்கையில் and fair housing public agency"

VOLUME

Rota Field Office: Tel. (670) 532-9410 Fax (670) 532-9441

Attorney General giya CNMI.

Mafecha gi mina'

Sally Phund Attorney General COMMONWEALTH REGISTER

Tinian Field Office: Tel. (670) 433-9213

JULY 15, 1998

Fax (670) 433-3690

15999



NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 514, Saipan, MP 96950

Teis: (670) 234-6866 234-9447

234-7689 234-7670

Fax: (670) 234-9021

ARONGORONGOL FFEERUL ALLEGHUL PROCUREMENT

School Board of Directors mellol Northern Marianas Housing Corporation (NMHC) sangi milleel nge nge rekke arongaar toulap igha raaa adaptaali mille Alleghul Procurement iye ebwe lemeli alillisil me bwibwoghul milikka Procurement goods bwe ammwelel NMHC.

Eyoor kopiyaal allegh kkaal mellol Bwulasiyool NMHC iye elo Arabwal, Seiperi me bwulasiyo kka elo Tchuluyol me Luuta.

School NMHC nge rekke tingor ngaliir aramas kka re tipali bwe rebwe ischiitiw meeta tipeer me mangemangiir nge raa atotoolong essobwaluuwlo eliigh (30) ra i sa ngi igha e toowow arongorong yeeel mellol Commonwealth Register nge rebwe afangang ali adres ye faal:

Northern Marianas Housing Corporation P.O. Box 514 CK Saipan, MP 96950

Effeer llot raali ye 104h r	maram ye	1998.
JUANS. TENORIO Chairman il Board		Maylock fle MARYLOU S. ADA Corporate Director
7/14/98 Ral		Jose I. Deleon Guerrero Special Assistant for Administration Bwulasiyo of Gubenno
7/14/98 Ral	Bwughiiyal:	SOLEDAD B. SASAMOTO Rhistradoran Kotporasion

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15, 1998 PAGE 16000 "NMHC is an equal employment and fair housing public agency"

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ARONGORONGOL FFEERUL ALLEGHUL PROCUREMENT

Sangi aileewal me bwangil mille Executive Order No. 94-3, Talil ye 407 mellol Reorganization Plan No. 2 ragh ye 1994, Directive 138 me Administrative Procedures Act 1 CMC 9101, et. seq., nge ale kka e schuu ngali scheekkalnge raa takkal amwuri me allegh sangi bwulasiyool CNMI Attorney General.

Effeer llol raali ye _____ maram ye _____ 1998

Maya B. Kara Attorney General

Sangi : ELLIOTT A. SATTLER

Assistant Attorney General

NMHC PROCUREMENT REGULATIONS

Article 1 - General Provisions

Part A - General

Section 1-101 Purposes.

- (1) Interpretation. These regulations shall be construed and applied to promote their underlying purposes and policies.
- (2) Purposes and Policies. The underlying purposes and policies of these regulations are
 - (a) to provide for increased public confidence in the procedures followed in NMHC's procurement;
 - (b) to insure the fair and equitable treatment of all persons who deal with the procurement system of NMHC;
 - (c) to provide increased economy in the Commonwealth procurement activities and to maximize to the fullest extent practicable the purchasing value of public funds;
 - (d) to foster effective broad-based competition within the free enterprise system; and
 - (e) to provide safeguards for the maintenance of a procurement system of quality and integrity.

Section 1-102 Authority

These regulations are promulgated in accordance with a delegation by the Director of the Division of Procurement and Supplies, pursuant to 2 CMC 4433(i), (s), & (t); 4 CMC 10203(a)(2), (5), (17), (29), & (32); Section 2-201(1) of the CNMI Procurement Regulations, and NMHC Board Resolution No. ____ which gives the Official with Expenditure Authority the duty to control and supervise procurement and supply for the Northern Marianas Housing Corporation.

Section 1-103 Supplementary General Principles of Law Applicable

Unless displaced by the particular provisions of these regulations, the principles of law and equity including, but not limited to, the Uniform Commercial Code of the Commonwealth and the common law of fraud, conflicts of interest, waste, false pretenses, and public purpose shall supplement these regulations.

Section 1-104 Requirement of Good Faith

These regulations require all parties, including NMHC employees and contractors, involved in the negotiation, bidding, performance or administration of NMHC contracts to act in good faith.

Section 1-105 Application of Regulations

Except as otherwise specified by law, these regulations apply to every expenditure of public funds irrespective of source, including federal assistance monies, and Covenant funds, which are not subject to federal procurement requirements. These regulations do not apply to contracts between NMHC and the CNMI government or its political subdivisions or other governments. Nothing in these regulations shall be construed to prevent any governmental body or political subdivision from complying with the terms and conditions of any grant, cooperative agreement or memoranda.

However, funds received for Community Development Block Grant (CDBG) Programs from the U.S. Department of Housing and Urban Development (HUD) will be expended by strict compliance with the Procurement Standards as prescribed in the Office of Management and Budget Circular A-128/133.

These regulations do not apply to employment contracts or contracts for personal services under an excepted service.

Section 1-106 Severability

If any provision of these regulations or any application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, such invalidity shall not affect other provisions or application of these regulations which can be given effect without the invalid provision or application, and to this end, the provisions of

these regulations are declared to be severable.

Section 1-107 Validity of Contract

No NMHC Contract covered by these regulations shall be valid unless it complies with these regulations, as well as all applicable laws and regulations.

Section 1-108 Remedy Against Employee

Any procurement action of an employee of NMHC in violation of these regulations is an action outside the scope of his or her employment. NMHC will seek to have any liability asserted against it by a contractor which directly results from an improper act to be determined judicially to be the individual liability of the employee who committed the wrongful act.

Part B - Definitions

Section 1-201 Definitions

As used in these regulations, unless the context otherwise requires, the following meanings apply:

- (1) "Construction" means the process of building, altering, repairing, improving or demolishing of a public structure or building of public improvements commonly known as "capital improvements". It does not include the routine maintenance of existing structures, buildings or public real property.
- (2) "Contract" means all types of agreements, regardless of what they may be called for the procurement of supplies, services, or construction.
- (3) "Cost-Reimbursement Contract" means a contract under which a contractor is reimbursed for the costs which are allowable and allocable in accordance with the contract terms and these regulations, and a fee, if any.
- (4) "Dispute" means a disagreement concerning the legal rights and obligations of contracting parties, which, if not settled by mutual agreement, must be referred to a neutral third party for resolution.

- (5) "Employee" means an individual receiving a salary from NMHC, including appointive and elective officials and non-salaried individuals preforming personal services for NMHC. Consultants, independent contractors, and part-time workers shall be considered employees.
- "Goods" means all property, including but not limited to equipment, materials, supplies, and other tangible personal property of any kind or nature, printing, insurance, leases of real and personal property, and sale or other disposal of real and personal property.
- (7) "Invitation for Bids" means all documents, whether attached or incorporated by reference, utilized for soliciting bids.
- (8) "Official with Expenditure Authority" means the Chair of NMHC's Board of Directors, or their designee.
- (9) "Person" means an individual, sole proprietorship, partnership, joint venture, corporation, other incorporated or unincorporated association or a private legal entry.
- (10) "Procurement" means buying, purchasing, renting, leasing or acquiring construction, goods or services. It also includes all functions that pertain to the obtaining of construction, goods or services, including description of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.
- (11) "Purchase Description" means the words used in a solicitation to describe the goods, services or construction to be purchased and includes specifications attached to, or made a part of, the solicitation.
- "Responsible" in reference to a bidder, means a person who has the capability in all respects to preform fully the contract requirements, and the integrity and reliability which will assure good faith performance.
- (13) "Responsive" in reference to a bidder, means a person who submitted a bid which conforms in all material respects to the invitation for bids.

- "Services" means the furnishing of time, labor or effort by a person other than an employee, and not involving the delivery of a service and product other than reports, plans and incidental documents.
- (15) "Director" means the Corporate Director of the Northern Marianas Housing Corporation, or Acting Corporate Director.
- (16) "Board" means the Board of Directors for the Northern Marianas Housing Corporation.
- (17) "NMHC" means the Northern Marianas Housing Corporation.

Part C - Public Access

Section 1-301 Public Access to Procurement Information

Procurement information shall be a matter of public record and shall be available for public inspection. Procurement information may be kept confidential when necessary to insure proper bidding procedures. This decision shall be made only by the Official with Expenditure Authority.

Article 2 - Procurement Organization

Part A - Director

Section 2-101 Duties and Authority of the Official with Expenditure Authority

The duties and responsibilities of the Official with Expenditure Authority include, but are not limited to, the following:

- (1) Oversee that the regulations are observed in all NMHC procurement;
- (2) Provide advance planning for the centralized purchase of NMHC supplies;
- (3) Procure and supervise the procurement of all supplies, goods and services needed by NMHC;

- (4) Conduct bidding, procurement, negotiation, or administration of NMHC contracts;
- (5) Sell, trade or otherwise dispose of surplus supplies belonging to NMHC;
- (6) Exercise general supervision and control over all inventories of supplies belonging to NMHC;
- (7) Exercise general oversight and control on the use of physical assets and other capital equipment to prevent waste or abuse or other unauthorized use; and
- (8) Establish and maintain programs for the inspection, testing and acceptance of supplies.

Section 2-102 Contract Oversight

- (1) All contracts must first be prepared by the Official with the Expenditure Authority, who shall certify that they have complied with these regulations, that the proposed contract is for a public purpose, and does not constitute a waste or abuse of Public funds. All contract documents must be complete including attachments and exhibits, if they are incorporated into the contract by reference.
- (2) Upon the initiative of the Official with Expenditure Authority or upon the request of the Public Auditor, the Official with Expenditure Authority may refer any contract to the Public Auditor for a recommendation before they approve or disapprove the contract.
- (3) The contract shall next be approved by NMHC's Chief Accountant or designee, who shall certify the availability of funds. If the Chief Accountant finds any aspect of the contract to be deficient or defective in any respect, they shall return the contract to the Official with Expenditure Authority for appropriate resolution.
- (4) The fourth review is that of the NMHC's legal counsel, who shall certify the contract as to form and legal capacity.
- (5) After completing the above steps, the Official with Expenditure Authority shall review the contract documents for completeness. If they are satisfied, they shall sign

in the appropriate space and shall proceed with contract implementation according to the terms contained therein.

- (6) It is the responsibility of the Official with Expenditure Authority to ensure that the contractor does not sign the contract or incur any expenses under it until all necessary government signatures have been obtained. The supervision and inspection of a project is the primary responsibility of the Official with Expenditure Authority.
- (7) No contract is effective against NMHC until all of the parties whose signatures are required on the contract form have signed the contract. A contract shall contain a Right to Audit Records Clause.

Section 2-103 Split Contracts

If the Official with Expenditure Authority determines that a contract has been split into subcontracts for the purpose of avoiding bidding or if a change order is unreasonably being made in a contract to increase the contract price where a contract has been bid and awarded to the lowest responsible and responsive bidder, the Official with Expenditure Authority may require the contract or the modification to be competitively bid. An unreasonable modification or change order would be, for example, one which would have been reasonably foreseeable at the time of the formation of the contract.

Section 2-104 Acceptance of Gratuities by the Director, Chairman, Members of the Board and NMHC Employees.

In addition to the restrictions found in Section 6-205, the Chairman, all board members, Director, and employees of NMHC shall not accept any gift of value from any person with the intent to influence their business judgement or give the appearance of impropriety.

Part B - Procurement Function

Section 2-201 Delegation of Purchasing Authority

The Official with Expenditure Authority, shall be responsible for all procurement

transactions, including expenditure authority to conduct bidding, procurement, negotiation and the administration of contracts involving funds appropriated to NMHC. All such activity must be in compliance with these regulations. These regulations, as adopted by the Board, shall be adhered to and should a case arise that needs support not defined in this policy, the Procurement Regulations as adopted on September 12, 1990 by the CNMI (Central) Government, will be consulted and followed.

Article 3 - Source Selection and Contract Formation

Part A - Source Selection

Section 3-101 Methods of Source Selection

Unless otherwise authorized by law or by regulation, all NMHC contracts shall be awarded by competitive sealed bidding, except as provided in:

(1)	Section 3-103	(Small Purchases);
(2)	Section 3-106	(Competitive Sealed Proposals);
(3)	Section 3-107	(Professional Services);
(4)	Section 4-102	(Architect-Engineer Services);

(5) Contracts referred to the Division of Procurement pursuant to CNMI Procurement Regulation 2-202.

Section 3-102 Competitive Sealed Bidding

- (1) Invitation for Bids. An invitation for bids shall be issued and shall include the minimum:
 - (a) an invitation for bids number;
 - (b) date of issuance;

- (c) name, address, and location of issuing office;
- (d) specific location where bids must be submitted;
- (e) date, hour, and place of bid opening;
- (f) a purchase description in sufficient detail to permit full and open competition and allow bidders to properly respond;
- (g) quantity to be furnished;
- (h) time, place, and method of delivery or performance requirements;
- (i) essential contractual terms and conditions; and
- (j) any bonding requirements.
- (2) Public Notice. Adequate public notice of the invitation for Bids shall be given a reasonable time prior to the date set forth for the opening of bids. Publication of notice in a newspaper of general circulation in the Commonwealth once in each week over a period of thirty (30) calendar days shall be deemed to be adequate notice.
- (3) Bidding Time. A bidding time of at least thirty (30) calendar days shall be provided, unless the Official with Expenditure Authority determines a shorter period is reasonable and necessary.
- (4) Bid Receipt. All bids shall be submitted to NMHC. Bids shall be received prior to the time set for opening and shall be maintained sealed in a locked receptacle at the NMHC Saipan office. Bids submitted from vendors outside the Commonwealth must be postmarked by the date set in the Invitation for Bids and must be received within seven (7) working days of that date. Bidders outside the Commonwealth must notify the Official with Expenditure Authority in writing of their intent to bid in order to receive this additional seven (7) days for the receipt of the actual bid documents. This notice of intent to bid may be by any mode of written communication including telex, facsimile or other electronic transmission.

If a bid is opened by mistake, it shall be resealed and the person who opened the bid

shall write their signature and print their title on the envelope and deliver it to the Official with Expenditure Authority. No information contained in the bid shall be disclosed prior to the bid opening. The Official with Expenditure Authority shall cause the opened bid to be placed into the sealed receptacle.

- (5) Bid Opening. The bid opening shall be conducted by the Official with Expenditure Authority. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation for Bids. The Official with Expenditure Authority shall be present at the bid opening. The bids received prior to the bid closing date shall be publicly opened. The amount of each bid, together with the name of each bidder shall be recorded, the record and each bid shall be open to public inspection. The Official with Expenditure Authority shall prepare a written summary of the bid opening
- (6) Bid Acceptance and Bid Evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in these regulations. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria as is necessary to reasonably permit a determination as to the acceptability of the bid for the particular purpose intended.
- (7) Bid Rejection. A bid may be rejected for any of the following reasons:
 - (a) failure to conform to essential requirements of the Invitation for Bids such as specifications or time of delivery;
 - (b) imposition of conditions or restrictions in the bid which modify requirements of the invitation or limit the bidder's liability to NMHC. For example, bids shall be rejected in which the bidder:
 - (1) protects against future changes in conditions, such as increased costs;
 - (2) fails to state a price and indicates that price shall be the price in effect at the time of delivery;
 - (3) states a price but qualifies it as subject to price in effect at time of delivery; or

- (4) limits the rights of NMHC.
- (c) unreasonableness as to price;
- (d) a bid from a non responsible bidder.
- (8) Correction or Withdrawal of Bids; Cancellation of Awards. Correction or withdrawal of inadvertently erroneous bids, before or after award, or cancellation of awards or contracts based on bid mistakes must be approved by the Official with Expenditure Authority in writing. After the bid opening, no changes in bid price or other provisions of bids prejudicial to the interest of NMHC or fair competition shall be allowed. Whenever a bid mistake is suspected, NMHC shall request confirmation of the bid prior to award. In such an instance, if the bidder alleges an error, NMHC shall only permit correction of the bid or withdrawal of the bid in accordance with subparagraph (a) or (b).
 - (a) Correction of bids. Correction of bids shall only be permitted when:
 - (1) an obvious clerical mistake is clearly evident from examining the bid document. Examples of such mistakes are errors in addition or the obvious misplacement of a decimal point; or
 - (2) the otherwise low bidder alleges a mistake and the intended bid is evident from the bid document or is otherwise supported by clear and convincing evidence as to the bid intended and the corrected bid remains the low bid. A low bidder may not be permitted to correct a bid mistake resulting from an error in judgement.
 - (b) Withdrawal of Bids. Withdrawal of a bid shall only be permitted where the otherwise low bidder alleges a mistake and there is clear and convincing evidence as to the existence of a mistake.
 - (c) Cancellation of Awards. Cancellation of awards or contracts shall only be permitted when:

- (1) evidence as to the existence of the mistake is not discovered until after the award;
- (2) there exists no clear and convincing evidence to support the bid intended; and
- (3) performance of the contract at the award price would be unconscionable.

(9) Award

- (a) The contract must be awarded with reasonable promptness by written notice to the lowest responsive bid by a responsible bidder whose bid fully meets the requirements of the invitation for bids and these regulations. Unsuccessful bidders shall also be promptly notified.
- (b) Notice of an award shall only be made by the presentation of a contract with all of the required signatures to the bidder. No other notice of an award shall be made orally or by letter. No acceptance of an offer shall occur nor shall any contract be formed until an NMHC contract is written and has been approved by all the officials required by law and regulation. NMHC contracts shall contain a clause which states that the signature of the private contractor shall be the last in time to be affixed to a contract and that no contract can be formed prior to the approval of all required NMHC officials.
- (c) In the event all bids exceed available funds and the bid of the lowest responsive and responsible bidder does not exceed those funds by more than five percent (5%), and time or economic considerations preclude re-solicitation of work of a reduced scope, the Official with Expenditure Authority may be authorized to negotiate an adjustment of the bid price, including changes in bid requirements, with the lowest responsive and responsible bidder in order to bring the bid price within the amount of available funds. The negotiation shall be documented in writing and attached to the bidding documents.

Section 3-103 Small Purchases

- (1) Any procurement not exceeding the amounts established herein may be made in accordance with small purchase procedures. However, procurement requirements shall not be artificially divided so as to constitute a small purchase.
- (2) Bidding is not required for procurement under \$2,500.00.
- (3) Bidding is not required but is encouraged for procurement over \$2,500.00 and under \$10,000.00. The official with expenditure authority must obtain written price quotations from at least three (3) vendors and base the selection on competitive price and quality for procurement valued at \$2,500.00 to \$10,000.00.
- (4) Purchase orders may be utilized for small purchases in subparagraphs (2) only. In no other instance may purchase orders be utilized instead of contracts.
- (5) This section shall not apply to lease or purchase of vehicles, machinery, and equipment. Any lease or purchase of vehicles, machinery, and equipment shall be procured pursuant to Section 3-102 or other applicable provisions of these regulations.

Section 3-104 Competitive Sealed Proposals

- (1) Conditions for use. When the Official with Expenditure Authority determines in writing that the use of a competitive sealed bidding is either not practical or not advantageous to NMHC, a contract may be entered into by competitive sealed proposals.
- (2) Request for proposals. Proposals shall be solicited through a Request For Proposals.
- (3) *Public notice*. Adequate public notice of the request for proposals shall be given in the same manner as provided for in competitive sealed bids.
- (4) Receipt of proposals. Proposals shall not be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared and opened for public inspection after contract

award.

- (5) Evaluation factors. The request for proposals shall state the relative importance of price and other evaluation factors.
- (6) Discussion with responsible offerors and revisions to proposals. A s provided in the request for proposals, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of clarification and to insure full understanding of, and responsiveness to, solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submission and prior to award for the purpose of obtaining the best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- (7) Award. Award shall be made to the responsible offeror whose proposal is determined in writing to be most advantageous to NMHC taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation and the contract file shall contain the basis on which the award is made.

Section 3-105 Competitive Selection Procedures for Professional Services

- (1) Procurement method. The Services of accountants, advisors or lawyers shall be procured as provided in this section except when authorized as a small purchase.
- (2) Policy. It is policy to publicly announce all requirements for professional services and negotiate contracts on the basis of demonstrated competence and qualifications at a fair and reasonable price. NMHC shall maintain files of current statements of qualifications of professional firms. Persons engaged in providing professional services may submit statements of qualifications and expressions of interest providing such types of services. Persons may amend these statements at any time by filing a new statement.
- (3) Public Announcement and Form of Request For Proposals. A dequate notice of the need for such services shall be given by the Official with Expenditure

Authority through a request for proposal. The Request For Proposals shall describe the services required, list the type of information and data required of each offeror and state the relative importance of particular qualifications.

- (4) Discussions. The Official with Expenditure Authority may conduct discussions with any offeror who has submitted a proposal to determine such offerors qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other offerors.
- (5) Award. Award shall be made to the offeror determined in writing by the Official with Expenditure Authority to be the best qualified based on the evaluation factors set forth in the request for proposals, and negotiation of compensation determined to be fair and reasonable. If compensation cannot be agreed upon with the best qualified offeror then negotiations will be formally terminated with the selected offeror. If proposals were submitted by one or more other offerors determined to be qualified, negotiations may be conducted with such other offeror or offerors, in the order of their respective qualification ranking, and the contract may be awarded to the offeror then ranked as best qualified if the amount of compensation is determined to be fair and reasonable.

Part B - Cancellation of Invitation for Bids or Requests for Proposals

Section 3-201 Cancellation

An invitation for bids or request for proposals may be canceled, and any and all bids or proposals may be rejected, when such action is determined in writing by the Official with Expenditure Authority to be in the best interest of NMHC based on:

- (1) inadequate or ambiguous specifications contained in the solicitation;
- (2) specifications which have been revised;
- (3) goods or services being procured which are no longer required;
- (4) inadequate consideration given to all factors of cost to NMHC in the solicitation;

- (5) bids or proposals received indicate that the needs of NMHC can be satisfied by a less expensive good or service;
- (6) all offerors with acceptable bids or proposals received are at unreasonable prices;
- (7) bids were collusive; or
- (8) cancellation is determined to be in the best interest of NMHC.

Part C - Qualifications and Duties

Section 3-301 Responsibility of Bidders and Offerors

- (1) Awards shall be made only to responsible contractors. To be determined responsible, a prospective contractor must;
 - (a) have adequate financial resources to perform the contract, or the ability to obtain them;
 - (b) be able to comply with the required delivery or performance record;
 - (c) have a satisfactory performance record;
 - (d) have a satisfactory record of integrity and business ethics;
 - (e) have the necessary organization, experience and skills, (or the ability to obtain them), required to successfully perform the contract;
 - (f) have the necessary production, construction and technical equipment facilities, or the ability to obtain them; and
 - (g) be otherwise qualified and eligible to receive an award under applicable law and rules.
- (2) Obtaining information. Prior to award, the Official with Expenditure Authority shall obtain information from the bidder or offeror necessary to

make a determination of responsibility using the factors in paragraph 1 above. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for determination of non-responsibility with respect to that bidder or offeror.

- (3) Right of Non-Disclosure. Information furnished by a bidder or offeror pursuant to paragraph two (2) may not be disclosed outside of NMHC or any involved government agency without prior consent by the bidder or offeror.
- (4) Non responsibility determination. When a bid or proposal on which a contract award would otherwise be made is rejected because the prospective contractor is found to be non-responsible, a written determination shall be signed by the Official with Expenditure Authority stating the basis for the determination and this shall be placed in the contract file.

Section 3-302 Pre-qualification of Contractors

Prospective suppliers of goods services may be pre-qualified for particular types of construction, goods and services when determined necessary by the Official with Expenditure Authority. Opportunity for qualification before solicitation shall be afforded to all suppliers. Solicitation mailing lists of potential contractors shall include, but shall not be limited to, pre-qualified suppliers. In no event will bidders be allowed to qualify after the bid opening.

Part D - Types of Contracts

Section 3-401 Types of Contracts

- (1) Use of a cost-plus-a-percentage-of-cost and percentage of construction cost methods of contracting are prohibited.
- (2) NMHC contracts shall utilize a firm fixed price unless use of cost reimbursement contract is justified under paragraph 3.
- (3) A cost reimbursement contract may be used when the official with expenditure authority determines in writing which is attached to the contract that:

- (a) uncertainties in the work to be performed make the cost of performance too difficult to estimate with the degree of accuracy required for a firm fixed price contract; or
- (b) use of a cost reimbursement contract is likely to be less costly to NMHC than any other type due to the nature of the work to be performed under the contract.

Part E - Inspection and Audit

Section 3-501 Right to Inspect Place of Business

NMHC may at reasonable times, inspect the place of business of a contractor or any subcontractor which is related to the performance of any contract awarded or to be awarded by NMHC.

Section 3-502 Right to Audit Records

As required by Section 404 of Public Law No. 3-91, the contractor and subcontractor or grantee and subgrantee at all levels shall provide the Public Auditor of the Commonwealth with access to and the right to examine and copy any records, data or papers relevant to a NMHC contract or grant for a period of three (3) years after the final payment under the contract or grant. A clause to this effect shall appear in all NMHC contracts and obligations.

Part F - Reports and Records

Section 3-601 Report of Anti-competitive or Deceptive Practices

When for any reason any person suspects the following practices are occurring among bidders, offerors, contractors or subcontractors, a notice of the relevant facts shall be transmitted by the Official with Expenditure Authority to the Attorney General without delay:

- (1) unfair methods of competition;
- (2) deceptive acts; or

(3) unfair business practices.

These acts are more fully defined at 4 CMC §5101 through §5206.

Section 3-602 Retention of Procurement Records

- (1) All procurement records shall be retained by the Official with Expenditure Authority through the maintenance of procurement files by NMHC. The Director shall oversee said files and ensure that the same are kept in good order and comply with these regulations.
- (2) All procurement records, except those designated herein as not subject to disclosure, shall be available to public inspection.

Article 4 - Procurement of Construction and Architect - Engineer Services

Section 4-101 Construction Procurement

- (1) Invitation for Bids
 - (a) Deposit. The Official with Expenditure Authority shall determine the amount of deposit required for potential bidders to obtain the Invitation for Bids.
 - (b) Contents. The Invitation for Bids shall be prepared in accordance with Section 3-102(1). In addition, the following items shall be included in the Invitation for Bids:
 - (i) Notice to Bidders. General Information regarding the project;
 - (ii) Instructions to Bidders. Information on the preparation of bids, bid security requirements, forms, and certifications that must be submitted with the bid;
 - (iii) General Conditions. Standard contract clauses governing the

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performance of work;

- (iv) Special Conditions. Special contract clauses depending on the nature and dollar amount of the work to be performed; and
- (v) Technical Specifications. Specifications governing the technical aspects of the work to be performed.

(2) Bid Security.

- (a) Requirement. Bid security shall be required for all competitive sealed bidding construction contracts where the price is established by the Official with Expenditure Authority to exceed twenty-five thousand (\$25,000.00) dollars or when the Official with Expenditure Authority determines it is in the interest of NMHC. Bid security shall be on a bid bond, in cash, by certified check, or other form acceptable to NMHC. A surety company shall hold the certificate of authority from the U.S. Secretary of the Treasury as an acceptable surety or other surety acceptable to the Attorney General.
- (b) Amount. Bid security shall be an amount equal to at least fifteen percent (15%) of the amount of the bid or other amount as specified in the Invitation for Bids depending upon the source of funding.
- (c) Rejection of Bid. Failure to furnish bid security when required by the invitation, shall result in rejection of the bid as non-responsive.

(3) Contract Performance and Payment Bonds.

- (a) When a construction contract is awarded in excess of twenty-five thousand (\$25,000.00) dollars, the following bonds or security shall be delivered to NMHC and shall become binding on the parties upon the execution of the contract:
 - (i) a performance bond satisfactory to NMHC executed by a surety company authorized to do business in the Commonwealth, or otherwise secured in a manner satisfactory to the NMHC, in an

amount equal to one hundred percent (100%) of the price specified in the contract; and

- (ii) a payment bond satisfactory to NMHC, executed by a surety company authorized to do business in the Commonwealth, or otherwise secured in a manner satisfactory to NMHC, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to one hundred percent (100%) of the price specified in the contract.
- (4) Suits on Payment Bonds; Right to Institute. Every person who has furnished labor or material to the contractor or its subcontractors for the work provided in the contract, in respect of which a payment bond is furnished under this section, and who has not been paid in full therefor before the expiration of a period of ninety (90) days after the day on which the last of the labor was done or performed by such person or material was furnished or supplied by such person for which such claim is made, shall have the right to sue on the payment bond for the amount, or the balance thereof. unpaid at the time of institution of such suit and to prosecute said action for the sum or sums justly due such person; provided, however, that any person having a direct contractual relationship with a subcontractor of the contractor, but no contractual relationship express or implied with the contractor furnishing said payment bond, shall have a right of action upon the payment bond upon giving written notice to the contractor within ninety (90) days from the date on which such person did or performed the last of the labor or furnished or supplied the last of the material upon which such claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the material was furnished or supplied or for when the labor was done or performed. Such notice shall be personally served or served by mailing the same by registered or certified mail, postage prepaid, in an envelope addressed to the contractor at any place the contractor maintains an office or conducts its business.
- (5) Suits on Payment Bonds; Where and When Brought. Every suit instituted upon a payment bond shall be brought in a court of competent jurisdiction for the Commonwealth; but no such suit shall be commenced after the expiration of one (1) year after the day on which the last of the labor was performed or material was

supplied by the person bringing suit. The obligee named in the bond need not be joined as a party in any suit.

(6) Fiscal Responsibility. Every contract modification, change order, or contract price adjustment under a construction contract shall be subject to prior written certification by NMHC as to the effect of the contract modification, change order or adjustment in contract price on the total budget or the total contract budget. In the event that the certification discloses a resulting increase in the total project budget and/or the total contract budget, such contract modification, change order or adjustment in contract price shall not be made unless sufficient funds are available therefore, or the scope of the project or contract is adjusted so as to permit the degree of completion that is feasible within the total project budget and/or total contract budget as it existed prior to the price under consideration; provided, however, that with respect to the validity, as to the Contractor, of any executed contract modification, change order or adjustment in contract price which the contractor has reasonably relied upon, it shall be presumed that there has been compliance with the provisions of this subsection.

Section 4-102 Architect-Engineer Services

- (1) Procurement Method. Architect-Engineer services shall be procured as provided in this section except when authorized as a small purchase.
- (2) *Policy*. It is the policy to publicly announce all requirements for architect-engineer services and negotiate contracts on the basis of demonstrated competence and qualifications at a fair and reasonable price.
- (3) Selection. The Technical Division of NMHC and the Technical Services Division of the Department of Public Works shall jointly maintain files of current statements of qualifications of architect-engineer firms. After public announcement of requirement for architect-engineer services, current statements shall be reviewed together with those that may be submitted by other firms in response to the announcement. Discussions shall be conducted with at least three (3) of the firms regarding the contract requirements and technical approach and selection made therefrom, in order of preference, of not less than three (3) firms determined to be the most highly qualified to perform the services required.

(4) Negotiation. The Official with Expenditure Authority shall negotiate a contract with the highest qualified architect-engineer firm at a price determined to be fair and reasonable to NMHC. If a fair and reasonable price cannot be negotiated, negotiations shall be terminated and negotiations shall be undertaken with the second highest qualified firm. If a fair and reasonable price cannot be negotiated, negotiations shall be terminated and negotiations shall be undertaken with the third highest qualified firm. If a fair and reasonable price cannot be negotiated with any of the firms, then the Official with Expenditure Authority shall select additional firms in order of competence and qualifications and continue negotiations until a fair and reasonable price is agreed upon.

Article 5 - Protests and Disputes

Part A - Bid Protests and Appeals

Section 5-101 Protests to NMHC

(1) General

- (a) Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest to the Official with Expenditure Authority. The protest shall be received by NMHC in writing within ten (10) days after such aggrieved person knows or should have known of the facts giving rise thereto. NMHC shall consider all protests or objections to the award of a contract, whether submitted before or after award. If a protest is oral and the matter cannot be resolved, written confirmation of the protest shall be requested by NMHC. The written protest shall state fully the factual and legal grounds for the protest;
- (b) Other persons, including bidders, involved in or affected by the protest shall be given notice of the protest and its basis in appropriate cases. These persons shall also be advised that they may submit their views and relevant information to NMHC within a specified period of time. Normally, the time specified will be one (1) week. Exceptions are to be considered exceptional and will be granted sparingly;

- (c) The Official with Expenditure Authority shall decide the protest within twenty (20) calendar days after all interested parties have submitted their views unless the Official with Expenditure Authority certifies that the complexity of the matter requires a longer time, in which event they shall specify the appropriate longer time;
- (d) When a protest, before or after award, has been appealed to the Public Auditor, as provided in these procedures, and NMHC is requested to submit a report, NMHC should include with their report a copy of;
 - (i) the protest;
 - (ii) the bid submitted by the protesting bidder and a copy of the bid of the bidder who is being considered for award, or whose bid is being protested;
 - (iii) the solicitation, including the specifications on portions relevant to the protest;
 - (iv) the abstract of offers or relevant portions;
 - (v) any other documents that are relevant to the protest; and
 - (vi) The Official with Expenditure Authority's signed statement setting forth findings, actions, and recommendations and any additional evidence or information deemed necessary in determining the validity of the protest. The statement shall be fully responsive to the allegation of the protest. If the award was made after receipt of the protest, the Official with Expenditure Authority's report will include the determination prescribed in subparagraph (2)(d) below.
- (e) Since timely action on protests is essential, they should be handled on a priority basis. Upon receipt of notice that an appeal from the Official with Expenditure Authority's decision has been taken to the Public Auditor, NMHC shall immediately begin compiling the information necessary for a report as provided in subsection (d) above. To further

expedite processing, the official who furnishes the agency's report should, upon request of the protestor or the Public Auditor, simultaneously furnish a complete copy (except for information privileged by law or which NMHC deems must be confidential in order to benefit from competitive bidding) to the protestor. In such instances, the protestor shall be requested to furnish a copy of any comments on the administrative report directly to the Public Auditor as well as NMHC.

(2) Protests Before Award:

- (a) NMHC shall require that written confirmation of an oral protest be submitted by the time specified in section 5-101(1)(a) and may inform the protestor that the award will be withheld until the specified time. If the written protest is not received by the time specified, the oral protest may be disregarded. An award may be made in the normal manner unless the Official with Expenditure Authority finds it necessary in their discretion to take remedial action.
- (b) When a proper protest against the making of an award is received, the award will be withheld pending disposition of the protest. The bidders whose bids might become eligible for award shall be informed of the protest. In addition, those bidders shall be requested, before expiration of the time for acceptance of their bids, to extend the time for acceptance to avoid the need for re-advertisement. In the event of failure to obtain such extensions of bids, consideration shall be given to proceeding with an award under subparagraph (c) below.
- (c) When written protest is received, award shall not be made until the matter is resolved, unless NMHC determines that:
 - (i) the materials and services to be contracted for are urgently required;
 - (ii) delivery or performance will be unduly delayed by failure to make award promptly; or

- (iii) a prompt award will otherwise be advantageous to NMHC.
- (d) If award is made under subparagraph (c) above, NMHC shall document the file to explain the need for an immediate award. NMHC also shall give written notice to the protestor and others concerned of the decision to proceed with the award.

(3) Protests After Award:

Although persons involved in or affected by the filing of a protest after award may be limited, in addition to the Official with Expenditure Authority, at least the contractor shall be furnished the notice of protest and its basis in accordance with subparagraph (1)(b) above. When it appears likely that an award may be invalidated and a delay in receiving the supplies or services is not prejudicial to NMHC's interest, NMHC should consider seeking a mutual agreement with the contractor to suspend performance on a no-cost basis.

(4) Computation of Time:

- (a) Except as otherwise specified, all "days" referred to in this part are deemed to be working days of NMHC. The term "file" or "submit" except as otherwise provided refers to the date of transmission.
- (b) In computing any period of time prescribed or allowed by these procedures, the day of the act or event from which the designated period of time begins to run shall not be included.

Section 5-102 <u>Appeals of Official with Expenditure Authority's Decisions to the Public Auditor.</u>

(1) Jurisdiction; Exhaustion of Remedies. A written appeal to the Public Auditor from a decision by the Official with Expenditure Authority may be taken provided that the party taking the appeal has first submitted a written protest to the Official with Expenditure Authority as provided in section 5-101 of these Procedures, and the Official with Expenditure Authority has denied the protest or has failed to act on the protest within the time provided for in section 5-101(1)(c) above.

- (2) Form of Appeal. No particular form of pleading is required for filing an appeal to the Public Auditor. The appeal shall, however:
 - (a) Include the name and address of the appellant;
 - (b) Identify NMHC as the contracting agency and the number of the solicitation or contract;
 - (c) Contain a concise, logically arranged, and direct statement of the grounds for appeal; and
 - (d) Specifically request a ruling by the Public Auditor.
- (3) Time for Filing Appeal. An appeal from the Official with Expenditure Authority's decision must be received by the office of the Public Auditor not later than ten (10) days after the appellant receives the decision of the Official with Expenditure Authority, or, in the event that the Official with Expenditure Authority has not decided the protest within the ten (10) days from the date that they should have decided the protest pursuant to Section 5-101(1)(c) above. Any appeal received after these time limits shall not be considered by the Public Auditor unless good cause is shown or unless the Public Auditor determines that the appeal presents issues significant to procurement practices that are not outweighed by the detriment to the Commonwealth should the appeal be considered.
- (4) Notice of Protest, Submission of the Official with Expenditure Authority's Report and Time for Filing of Comments on Report.
 - (a) The Public Auditor shall notify the Official with Expenditure Authority by telephone and in writing within one (1) day of the receipt of an appeal, requesting the Official with Expenditure Authority to give notice of the appeal to the contractor if award has been made or, if no award has been made, to all bidders or proposers who appear to have a substantial and reasonable prospect of receiving an award if the appeal is denied. The Official with Expenditure Authority shall be requested to furnish in accordance with section 5-101(1)(b) of these procedures copies of the protest and appeal documents to such parties with instructions to communicate further directly with the Public Auditor.

- (b) Material submitted by an appellant will not be withheld from any Commonwealth or federal agency which may be involved in the appeal except to the extent that the withholding of information is permitted or required by law or regulation. If the appellant considers that the protest contains material which should be withheld, a statement advising of this fact must be affixed to the front page of the appeal document and the allegedly proprietary information must be so identified wherever it appears.
- (c) The Public Auditor shall request the Official with Expenditure Authority to submit a complete report on the appeal to the Public Auditor as expeditiously as possible (generally within twenty-five (25) working days) in accordance with Section 5-101(1)(d) of these Procedures and to furnish a copy of the report to the appellant and other interested parties as defined in Section 5-101(1)(b).
- (d) Comments on the Official with Expenditure Authority's report shall be filed with the Public Auditor within ten (10) days after the Public Auditor's receipt of the report, with a copy to the Official with Expenditure Authority and to other interested parties. Any rebuttal an appellant or interested party may care to make shall be filed with the Public Auditor within five (5) days after receipt of the comments to which rebuttal is directed, with a copy to the Official with Expenditure Authority, the appellant, and interested parties, as the case may be. Unsolicited rebuttals by the Official with Expenditure Authority shall be considered if filed within five (5) days after receipt by the agency of the comments to which rebuttal is directed.
- (e) The failure of an appellant or any interested party to comply with the time limits stated in this section may result in resolution of the appeal without consideration of the comments untimely filed.
- (5) Withholding of Award. When an appeal has been filed before award, the Official with Expenditure Authority, will not make an award prior to resolution of the protest except as provided in this section. In the event the Official with Expenditure Authority determines that award is to be made during the pendency of an appeal, the Official with Expenditure Authority will notify the Public Auditor.

- (6) Furnishing of Information on Protests. The Public Auditor shall, upon request, make available to any interested party information bearing on the substance of the appeal which has been submitted by interested parties or agencies except to the extent that withholding of information is permitted or required by law or regulation. Any comments thereon shall be submitted within a maximum of ten (10) days.
- (7) Time for Submission of Additional Information. Any additional information requested by the Public Auditor from the appellant or interested parties shall be submitted no later than five (5) days after the receipt of such request. If it is necessary to obtain additional information from the Official with Expenditure Authority, the Public Auditor will request that such information be furnished as expeditiously as possible.

(8) Conference.

- (a) A conference on the merits of the appeal with the Public Auditor may be held at the request of the appellant, any other interested party, or the Official with Expenditure Authority. Request for a conference should be made prior to the expiration of the time period allowed for filing comments on the Official with Expenditure Authority's report. Except in unusual circumstances, requests for a conference received after such time will not be honored. The Public Auditor will determine whether a conference is necessary for resolution of the appeal.
- (b) Conferences normally will be held prior to expiration of the period allowed for filing comments on the Official with Expenditure Authority's report. All interested parties shall be invited to attend the conference. Ordinarily, only one conference will be held on an appeal.
- (c) Any written comments to be submitted and as deemed appropriately by the Public Auditor as a result of the conference must be received in the Office of the Public Auditor within five (5) days of the date on which the conference was held.
 - (i) Time for Decision; Notice of Decision: The Public Auditor shall, if possible, issue a decision on the appeal within twenty-five (25) days after all information necessary for the resolution of the

appeal has been received. A copy of the decision shall immediately be mailed or otherwise transmitted to the appellant, other participating parties, and the Official with Expenditure Authority.

(9) Request for Consideration:

- (a) Reconsideration of a decision of the Public Auditor may be requested by the appellant, any interested party who submitted comments during consideration of the protest, the Official with Expenditure Authority, and any agency involved in the protest. The request for reconsideration shall contain a detailed statement of the factual and legal grounds upon which reversal or modification is deemed warranted, specifying any errors of law made or information not previously considered.
- (b) Request for reconsideration of a decision of the Public Auditor shall be filed not later than ten (10) days after the basis for reconsideration is known or should have been known, whichever is earlier. The term "filed" as used in this section means receipt in the Office of the Public Auditor.
- (c) A request for reconsideration shall be subject to these bid protest procedures consistent with the need for prompt resolution of the matter.

Section 5-103 Remedies.

- (1) Remedies Prior to Award. If prior to award the Official with Expenditure Authority or the Public Auditor determines that a solicitation or proposed award of a contract is in violation of law or regulation, then the solicitation or proposed award shall be:
 - (a) canceled; or
 - (b) revised to comply with law or regulation.
- (2) Remedies After an Award. If after an award the Official with Expenditure Authority or the Public Auditor determines that a solicitation or award of a contract

is in violation of law or regulation, then:

- (a) If the person awarded the contract has not acted fraudulently or in bad faith:
 - (i) the contract may be ratified and affirmed, provided it is determined that doing so is in the best interest of NMHC; or
 - (ii) the contract may be terminated and the person awarded the contract shall be compensated for the actual expenses reasonably incurred under the contract, plus a reasonable profit, prior to termination;
- (b) if the person awarded the contract has acted fraudulently or in bad faith:
 - (i) the contract may be declared null and void; or
 - (ii) the contract may be ratified and affirmed if such action is in the best interests of NMHC, without prejudice to NMHC's rights to such damages as may be appropriate.
- (3) Finality of Findings of Fact by the Public Auditor. A determination of an issue of fact by the Public Auditor under these Procedures shall be final and conclusive unless arbitrary, capricious, fraudulent, or clearly erroneous.

Section 5-104 Effective Date.

All protests as to the manner of bidding, the failure to properly award a bid, the failure of NMHC to contract with a business after bidding, or the cancellation of bids which may or may not be subject of lawsuit but have not reached final judgment as of the effective date of these regulations shall be heard in accordance with this Part upon the request of the actual or prospective bidder, offeror, or contractor who is aggrieved.

Part B - Disputes

Section 5-201 Disputes

- (1) Any dispute between NMHC and a contractor relating to the performance, interpretation of or compensation due under a contract, which is the subject of these regulations, must be filed in writing with the Official with Expenditure Authority within ten (10) calendar days after knowledge of the facts surrounding the dispute.
- (2) The Official with Expenditure Authority will attempt to resolve the dispute by mutual agreement. If the dispute cannot be settled either party may request a decision on the dispute from the Board. The Board shall review the facts pertinent to the dispute, secure necessary legal assistance and prepare a written description that shall include:
 - (a) description of the dispute;
 - (b) reference to pertinent contract terms;
 - (c) statement of the factual areas of disagreement or agreement; and
 - (d) statement of the decision as to the factual areas of disagreement and conclusion of the dispute with any supporting rationale.

The Board may require a hearing or that information be submitted on the record, in their discretion.

(3) Duty to Continue Performance. A contractor that has a dispute pending before the Official with Expenditure Authority must continue to perform according to the terms of the contract and failure to so continue shall be deemed to be a material breach of the contract unless the contractor obtains a waiver of this provision by the Official with Expenditure Authority.

Article 6 - Ethics In Public Contracting

Part A - Definitions

Section 6-101 Definitions of Terms

- (1) "Confidential information" means any information which is available to an employee only because of the employee's status as an employee of NMHC and is not a matter of public knowledge or available to the public on request.
- (2) "Conspicuously" means written in such special or distinctive form, print or manner that a reasonable person against whom it is to operate ought to have noticed it.
- (3) "Direct or Indirect Participation" means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity.

(4) "Financial Interest" means:

- a. ownership of any interest or involvement in any relationship from which or as a result of which, a person within the past year has received or is presently or in the future entitled to receive compensation; or
- b. holding a position in a business such as an officer, director, trustee, partner, employee or the like or holding any position of management.
- (5) "Gratuity" means a payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- (6) "Immediate Family" means spouse, children, parents, brothers and sisters.

Part B - Standards of Conduct

Section 6-201 Policy

Public employment is a public trust. In NMHC contracting, NMHC employees shall discharge their duties impartially so as to:

- (1) insure fair competitive access to NMHC procurement by reasonable contractors; and
- (2) conduct themselves in a manner as to foster public confidence in the integrity of NMHC's procurement process.

Section 6-202 General Standards

- (1) *Employees*. Any attempt to realize personal gain through NMHC or public employment by conduct inconsistent with the proper discharge of the employee's duties is a breach of a public trust. In order to fulfill this ethical standard, employees must meet the requirements of these regulations.
- (2) Contractors. Any effort to influence any NMHC or public employee to breach the standards of ethical conduct set forth in these regulations is also a breach of ethical standards.

Section 6-203 Employee Disclosure Requirements

- (1) Disclosure of benefit received from contract. Any employee who has, or obtains any benefit from, any NMHC contract with a business in which the employee has a financial interest shall report such benefit to the Director.
- (2) Failure to disclose benefit received. Any employee who knows or should have known of such benefit and fails to report such benefit is in breach of these ethical standards.

Section 6-204 Employee Conflict of Interest

(1) Conflict of Interest. It is a breach of ethical standards for any employee

to participate directly or indirectly in a procurement when the employee knows that:

- (a) the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement;
- (b) a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
- (c) any other person, business or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
- (2) Discovery of actual or potential conflict of interest, disqualification and waiver. Upon discovery of an actual or potential conflict of interest, an employee shall promptly file with the Director a written statement of disqualification and shall withdraw from further participation in the transaction involved. The employee may, at the same time, apply to the Public Auditor for an advisory opinion as to what further participation, if any, the employee may have in the transaction.

Section 6-205 Gratuities and Kickbacks

- (1) Gratuities. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any requirement or a contract or subcontract or to any solicitation or proposal therefor.
- (2) Kickbacks. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith

as an inducement for the award of a subcontractor or order.

Section 6-206 Prohibition Against Contingent Fees

- (1) Contingent fees. It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure NMHC contracts upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.
- (2) Representation of Contractor. Every person, before being awarded an NMHC contract, shall represent, in writing that such person has not retained anyone in violation of this section. Failure to do so constitutes a breach of ethical standards.

Section 6-207 Contract Clauses

The prohibitions against gratuities, kickbacks and against contingent fees shall be conspicuously set forth in every contract and solicitation therefor.

Section 6-208 Restrictions on Employment of Present and Former Employees

- (1) Present employees. It shall be a breach of ethical standards for any employee who is participating directly or indirectly in the procurement process to become or be, while such an employee, the employee of any person contracting with NMHC by whom the employee is employed.
- (2) Restrictions on former employees in matters connected with their former duties:
 - (a) Permanent disqualification of former employee personally involved in a particular matter. It shall be a breach of ethical standards for any former employee knowingly to act as a principal or as an agent for anyone other than NMHC, in connection with any:
 - (i) judicial or other proceeding, application, request for a ruling or other determination;

- (ii) contract;
- (iii) claim; or
- (iv) charge or controversy;

in which the employee participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, investigation or otherwise while an employee, where NMHC is a party or has a direct or substantial interest.

- (3) Disqualification of business when an employee has a financial interest. It shall be a breach of ethical standards for a business in which an employee has a financial interest knowingly to act as a principal, or as an agent for anyone other than NMHC, in connection with any:
 - (a) judicial or other proceeding, application, request for a ruling or other determination;
 - (b) contract;
 - (c) claim; or
 - (d) charge or controversy;

in which the employee either participates personally and substantially through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, or which is the subject of the employee's official responsibility, where NMHC is a party or has a direct and substantial interest.

Section 6-209 Use of Confidential Information

It shall be a breach of ethical standards for any employee or former employee to knowingly use confidential information for actual or anticipated personal gain, or the actual anticipated personal gain of any other person.

Section 6-210 Collusion by Bidders

Collusion or secret agreements between bidders for the purpose of securing an advantage to the bidders against the authorizing agent in the awarding of contracts is prohibited. The Official with the Expenditure Authority may declare the contract void if they find sufficient evidence after a contract has been let that the contract was obtained by a bidder or bidders by reason of collusive or secret agreement among the bidders to the disadvantage of NMHC.

Section 6-211 Civil and Administrative Remedies

In addition to existing remedies provided by law, any person who violates any of the provisions of these regulations maybe subject to one or more of the following:

- (1) NMHC employees. NMHC employee is any person whether appointed, elected, excepted service or civil service. An employee who violates the provisions of these rules and regulations is subject to adverse action as may be appropriate in his or her particular circumstances.
 - This action includes but is not limited to reprimand, suspension without pay, termination of employment, civil injunction, civil suit for damages or return of NMHC money, or criminal prosecution.
- (2) Contractors. A contractor who violates a provision of these rules and regulations shall be subject to a written warning of reprimand, the termination of the contract or suspension from being a contractor or subcontractor under a NMHC contract in addition to other penalties prescribed by law.
- (3) All proceedings under this section must be in accordance with due process requirements.

Section 6-212 Authority to Debar or Suspend

(1) Authority. After reasonable notice to the person involved and reasonable opportunity for the person to be heard under the Administrative Procedures Act, the Official with Expenditure Authority and the Attorney General, shall have authority to debar a person for cause from consideration for award of NMHC contracts. The

debarment shall not be for a period of more than three (3) years. The same officer, after consultation with the Attorney General, shall have authority to suspend a person from consideration for award of NMHC contracts if there is probable cause for disbarment. The suspension shall not be for a period exceeding three (3) months.

- (2) Causes for disbarment or suspension. The causes for disbarment or suspension include the following:
 - (a) conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 - (b) conviction under Commonwealth or federal statues of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, violation of the Consumer Protection Act (4 CMC §5101 et. seq.), violation of any unfair business practices as prescribed by 4 CMC §5202, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects its responsibility as a NMHC contractor;
 - (c) conviction under Commonwealth or federal antitrust statues arising out of the submission of bids or proposals such as in Chapter 2 of Division 5 of Title 4 of the Commonwealth Code;
 - (d) violation of contract provisions, as set forth below, of a character which is regarded by the Official with Expenditure Authority to be so serious as to justify debarment action:
 - (i) deliberate failure without good cause to perform in accordance with the specifications within the time limits provided in the contract; or
 - (ii) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered a basis for disbarment;

- (e) any other cause that the Official with Expenditure Authority determines to be so serious and compelling as to affect responsibility as an NMHC contractor, including disbarment by another governmental entity; and
- (f) for violation of any of the ethical standards set forth in Article 6.
- (3) Decision. The Official with Expenditure Authority shall issue a written decision to debar or suspend. The decision shall state the reasons for the action taken.
- (4) Notice of decision. A copy of the decision shall be mailed or otherwise furnished immediately to the debarred or suspended person.



NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 514, Saipan, MP 96950

Tels: (670) 234-6866 234-9447

234-9447 234-7689 234-7670

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NORTHERN MARIANAS HOUSING CORPORATION

MORTGAGE CREDIT PROGRAM

Citation of

Statutory Authority: Pursuant to Executive Order No. 94-3; Section 407 of Reorganization Plan

No. 2 of 1994; Directive No. 138; the CNMI Administrative Procedure Act, 1 CMC 9101, et. seq., 2 CMC 4432(a), (b), & (c); 2 CMC 4433(i),

(k), (s), & (t); and 4 CMC 10203(a)(2), (14), (22), (29), & (32).

Short Statement of

Goals & Objectives: To provide mortgage credit programs and other housing and community

development programs to residents of the Commonwealth.

Brief Summary of

the Rule:

To amend NMHC's Loan Processing Procedures to bring the regulations into line with NMHC's daily operating procedures, to clarify NMHC's loan procedures, and to strengthen said procedures so as to protect NMHC to the greatest extent possible from incurring losses from making loans.

For Further Information

Contact:

Marylou S. Ada, Corporate Director, telephone no. 234-9447/7689, fax no.

234-9021 or e-mail at nmhc@gtepacifica.net.

Citation of Related and/or Affected Statutes Regulations

and Orders:

NMHC's proposed amendments to its loan processing procedures as published in the Commonwealth Register, at Volume 20, Number 1,

January 15, 1998.

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15, 1998 PAGE 16042 "NMHC is an equal employment and fair housing public agency"

Rota Field Office: Tel. (670) 532-9410

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NOTICE OF PROPOSED AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION LOAN PROCESSING PROCEDURES

The Board of Directors of the Northern Marianas Housing Corporation (NMHC) hereby notifies the general public that it proposes to amend its Loan Processing Procedures as published in the Commonwealth Register at Volume 19, Number 11, November 15, 1997.

Copies of the proposed regulations are available at NMHC's Central Office, Garapan, Saipan and its field office in Tinian and Rota.

NMHC urges the public to submit written comments and recommendations regarding the proposed definition within thirty (30) days after the first publication in the Commonwealth Register to the following address:

Northern Marianas Housing Corporation P.O. Box 514 CK Saipan, MP 96950

Dated this 10 fbday of 1998.

JUAN S. TENORIO
Chairman of the Board

Received by:

Date

Received by:

Received by:

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COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15, 1998 PAGE 16043 "NMHC is an equal employment and fair housing public agency"

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NOTICE OF PROPOSED AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION LOAN PROCESSING PROCEDURES

Pursuant to Executive Order No. 94-3, Section 407 of Reorganization Plan No. 2 of 1994, Directive No. 138 and the Administrative Procedures Act at 1 CMC 9101, et. seq., the rules and regulations attached hereto have been reviewed and approved by the CNMI Attorney General's Office.

Dated this

day of

, 1998

Maya B. Kara

Attorney General (Ac

By:

Assistant Attorney General



NORTHERN MARIANAS HOUSING CORPORATION

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NUTISIA PUT PRINIPONEN AMENDASION SIHA PARA NORTHERN MARIANAS HOUSING CORPORATION PUT AREKLAMENTON INAYAO SALAPE

I Board of Directors gi Northern Marianas Housing Corporation (NMHC) ginen este ha nutitisia i pupbliku henerat put i priniponen amendasion siha gi Areklamenton Inayao Salape (Loan Processing Procedures) ni mapublika gi Rehistran Commonwealth Baluma 19, Numiru 11, Nobembre 15, 1997.

Guaha kopian i priniponen regualsion guatu gi Ofisinan NMHC giya Garapan, Saipan yan i Ofisisnan-niha giya Tinian yan Luta.

I NMHC ha sosoyu i publiku para u fanmansatmiti halom komentu han rekomendasion gi tinige' put i manmapropone siha na definasion gi halom trenta (30) dias depsues di i primet na mapublika gi Rehistran Commonwealth ya umatugui'e guatu gi sigiente na adres.

Northern Marianas Housing Corporation P.O. Box 514 CK Saipan, MP 96950

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JUAN S. TENORIO Chairman i Board		MARYLOU S. ADA Direktoran Kotporasion
7/14/98	2011	Jose I. Deleon Guerrero
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Fecha		SOLEDAD B. SASAMOTO Rehistradoran Kotporasion

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15, 1998 PAGE 16045 "NMHC is an equal employment and fair housing public agency"

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Fax (670) 433-3690

Nutisia Put Priniponen Amendasion Siha Para Northern Marianas Housing Corporation Put Areklementon Inayao Salape

Sigun gi sinangan Otden Eksebatibu No. 94-3, Seksiona 407 gi Reorganization Plan No. 2 gi 1994 na sakkan, o Otden No. 138 yan i Adminstrative Act gi 1 CMC 9101, et seq, este siha na areklamento yan regulasion ni chechetton guine esta manmaribisa yan apreba ni Ofisinan Attorney General giya CNMI.

Mafech	na gi mina'	10gh	_ na dia, g	uine na mes	July	, 1998.
•	B. Kara ey General				•	
Ginen:	ELLIOTT A.	SATTLER		· -		
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ARONGOROGN REEL POMWOL FEERUL SSAWEL MELLOL AUTOL ALLEGHUL NORTHERN MARIANAS HOUSING CORPORATION LOAN PROCESSING PROCEDURES

School Board of Directors-il Northern Marianas Housing Corporation (NMHC) san gi mille el nge rekke arongaar to ulasp igha re ayoora ssiwel melllol autol Alleghul Loan Processing Procedures iiwe aa takkal toowowllol Commonwealth Register, Volume 19, Number 11, Nobembre 15, 1997.

Eyoor kopiyaal allegh kkaal ngare iyo e tipali mellol Bwulasiyool NMHC, iye elo Arabwal, Seipel, me bwal bwulaisiyo kka elo Tchuluyol me Luuta.

NMHC nge ekke ting or ngaliir toulap bwe rebwe ischiitiw meta tipeer me mangemangiirnge raa isaliiilong essobw aluulo eliiigh (30) ral sangi igha e toowow arongorong yeel mellol Commonwealth Register nge rebwe afangangali adres ye faal:

Northern Marianas Housing Corporation

P.O. Box 514 CK Saipan, MP 96950 ØU S. ADA JUAN S. TENORIO Chairman-il Board Corporate Director Jose Deleon Guerrero Bwughiiyal: Special Assistant for Administration Ral **Bwulasiyo** of Gubenno 7/14/98 Bwughiiyal: Ral SOLEDAD B. SASAMOTO Rhistradoran Kotporasion

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15, 1998 PAGE 16047 "NMHC is an equal employment and fair housing public agency"

Rota Field Office: Tel. (670) 532-9410 Tinian Field Office: Tel. (670) 433-9213 Fax (670) 532-9441

Fax (670) 433-3690

ARONGOROGN REEL POMWOL FEERUL SSAWEL MELLOL AUTOL ALLEGHUL NORTHERN MARIANAS HOUSING CORPORATION LOAN PROCESSING PROCEDURES

Sangi aileewal me bwangil mille Executive Order No. 94-3, Talil ye 407 mellol Reorganization Plan No. 2 ragh ye 1994, Directive 138 me Administrative Procedures Act 1 CMC 9101, et. seq., nge alle kka e schuu ngali schee kkal nge raa takkal amwuri me allegh sangi bwulasiyool CNMI Attorney General.

Effeerllol raali ye _____ maram ye _____ 1998.

Maya B. Kara
Attorney General

Sangi: <u>ELLIOTT A. SATTLER</u>
Assistant Attorney General

The Mortgage Credit Division (MCD) of the Northern Marianas Housing Corporation (NMHC) was established as a division of the NMHC for the following purpose:

- 1. To encourage and create better living standards and a healthier environment for family life for residents of the Commonwealth of the Northern Mariana Islands (CNMI).
- 2. To promote an attractive community by providing modest, safe and sanitary owner-occupied, single-family housing units and assist CNMI residents in obtaining housing loans for residential dwellings to be occupied as primary residences.
- 3. To achieve NMHC's mission to serve as primary lender for eligible and qualified mortgagor(s) and administer the financial or management operation, and/or other needs so as to provide permanent homes for persons with low to moderate income, pursuant to provisions of Public Law 5-67, as amended and codified at 2 CMC Division 4.

I. INITIAL CONTACT

A. Inquiry

Interested individual(s) inquires about housing loan program(s). The prospective applicant(s) shall be referred to a loan specialist who shall provide the following information:

1. Housing Loan Programs:

- a. Direct Family Home Loan (DFHL) Program.
- b. Rural, Economic and Community Development Services.
- c. Loan Purchase by Guam Savings and Loan Association (GS&LA).
- d. Veterans Administration (VA) Native American Direct Loan Program (NADLP).

2. Authorized financing purposes.

- a. Purchase.
- b. Construction.
- c. Home improvement or rehabilitation.

3. Desirable Loans-Priority

First Priority should will be given to FIRST TIME HOMEOWNERS. Other consideration might be given to improve, expand or renovate an existing dwelling. Applicant(s) must occupy the house as their primary residence.

Applications will be processed in the order of the following priority criteria of applicant(s):

- a. First Priority. Family with minor dependent(s).
- b. Second Priority. Family without minor dependent(s)
- c. Third Priority. Individual applicants.

4. Undesirable Loans

Loan proceeds may not be utilized to pay off an existing indebtedness unrelated to mortgage financing. Flexibility may be given to refinance an existing mortgage loan so as to reduce an applicant's payment rate.

5. Preliminary Requirements.

- a. Land document.
- b. Property map.
- c. Verification of Employment (Exhibit A).
- d. 1040s for the 2 previous years.
- e. Six most current pay statements.
- f. Loan payment information for any outstanding loan.
- g. Savings information, if any.
- h. Most current retirement plan statement.
- I. Judgement(s), if any {Divorce and/or probate decree(s)}.
- j. DD2 14, if VA NADLP application.
- k. Original Certificate of Eligibility, if VA NADLP application.
- 1. Specific Use of Fund Statement.
- m. Statement of Compliance from Division of Revenue & Tax.
- n. Statement that loan funds are for primary residence. (Exhibit B).
- o. For construction loans, a copy of the construction contract on AIA approved format, supplemented by the NMHC construction contract supplement (Exhibit JJ), or for rehabilitation loans under the HOME Program, a copy of the construction contract on an NMHC approved form.
- p. For construction loans, a statement that the construction contract shall not become operative until the requested NMHC loan is approved and funds are ready for disbursement. (Exhibit C).
- q. For construction loans to be made for the improvement of homestead lots under the provisions of the Village Homesteading Act of 1979, P.L. 1-42, CMC Title 2, Division 4, Chapter 3, Article 3, §§ 4431 4438; a Statement that the construction contract shall not become operative until title to land has been transferred from DLNR-PL, or its successor, to NMHC, and NMHC has then

- transferred the same to the Borrower and simultaneously taken a mortgage on the land. (Exhibit D).
- <u>r.</u> <u>For construction loans, a statement that the Contractor shall be bound by these regulations. (Exhibit E).</u>
- s. For construction loans, copies of the government approved and stamped project plans, specifications sheet construction budget, construction and disbursement schedules, contractor performance and payment bonds in an amount sufficient to cover the project costs, and contractor's all risk insurance coverage in an amount not less than the contract amount.
- t. ALTA insurance policy.
- u. Building permit and other required governmental approvals.
- v. Flood insurance policy, if applicable.
- w. Spousal consent to encumber if applicable

B. Eligibility Determination

Upon determining a client's program eligibility and repayment ability, the loan specialist shall do the following:

- 1. Explain terms and conditions of the specific loan program.
- 2. Provide the appropriate application, verification of employment and checklist.

II. APPLICATION IN-TAKE

A. Logging

Secretary shall log in the appropriate log book and stamp "RECEIVED" with the date, all incoming applications which are accompanied with all the required documents and/or information for preliminary determination purposes, which include the preliminary requirements listed in items "a" through "n" in Subsection 3 of Section I (A) (5) above.

B. Content Review

Completed applications and pertinent documents and/or information shall be forwarded to the Loan Documentation Clerk, who shall review the contents as listed in Section I(A) (5), items "a" through "n", as applicable, using the appropriate checklist, (Exhibit B F for (GS&LA), C G for (VA) or D H for (HOME), and log each application in the appropriate waiting list.

C. File Creation

The Loan Documentation Clerk shall create and maintain the application file using the appropriate folder (including label) for the applicable loan program, and prepare the application's acknowledgment letter to be signed by the Manager of the Mortgage Credit Division (MCD) and forwarded to the applicant(s).

D. Application Assignment

Logged application files shall be forwarded as early as possible to the Manager of the MCD, who shall assign the application files to loan specialists or contracted private loan packagers for processing.

E. Good Faith Estimate

The Loan Specialist or contracted private loan packager shall prepare the Good Faith Estimate of Settlement Charges (Exhibit E I), then contact the applicant(s) to review and sign it within three working days from receipt of application by NMHC.

F. Payment of Credit Report Fee

Upon signing of the Good Faith Estimate of Settlement Charges, the applicant(s) shall make payment of the credit report fee(s) to the Fiscal Division of NMHC, which shall issue a receipt for such payment.

G. Request for Credit Report

Upon receiving a copy of the payment receipt, the Loan Specialist or contracted private loan packager shall request, through the Manager of the MCD, for the applicable credit report (consumer for GS&LA and residential mortgage for VA NADLP).

III. CREDIT EVALUATION/INTERVIEW/LOAN REPORT

After receipt of the credit report for the applicant(s), the Loan Specialist or contracted private loan packager shall proceed as follows:

A. Credit Report Review and Evaluation

Review the credit report and evaluate the credit worthiness of the applicant(s).

B. Certification of Fund Availability

Obtain written certification from the Head of the Fiscal Division or the designee for the availability of funds for the proposed loan, if it has been determined that the applicant(s) has/have satisfactory credit history.

C. Verification of Deposit

Forward verifications of deposit to financial institutions.

D. Examination of Land Document

Examine land documents to ensure:

1. Ownership

Applicant(s) own(s) the property to be secured as collateral for the proposed housing loan, in fee simple or leasehold interest with a remaining term of at least forty (40) years.

2. Clear Title

Property is free from defect(s) and/or encumbrance(s).

3. Referral of Title Questions to Legal Counsel

NMHC may forward any question that it has, as to the applicant(s)/Borrower(s) interest in the real property or any other collateral that shall secure the loan, to its Legal Counsel. If NMHC or its Legal Counsel determines that action should be taken to remove any exceptions to a title report, or that any other action should be taken in regard to the real property or other collateral, then the applicant(s)/Borrower(s) must take said action prior to the loan being processed further.

3 4. Administration of Collateral

In the event that the Borrower(s) fail to provide a current hazard insurance policy for properties improved with outstanding loan funds from NMHC or its predecessor, MIHA, as required, NMHC shall procure a hazard insurance policy and subsequently bill the Borrower(s) for the premium amount associated with such coverage. Should any of said properties be abandoned by the Borrower(s) and left uninsured, NMHC may secure the property so as to prevent accelerated depreciation of the property and obtain a hazard insurance policy for such property and recover the cost of such policy with proceeds from the rental or sale of the property.

E. 1040 Review and Verification

Review 1040s for the two previous years and verify that income has been stable throughout the period.

F. Review of Construction Contract

The construction contract submitted pursuant to Part I(A)(5)(o) shall be forwarded to NMHC's Legal Counsel for review. Said review shall be for the sole purpose of protecting NMHC and shall be limited to ensuring that the contract contains the minimum clauses they deem necessary to protect NMHC. At a minimum, the contract shall contain provisions that cover the following areas:

- 1. Commencement and completion date.
- 2. Extensions of time for completion.
- 3. Contractor's duties to safeguard the project, its employees, and third parties.
- 4. Project clean-up.
- 5. Contractor's Warranty.
- 6. Termination of Contractor by the Owner.
- 7. Progressive payment schedule that provides for a retainage of at least ten (10%) percent.
- 8. Withholding of payments by the Owner or NMHC for failure to comply with the construction contract, applicable laws, or in the event of insecurity by NMHC.
- 9. Payment and performance bonds.
- 10. Liens by subcontractors and material suppliers and the Contractor's duty to obtain releases from all subcontractors and material suppliers.
- 11. Payment of taxes.
- 12. Purchase of insurance to cover the construction project from fire, flood, typhoon, and vandalism, as well as liability insurance, NMHC shall be a named insured...
- 13. Workers compensation insurance.
- 14. Indemnification of the Owner and NMHC by the Contractor for injuries, both personal and economic, attributable to in whole or in part by any negligent act or omission of Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.
- 15. Default by Contractor.
- 16. Alternative dispute resolution process.
- 17. Providing of notices.
- 18. Contract to be governed by, and construed in accordance with, the laws of the Commonwealth of the Northern Mariana Islands (CNMI).

FG. Applicant(s) Interview

Interview the applicant(s), cross-checking information received through verifications of employment or deposit, credit report, etc.

GH. Preparation of Applicable Forms

Prepare applicable forms with pertinent data such as:

- 1. Rate Loan Program Disclosure (Exhibit F J).
- 2. Disclosure Statement (Exhibit G K).
- 3. Item Request (Exhibit $H \underline{L}$).
- 4. Saipan Review Sheet Mortgage (Exhibit HM).

HI. Loan Report

Prepare Loan Report (Exhibit # N), recommending approval or disapproval of the application, then forward the file to the Manager of the MCD and the Corporate Director for review and action.

IV. GENERAL APPROVAL CRITERIA

A. Purpose

Each file shall contain the applicant's written statement as to the purpose of the loan, specifying where funds are needed for purchase, construction or improvement of the applicant's primary residence.

B. Repayment

The applicant must have a permanent source of income for repayment of the proposed loan. Monthly installments for the proposed loan shall be twenty-five percent (25%) or less of the applicant (s) gross monthly income. Total obligation, inclusive of the proposed loan, shall be thirty-five percent (35%) or less of the applicant(s) gross monthly income.

C. Maturity

Loan maturity shall be set at the time of evaluation, based upon the applicant's existing repayment ability.

D. Credit Information

Applications must be supported by favorable current credit information, including financial statements, credit bureau reports, deposit verification, etc.

V. LOAN ADMINISTRATION

A. Approval Process. NMHC Criteria for Approving Loans

Applicant(s) whose payment-to-income ratio for the proposed loan is twenty-five percent (25%) or less and debt-to-income ratio of thirty-five percent (35%) or less, at the time of loan processing, shall be determined by NMHC to be capable of repaying the proposed loan based on current income versus current liability, so long as they have satisfactory credit history, and adequate collateral for the proposed loan.

B. Credit File

1. Access

The Loan Documentation Clerk, Loan Specialist, Manager of the MCD or the Corporate Director are privy to the credit file when the need arises to refer to the file for purposes of reference, research, review or copying of pertinent documents for use by applicant(s) or for official business.

2. Comments

Each credit file should contain comments by the responsible account officer, sufficient to establish the amount, purpose, source of repayment, and repayment program for the loan.

3. Other Supporting Data

Each credit file should also include financial statement(s), credit investigation(s), and loan write-up.

VI. PRE-APPROVED HOUSING LOAN APPLICATIONS

File shall be forwarded to the Secretary to be copied and the copy forwarded to GS&LA, RECDS or VA with a transmittal letter from the Manager of the MCD for the applicable entity.

VII. APPROVED HOUSING LOAN APPLICATIONS

A. Approval Notice

Upon MCD's receipt of GS&LA's favorable Letter of Intent to Purchase Residential Real Estate Loan, VA's pre-qualification letter or RECDS' Notice of Loan Approval and Closing, the following steps, as applicable, shall be taken:

1. Commitment Letter

The MCD Manager shall see to it that the Controller's authorization is obtained prior to issuance of the commitment letter for the Corporate Director's signature, for loans under the DFHL Program. The letter must specify all the standard terms and conditions as required by the DFHL Amended Policy and Procedures. Original and a copy of the commitment letter shall be forwarded to the applicant(s) and a copy filed in the correspondence section of the applicant's folder pending receipt of the applicant's acknowledgment of the commitment letter.

2. Request for Grant of Public Domain Land

If the applicant is a homestead permittee, seeking a loan under the provisions of the Village Homesteading Act of 1979, P.L. 1-42 CMC Title 2, Division 4, Chapter 3, Article 3, §§ 4431 - 4438, the Loan Documentation Clerk shall prepare a request to the Division of Public Land (DPL) of the Department of Lands and Natural Resources (DLNR), for the issuance of a Grant of Public Domain Land, for the signature of the Manager of MCD. The signed request shall be forwarded to DPL as early as possible. Any Commitment Letter issued by NMHC pursuant to the terms of Part VII(A), above, shall expressly state that a condition of NMHC making a loan and/or extending any credit to the applicant is the issuance of DPL of a Grant of Public Domain Land in favor of NMHC for the relevant real property. Despite the terms of any Commitment Letter and/or action of any NMHC personnel, NMHC shall not be obligated to make any loan to any person covered by the terms of this provision, until such time as a Grant of Public Domain Land, in favor of NMHC, for the relevant real property, as issued.

NMHC may also make loans to the holders of a homestead permit through the use of an Accommodation Mortgage to be executed by the Borrower, homestead permittee, and the Division of Public Lands. If an accommodation mortgage is to be utilized, then the Loan Documentation Clerk shall prepare an Accommodation Mortgage and forward the same to the Division of Public Lands for approval and execution. Any Commitment Letter issued by NMHC pursuant to the terms of Part VII(A)(1), above, to a Homestead Permittee who seeks to utilize an Accommodation Mortgage, shall expressly state that a condition of NMHC making a loan and/or extending any credit to the applicant is the approval and execution by Division of Public Lands of an Accommodation Mortgage in favor of NMHC for the relevant real property. Despite the terms of any Commitment Letter and/or action of any NMHC personnel, NMHC shall not be obligated to make any loan to any person covered by the terms of

this provision, until such time as the Accommodation Mortgage is fully approved and executed by the Division of Public Lands, in favor of NMHC, for the relevant real property, as issued.

3. Follow-up

The Loan Specialist or private loan packager shall then follow up with the applicant(s) to ensure compliance with the terms and conditions of the approved loan as enumerated in the commitment or prequalification letter, or Notice of Loan Approval and Closing.

B. Loan Program

1. GS&LA - The same procedure as stated in Subsections 1, 2 (if applicable) and 3 of this Section VII (A) shall be followed.

a. Loan Closing Checklist

The Loan Documentation Clerk shall prepare the Loan Closing Checklist (Exhibit \underbrace{K} O), and place it in the appropriate section of the file.

L. Appraisal and Preliminary Title Reports

After MCD's receipt of the copy of the applicant's acknowledgment of commitment letter, written requests for the preliminary title research and appraisal report shall be forwarded to the title and appraisal companies, respectively. For applicant(s) with homestead permit(s), the procedure stated in Subsection 2 of this Section VII (A) applies.

- 2. VA Loan Specialist shall follow up with the applicant(s) to ensure that all the conditions of the pre-qualification letter are met as early as possible.
- 3. RECDS The same procedure as stated in Subsections 1, 2 (if applicable) and 3 of this Section VII (A) shall be followed.

C. Preparation and Compilation of Documents

When all the terms and conditions or requirements of the commitment letter, prequalification letter or Notification of Loan Approval and Closing are met and if applicable, the recorded Grant of Public Domain Land is received, the Loan Specialist shall instruct the Loan Documentation Clerk to prepare and compile the applicable loan closing documents per the Loan Closing Section of the applicable checklist.

VIII. LOAN CLOSING

The Loan Specialist shall review the loan closing documents for accuracy and completeness, then proceed as follows:

A. GS&LA - Closing documents {Disclosure/Settlement Statement (Exhibit $\pm \underline{P}$), Federal Truth-In-Lending Disclosure Statement (Exhibit M), Loan Agreement (Exhibit R), Promissory Note (Exhibit N S), Mortgage (Exhibit Θ T)} shall be forwarded to NMHC's \oplus Legal \oplus Counsel for review as to form.

1. Loan Closing Schedule

After receipt of closing documents approved as to form by <u>NMHC's lLegal eCounsel</u>, the Loan Specialist shall contact the applicant(s) and schedule loan closing.

2. Explanation of Documents

At loan closing, the Loan Specialist shall explain the purpose of each document to be signed by the applicant(s) or NMHC officials, and ensure that a Notary Public is present for the signing of the Loan Agreement, Promissory Note, and Mortgage.

3. Signing of Documents

Closing documents executed by the applicant(s)/ Borrower(s) shall be forwarded to the Corporate Director and Chairperson of the Board of Directors for their signatures.

4. Document Recordation

Properly executed and notarized Loan Agreement (Exhibit R), Promissory Note (Exhibit N S) and Mortgage (Exhibit Θ T) shall be copied by the Loan Documentation Clerk for recordation at the Commonwealth Recorder's Office.

5. Hazard Insurance Register

The Loan Documentation Clerk shall add the Borrower's name and hazard insurance expiration date and type of insurance coverage in the Borrowers' Hazard Insurance Register for monitoring purposes so that follow up for renewals may be made to ensure that every property that is mortgaged for security of loan extended, has in effect, throughout the term of the corresponding loan, the required insurance policy coverage.

6. Document Distribution

The Recorded Loan Agreement, Promissory Note and Mortgage shall be distributed as follows:

- a. Originals filed in the safe after microfilming on a quarterly basis.
- b. A set of copies to the Borrower(s).
- c. A set of copies to the Fiscal Division.
- d. A set of copies filed in an eight-part classification folder with the Borrower's application and pertinent documents classified by:
 - i. Correspondence
 - ii. Insurance
 - iii. Mortgage Note
 - iv. Construction
 - v. Appraisal
 - vi. Title
 - vii. Credit Report
 - viii. Application
- **B.** VA The Loan Specialist shall contact the applicant(s) and contractor to schedule execution of four each (original signatures) of the Construction Loan Promissory Note (Exhibit P \underline{U}), Escrow Agreement (Exhibit \underline{Q} \underline{V}) and Real Estate Construction Agreement (Exhibit \underline{R} \underline{W}).

1. Execution of Documents

Applicant(s) shall sign all of the documents indicated in Subsection B of this Section VIII. The contractor is required to sign only the Escrow and Real Estate Construction Agreements.

2. Officers' Signatures

The Real Estate Construction and Escrow Agreements signed by the applicant(s) and the contractor shall be forwarded to the Corporate Director and Chairperson of the Board of Directors for their signatures and then sent to the VA Office in Honolulu, Hawaii, along with the Construction Loan Promissory Note and a transmittal letter signed by the Manager of the MCD.

3. Document Distribution

Upon receipt of the three sets of the Construction Loan Promissory Note, Real Estate Construction and Escrow Agreements also executed by the U.S. Department of Veterans Affairs Loan Guaranty Officer, one set should be retained in the Borrower's file and one each should be distributed to the Borrower(s) and contractor. The Borrower's set should be accompanied by a transmittal letter, indicating NMHC's approval for construction of the proposed improvement if all requirements are met, noting inspection requirements per VA inspection schedule, which should be enclosed, and an acknowledgment portion at the bottom of the letter.

4. Loan Fund Disposition

The check received for the entire loan amount from the U.S. Department of Veterans Affairs should be routed to the Manager of the MCD for information purposes and then immediately forwarded with copies of the Construction Loan Promissory Note, Real Estate Construction and Escrow Agreements, to the Controller of the Fiscal Division. The check shall be deposited into a separate account designated for the VA Native American Direct Loan Program.

C. RECDS - The Loan Specialist shall contact the applicant(s) to schedule loan closing and remind applicant(s) if the appraisal and/or loan packaging (trustee fee) is to be paid from personal funds. If any or all of the said fees will be financed by RECDS, the check from RECDS must be obtained prior to loan closing. At loan closing the following steps shall be followed:

1. Execution of Documents

Applicant(s) shall execute the following documents:

- a. Equal Opportunity Agreement (Exhibit $\frac{S}{X}$).
- b. Nondiscrimination Certificate (Exhibit TY).
- c. Promissory Note (Exhibit $\frac{U}{Z}$).
- d. Real Estate Deed of Trust (Exhibit \(\forall \) AA), which must be notarized and recorded at the Commonwealth Recorder's Office prior to submittal to RECDS.
- e. Subsidy Repayment Agreement (Exhibit \(\foathbar{BB}\)), if a subsidized loan.

2. Loan Specialist's Signatures

Loan Specialist shall sign the following documents:

- a. Settlement Statement (Exhibit X CC)
- b. Loan Closing Statement (Exhibit Y DD)

Completed loan closing documents and the appraisal fee shall be forwarded to RECDS, with a set of copies retained in the Borrower's file. If the loan was packaged by a contracted private loan packager and proper billing has been received, the Loan Specialist shall request the Controller of the Fiscal Division, through a properly filled Order to Pay Funds, to disburse the packaging fee accordingly.

IX. DISBURSEMENT OF LOAN FUNDS

Following completion, execution, review and proper filing of all loan documents, loan funds shall be allocated for disbursement.

A. Request For Disbursement

Each request for disbursement that has been concurred by the Borrower(s) shall be logged by the Secretary in the in-coming logbook and then forwarded to the Manager of the MCD who shall have the Loan Documentation Clerk process the Order to Pay Funds (Exhibit $\angle EE$) after verifying the billing accuracy with the increment schedule specified in the project's contract. The Order to Pay Funds must be:

- 1. Signed by the Manager of the MCD.
- 2. Pre-approved by the Controller of the Fiscal Division.
- 3. Concurred by the Corporate Director.

B. Supporting Documents

Except for the initial request for disbursement, each subsequent billing shall be accompanied by:

- 1. The contractor's progress report with project photos.
- 2. The private inspector's current report.
- 3. Endorsement(s) by government inspector(s).
- 4. Test results and/or treatment reports, if applicable.

C. Change Orders

Prior to a Change Order becoming effective, it must be approved by both the Borrower/owner, their private inspector, if applicable, and the contractor. In addition, the Change Order shall not become effective until a copy of the Change Order, with all of the signatures noted above, is served on NMHC, the bonding company that issued the Performance and Payment Bonds, and any insurance company who has issued property insurance on the land on which the home is to be constructed.

If a Change Order will increase the total project cost, then it shall not become effective until the bonding company and insurance company that issued the property insurance, provides NMHC with written notice that the bonding and insurance company will cover the additional costs associated with the Change Order in the Performance and Payment Bonds and insurance policy, or until the dollar amount of the Performance and Payment Bonds and insurance policy is increased.

If a Change Order will increase the project costs such that the amount borrowed must be increased, then in addition to any provision above, the Change Order shall not become effective until the total loan figure is increased to cover the additional costs associated with the Change Order and any and all documents that NMHC deems necessary to protect its investment are executed by the Borrower/owner and contractor, unless the Borrower/owner intends to fund the additional cost themselves and signs a certification of the same and provides a copy of the certification to NMHC.

If the Contractor performs the work called for in a Change Order prior to its becoming effective, pursuant to the provisions of this section, then the Contractor shall not seek payment from NMHC or from the proceeds of the loan made by NMHC under the provisions of these regulations. The Contractor shall further complete the construction project as originally set forth in the parties construction contract, as modified by any Change Orders that are deemed effective by the provisions of this section. Further, the Contractor shall take no action which shall in any way impair NMHC's security interest in the property.

If NMHC makes payment for work performed on a Change Order that has not become effective under the provisions of this section, then it shall request an immediate refund from the Contractor. The Contractor shall immediately refund said payment. However, NMHC may, in its sole discretion, deduct any of said monies from future payments to be made under the construction contract rather than requesting a refund.

€ D. Final Billing

The final billing shall include:

- 1. The Builder's Warranty.
- 2. Termite Treatment Warranty.
- 3. Contractor's Affidavit That All Liens Have Been Paid and
 Certificates from all subcontractors and material suppliers that all
 bills/invoices relating to the project have been paid by the
 Contractor.
- 4. Certificate of Occupancy from the Building Safety Office.
- 5. Certification for Use of Septic System, if applicable.

The Fiscal Division may process the disbursement if all requirements are met. If, in the sole discretion of NMHC, NMHC has any reason to believe that all subcontractors, material suppliers, and/or any other individual or entity that is eligible to file a lien, has not been fully paid, then NMHC may withhold the final disbursement, or any portion thereof, until the period for filing a lien has expired.

X. PROJECT COMPLETION

Hazard/occupancy insurance policy with fire, typhoon, earthquake and flood coverages for a minimum of the loan amount must be submitted upon completion of the project.

XI NOTE SALE

Loans for completed projects which are to be sold shall be further processed, including:

- A. Assignment of Promissory Note and Mortgage (Exhibit A-1 FF).
- B. Notice of Assignment, Sale or Transfer of Servicing Rights (Exhibit A-2 GG).

XII. LOAN DISAPPROVAL

Should a loan application be disapproved, the Manager of the MCD shall instruct the Loan Specialist to prepare for the Corporate Director's signature, the denial letter stating the reason(s) for denial. The original shall be forwarded to the applicant(s), a with copyies e a ch placed in the reading file and the application files.

XIII. PROBLEM LOAN IDENTIFICATION AND ADMINISTRATION

The head of the Fiscal Division shall provide copies of all delinquency notices to the Manager of the MCD, who shall assign follow up of the notices with the respective account officer of each problem loan or any other Loan Specialist. The attached Problem Loan Write-up Sheet (Exhibit A-3 HH) shall be completed and filed in the particular loan file.

XIV. REVISION OF LOAN

Each request for loan revision shall be reviewed by the Manager of the MCD and the Controller, who shall make recommendation(s) to the Corporate Director, based on the Loan Specialist's evaluation ensuring that the value of the property being secured is adequate for the proposed revision. If necessary, the request may be forwarded to the Board of Directors.

Once a decision is made, the Loan Specialist shall process the revision. Correspondence(s) pertaining to the request shall be prepared for the Corporate Director's signature.

XV. **COLLECTION AND FORECLOSURE**

A. Collection and Foreclosure Procedure

The Chairman or designee shall closely monitor the repayment of all loans by NMHC Borrowers. All loan installments shall be due and payable monthly.

- If any payment is not received by the thirtieth (30th) day after the due date. <u>1.</u> then the Corporate Director or designee shall personally contact the Borrower(s) immediately by telephone and by written letter informing them of the payment default.
 - The Corporate Director shall also send out such notices of default and other letters as are required by the loan agreement and other loan documents.
- If any payment is not received by the sixtieth (60th) day after the due date. 2. then the Corporate Director or designee shall personally contact the Borrower(s) by telephone and by written letter informing them of the payment default.
- If any payment is ninety (90) days or more delinquent, the matter shall be <u>3.</u> brought to the attention of the Board. The Board shall consider the matter and make a determination as to whether the matter should be forwarded to an attorney for collection, or if the Corporate Director should take further actions in an attempt to collect the debt without litigation. If the matter is not forwarded to an attorney for collection, the matter shall be revisited by the Board at each successive meeting until the delinquency is cured.
- If the matter is forwarded to an attorney for collection, then NMHC shall <u>4.</u> inform the attorney of the status of the account and provide them with all necessary documents to bring a foreclosure action on the same. The attorney will send the Borrower(s) a Notice of Default in accordance with the CNMI Mortgage Foreclosure Act (2 CMC §4537).

- 5. If, after the Notice of Default is sent to the Borrower(s), and the Borrower(s) fails to begin curing the delinquency, in a manner and speed that is satisfactory, in the sole discretion of the Corporate Director, then the attorney shall file a lawsuit to collect the loan and foreclose upon the mortgage.
- 6. Upon filing of the lawsuit, the principal loan shall be accelerated and the entire principal balance plus any accrued interest shall become immediately due and payable. Interest shall accrue on the principal at the rate established in the loan agreement. Prior to entry of judgment, Borrower(s) may have the right, as set forth by CNMI law, to cure the default and bring the loan current.
- 7. Upon entry of judgment in the lawsuit, a copy of the judgment shall be served upon the Borrower(s). If the Borrower(s) fails to pay the entire outstanding loan balance plus accrued interest and attorneys fees within three (3) months from the time the Borrower(s) is/are served with the copy of the Judgment, all properties mortgaged as security for the loan shall be noticed for sale by way of public auction. The notice shall provide that the minimum bid is the total principal, interest, attorneys fees and costs of sale, or the appraised value, whichever is greater.
- 8. In the event that no bidders are willing to make a minimum bid, the property shall be withdrawn and noticed for a second sale. As such sale, the minimum bid shall be the same amount.
- 9. NMHC may bid on the property at any public auction.
- 10. If no bidders offer a minimum bid at the second sale, the property shall be withdrawn, and in the discretion of the Corporate Director, or designee, shall either be noticed for a third sale or temporarily removed from the market if, in the discretion of the Corporate Director, the likelihood of sale would be greater at a future time. In the event a third sale is authorized, the property shall be offered with the minimum bid set at the appraised value of the property, or the amount outstanding and due to NMHC, whichever is less. NMHC shall bid the minimum bid on the property.
- 11. If the property is sold at an auction, the attorney shall prepare a certificate of sale, deliver a copy to the buyer and record the original.
- 12. If NMHC obtains the property, then it shall proceed to make all efforts to sell it at the highest price possible. NMHC may finance the purchase of the house by a Borrower(s) in accordance with its policies in Section D below. If NMHC sells the property prior to the expiration of the Redemption

Period, it shall so notify the buyer and ensure that all sales documents reflect the same.

- 13. After one year, if the Borrower has not redeemed the property from the purchaser, which may include NMHC, if NMHC purchases the property at auction, the attorney shall prepare a Deed of Sale to be executed and delivered to the Purchaser.
- 14. If any of the above procedures conflict with any applicable provision of law, or a term in any of the loan documents, then said law or contract term shall control.
- 15. If the Borrower(s) has/have executed a Deed of Trust, and the same has been sold/assigned to NMHC, due to delinquency in payment, then the same procedures outlined above shall be followed; provided that if the Deed of Trust allows for foreclosure by way of a private power of sale, then NMHC may follow the terms of the Deed and applicable law and handle the foreclosure in house, by way of said power of sale, without referring the matter to an attorney for collection and foreclosure.

B. Loan Workout

The Board may recommend a "loan workout" wherein there exists a possibility for NMHC to recover its funds without foreclosure. Such "loan workout" should be considered only as an alternative to foreclosure and will be authorized on a case-by-case basis on substantial evidence provided by the Borrower(s) that the loan is recoverable. Any new terms of repayment shall not exceed the period of repayment authorized in this policy inclusive of the date when the loan was made and all grace periods.

It is the policy of NMHC not to allow the refinancing of loans solely on the basis of delinquency. Further, it is the policy of NMHC not to allow delinquent/outstanding charges — principal, accrued interest, insurance charges, etc, to be consolidated, or added to the principal balance of a loan for the purposes of refinancing. All outstanding charges must be paid prior to NMHC entertaining a request to refinance a loan.

Any outstanding payments, whether they be principal, accrued interest, or other charges shall be due and payable in accordance with the terms of the applicable loan document. When payment is made on a loan, the payment shall not be applied to the principal of the loan until all other outstanding charges have been paid.

This policy shall also apply to a housing loan that is taken over by a new Borrower.

C. Disposal of Distressed Property Purchased by NMHC

In the event that NMHC has purchased a property at public auction, in which it has foreclosed a defaulted mortgage, it may sell the same to a person who lacks the financial resources to fully pay the sales price, by financing the purchase through a Direct Family Home Loan. In order to participate under this program, the Borrower must:

- 1. Be a first-time homeowner;
- 2. Be credit worthy, as determined in the sole discretion of NMHC;
- 3. Agree to an interest rate of nine percent (9%);
- 4. Agree that the loan amount will be authorized over a period not to exceed fifteen (15) years;
- 5. Make a down payment of twenty-five percent (25%) of the total purchase price, plus all closing costs, which shall be due and payable to NMHC on loan closing;
- 6. Execute, on a document provided by NMHC, a mortgage on the property to be purchased to secure the approved loan; and
- 7. Obtain an appraisal report for the property, by an appraiser approved by NMHC. If the appraisal report shows that the property does not have a market value sufficient to secure the loan, then the Borrower shall provide additional sources of collateral to fully secure the loan, or additional sources of capital so that the loan may be reduced.

XVI. CHARGE-OFF

Installment loans which are seriously behind and have been processed to no avail, may be charged off based upon the recommendations of the head of the Fiscal Division, and the Manager of the MCD, with the approval of the Corporate Director.

XVII. SATISFACTION OF LOAN

Upon receipt of a memorandum from the Fiscal Division of a satisfaction of loan, the Manager of the MCD or designee, shall ensure that a proper Release of Mortgage is processed and executed by the Corporate Director and the Chairperson of the Board of Directors within one week from the receipt of such memorandum. The original promissory note, mortgage and release of mortgage shall be provided to the Borrower(s) with the Borrower(s) acknowledgment of receipt, provided that copies are retained in the respective file.

XVIII. FILE DISPOSITION

Files of loans which have been satisfied and issued a release of mortgage shall be maintained in a paid off loan file in alphabetical order for seven (7) years. After such time, these files may be disposed, preferably shredded.

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XIX. REPORTS

The Loan Specialists shall furnish the Manager of the MCD monthly reports which are due by the second (2nd) working day of each month for the previous month. The Manager of the MCD shall furnish the Corporate Director monthly reports which are due by the fifth (5th) working day of each month, incorporating information provided by the Loan Specialists.

XX. RENTING OR LEASING OUT AN NMHC (MIHA) FINANCED DWELLING UNIT.

Borrower(s) who contemplate leasing or renting their home, that was financed through a loan from the NMHC, or its predecessor, MIHA, for the development of a homestead lot, that contains, in the Deed, Grant of Public Domain Land, or as a Rider to the Borrower(s) mortgage, a prohibition against renting or leasing the property for a set period of time; or, other Borrower(s) whose mortgage contains a prohibition against renting or leasing the property for a set period of time, may request in writing, for a one (1) year release from such prohibition set forth in any loan document entered into with NMHC or MIHA. Said written request must clearly set forth the reasons which justify why said prohibitions should be waived by NMHC.

Upon receipt of a request for waiver of prohibition, the same will be date-stamped and logged in NMHC's incoming log book. It will then be forwarded to the Corporate Director for consideration.

NMHC may issue a written authorization to the Borrower(s) to rent or lease out a MIHAor NMHC- financed house, for a period not to exceed one (1) year, under the following circumstance only:

- 1. Borrower(s) must temporarily move off-island for education or medical purpose; or
- 2. Borrower(s) must temporarily relocate to care for or assist a family member, such as the elderly, physically challenged individual, etc., who is determined by a qualified physician, to require assistance with daily routine activities.

If the Borrower(s) wish to extend the one (1) year waiver for an additional one (1) year period, they must submit a new written request sixty (60) days prior to the lapse of the previous one (1) year waiver. There shall be no limitation on the number of waivers that a Borrower may receive and the same shall be issued for as long as NMHC determines that justification exists for the issuance of the same.

A Borrower may appeal a denial of a written request for a waiver of Prohibition, to the NMHC Board of Directors in accordance with the provisions of the CNMI APA for appealing adverse agency actions.

XXI. LOAN REFINANCING

Borrowers may seek to have their loan refinanced or an exemption from NMHC's standard policies and procedures by petitioning NMHC's Corporate Director. All such petitions shall be directed to NMHC's Loan Review Committee and must set forth the grounds upon which relief is sought and the exact relief sought. NMHC's Board shall only grant exemptions from NMHC's standard policies and procedures, or allow refinancing, when, in their sole discretion, compelling grounds for the same exist, and the granting of an exemption or refinancing shall also be in the best interest of the Corporation.

XXII APPEALS

Any applicant/Borrower who is aggrieved by an action of NMHC may appeal to the NMHC Board of Directors, in accordance with the provisions of the CNMI APA, for appealing adverse agency actions.

XXIII APPLICABILITY

These regulations shall apply to any person who obtains a loan under the provisions of these rules and regulations. These regulations shall also apply to any Contractor utilized by any person who borrows money under these provisions.

XXIV APPLICABILITY OF OTHER LAWS, REGULATIONS AND RULES

In addition to these regulations, loans issued by NMHC may be controlled and/or effected by the general laws of the CNMI and/or the United States. Further, the rules of agencies of said governments may also effect and/or govern loans made by NMHC, specifically the rules and regulations of the United States Department of Housing and Urban Affairs (HUD) or Veteran Affairs (VA). To the extent that there is a conflict between these rules and the provision of any applicable law, or federal regulation, said law or federal regulation shall control.

XXV. APPLICABILITY OF RULES AND PROCEDURES OF PRIVATE LENDERS

If a loan is to processed under a program whereby NMHC will sell the loan to a private lender such as GS&LA, then the rules, policies, and procedures of said lender shall be applicable to the processing of the loan. Further, if there is any conflict between NMHC's regulations and the policies of the lender, then the lender's policies shall control.

XXVI ACCOMMODATION MORTGAGES ISSUES TO HOLDERS OF HOMESTEAD PERMITS

NMHC may loan funds to holders of homestead permits through the use of Accommodation Mortgages, that are to be executed by the Borrower, and the Division of Public Lands. If NMHC is unable to sell the loan to a bank, due to the fact that an Accommodation Mortgage has been utilized, then NMHC may retain the loan until such time as the homestead permit holder obtains a deed to the homestead site from the Division of Public Land, or until such time as NMHC is able to sell the loan. After a deed is issued, then NMHC may process the loan under any program that it is then participating in, or sell the loan. At the time the loan is first made, in addition to the execution of the Accommodation Mortgage, NMHC shall also have the Borrower and/or homestead permit holder execute a standard mortgage. After a deed is issued, NMHC shall not release the Division of Public Lands from the Accommodation Mortgage until it has first recorded a notice with the Recorder's Office, giving notice that the Accommodation Mortgage was utilized due to the fact that the Borrower did not hold the real property in fee simple, and that in addition to the Accommodation Mortgage, the Borrower also executed a standard mortgage on their interest in the property, and that said mortgage is still in existence and valid. NMHC may also require the Borrower to execute a new mortgage after the deed is issued, or such other instruments NMHC deems necessary to protect its security interest in the real property.

XXVII FORMS

NMHC may require an applicant/Borrower to execute forms prepared by NMHC, or other parties. NMHC may further require that the borrower and any contractor utilized by the borrower, utilize forms prepared by NMHC or another party. NMHC has the right to revise or change the forms that it utilizes and/or requires an applicant and/or their contractor to utilize, at its sole discretion. NMHC may refuse to make disbursements if a borrower and/or their contractor fails to utilize a form required by NMHC.

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NORTHERN MARIANAS HOUSING CORPORATION

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Fax: (670) 234-9021

Froilan C. Tenorio Governor

Jesus C. Borja Lieutenant Governor

NOTICE OF THE ADOPTED NMHC/MPLT HOME LOAN REGULATION

MaryLou Ada Sirok Corporate Director

BOARD OF DIRECTORS Pursuant to Public Law 8-41, Section 11, Governor Froilan C. Tenorio and Lt. Governor Jesus C. Borja, through the Northern Marianas Housing Corporation (NMHC) Board of Juan S. Tenorio

Chairman Directors, hereby serve notice that it has adopted the NMHC/MPLT Home Loan Oscar P.Q. Quitugua Regulation as published in Volume 18, Number 12, dated December 15, 1996, of the Vice Chairman

Commonwealth Register.

Martin DLG. San Nicolas Secretary

Jesus D. Sabian Treasurer

Dated this Wh. day of January, 1997.

Francisco B. Evangelista Director

TENORIO

Board of Directors

Corporate Director

FFB 1 1 1997 Date:

Received by:

HERMAN T. GUERRERO

Governor's Office

2-11-97

Received by: SOLEDAD SASAMOTO

Registrar of Corporation

JULY 15, 1998 16072 NUMBER 07 PAGE COMMONWEALTH REGISTER VOLUME 20



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Froilan C. Tenorio Governor

Jesus C. Borja Lieutenant Governor

MaryLou Ada Sirok Corporate Director

NUTISIA PUT MA ADAPTAN I REGULASION MPLT HOME LOAN

BOARD OF DIRECTORS Sigun gi Lai Pupbliku 8-41, Seksiona 11, I Gobietno as Foilan C. Tenorio yan Segundo Gobietno as Jesus C. Borja, entre i Northern Marianas Housing Corporation (NMHC) Board Juan S. Tenorio Chairman of Directors, ginen este man infofotma na esta ha adapta i Regulasion NMHC/MPLT Home Oscar P.Q. Quitugua Loan ni mapupblika gi Baluma 18, Numiru 12, ya ma fecha dia 15 Desembre 1996, gi halom Vice Chairman Rehistran Commonwealth.

Secretary Jesus D. Sablan

Treasurer

Francisco B. Evangelista Director

Martin DLG. San Nicolas

Ma fecha gi dia // guine mes hera, 1997.

Chairman

Board of Directors

Corporate Director

FEB 1 1 1997

Rinisibi as:

Ofisinan Gubietno

コーリータフ Date:

Rinisibi as: SOLEDAD SASAMOTO

Rehistradoran Kotporasion



Froilan C. Tenorio

Treasurer

Director

Francisco B. Evangelista

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ARONGORONG REEL ADAPTA'A'LI ALLEGHU'L NMHC/MPLT HOME LOAN

Governor Jesus C. Borja Sa'ngi Alle'ghu'l Toulap ye 8-41, Ta'lil 11, nge Gobenno Froilan C. Tenorio me Lt. Lieutenant Governor Gobenno Jesus C. Borja, sangiir scho'o'l Northern Marianas Housing Corporation (NMHC) MaryLou Ada Sirok Board of Directors, nge rekke arongaawow bwe a adapta'a'li Alle'ghu'l iwe a takai toowow Corporate Director BOARD OF DIRECTORS 10'1 Volume 18, Numuro 12, ra'a'lil yet Tumwur (Disembre) 25, 1996 mello'l Commonwealth Register. Juan S. Tenorio Chairman Oscar P.Q. Quitugua Effe'e'r llo'l ra'a'lil ye __ maram ve Vice Chairman Martin DLG. San Nicolas Secretary Jesus D. Sablan

Board of Directors

JUAN S. TENORIO

Chairman

MARYLOU ADA SIROK

Corporate Director

Ra'I FEB 1 1 1997 Allman J. Luerren

Bwughiyal: HERMAN T. GUERRERO
Bwulasiyool Gobenno

Ra'l 2-11-97 mm/2

Bwughiyal: Soledad Sasamoto
Registrar of Corporation

Tinian Field Office: Tel. (670) 433-9215



NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 514, Saipan, MP 96950

Tels: (670) 234-6866

234-9447

234-7689 234-7670

Fax: (670) 234-9021

NORTHERN MARIANAS HOUSING CORPORATION

MORTGAGE CREDIT PROGRAM

Citation of

Statutory Authority:

Pursuant to Executive Order No. 94-3, Section 407 of

Reorganization Plan No. 2 of 1994, Directive No. 138 and the

Administrative Procedure Act at 1 CMC 9101, et. seq.

Short Statement of

Goals & Objectives:

To provide mortgage credit programs and other housing and

community development programs to residents of the

Commonwealth.

Brief Summary of

the Rule:

To amend "Appendix D Household Income Schedule" which

prescribes income limits by family size for eligibility under the

NMHC/MPLT Loan Program, and for reviewing and

processing home loan applications under this Loan Program.

For Further

Information Contact: MaryLou S. Ada, Corporate Director, telephone no. 234-

9447/7689, fax no. 234-9021 or e-mail at

nmhc@gtepacifica.net.

Citation of Related and/or Affected Statutes Regulations

and Orders:

NMHC's Revisions of "Appendix D Household Income

Schedule" under the NMHC/MPLT Home Loan Regulations,

Volume 18, Number 12, page 14744, published in the Commonwealth Register on December 15, 1996, and on

Volume 19, Number 02, February 15, 1997.

Submitted by:

lon A- Ale Date: (1pm/06, 1998

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15 1998 16075 "NMHC is an equal employment and fair housing public agency"

Tinian Field Office: Tel. (670) 433-9213

Rota Field Office: Tel. (670) 532-9410 Fax (670) 532-9441

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NORTHERN MARIANAS HOUSING CORPORATION

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NOTICE OF PROPOSED AMENDMENTS OF APPENDIX D HOUSEHOLD INCOME SCHEDULE

The Board of Directors of the Northern Marianas Housing Corporation (NMHC) hereby notifies the general public that it proposes to adopt the amendments revising Appendix D Household Income Schedule, under the NMHC/MPLT Home Loan Regulations, as published on Volume 18, Number 12, page 14744, on December 15, 1996 and Volume 19, Number 02, February 15, 1997 of the Commonwealth Register.

Dated this 6th day of	April,	1998.
Activi		mon Court. Da
JUAN S. TENORIO		MARYLOU'S. ADA
Chairman of the Board		Corporate Director
7/15/198 Date	Received by:	Special Assistant for Administration Governor's Office
7/15/98 Date	Filed by:	SOLEDAD SASAMOTO Registrar of Corporation

COMMONWEALTH REGISTER VOLUME 20 NUMBER 07 JULY 15 1998 PAGE 16076 "NMHC is an equal employment and fair housing public agency"

NOTICE OF PROPOSED AMENDMENTS OF APPENDIX D HOUSEHOLD INCOME SCHEDULE,

Pursuant to Executive Order No. 94-3, Section 407 of Reorganization Plan No. 2 of 1994, Directive No. 138 and the Administrative Procedure Act at 1 CMC 9101, et. seq., the attached Appendix D has been reviewed and approved by the CNMI Attorney General's Office.

Dated this D day of July , 1998.

Maya B. Kara

Attorney General (Acting)

By:

Assistant Attorney General

NUTISIA PUT PRINIPONEN AMENDASION GI APPENDIX D. LISTAN SUETDON FAMILIA

I Board of Directors gi Northern Marianas Housing Corporation (NMHC) ginen este na nutitisia i pupbliku henerat na ha propopone umadapta i amendasion siha gi matulaikan Appendix D Listan Suetdon Familia, gi papa Regulasion Inayao Salape para Guma gi NMHC/MPLT, ni ma publika esta gi Baluma 18 numiru 12 pahina 14744 gi Disembre 15, 1996 yan Baluma 19, Numiru 02, Febreru 15, 1997 gi Rehistran Commonwealth.

Ma fecha gi miná 🔨 6th	na dia, gi mes, 1998.
Juan S. Tenorio Chairman i Board	Mary Lou S. Ada Corporate Director
7/15/98 Fecha	Rinisibe As: Special Assistant for Administration Governor's Office
7/15/98 Fecha	Ma File As: Soledad B. Sasamoto Rehistradoran Kotocrasion

Nutisia Put Priniponen Amendasion Gi Appendix D Listan Suetdon Familia

Sigun gi Otden Eksekatibus Numiru 94-3, Seksiona 407 gi halam Reorganization Plan Numiru 2 gi 1994 OtdenNumiru 138 yan i Administrative Procedures Act 1 CMC 9101 et. seg., i chechetton na Appendix D esta ma inan maolek yan aprueba i Ofisinan Attorney General giya CNMI.

Maˈfecha gi miná_	loth	, na dia gi mes	X,1998

Maya B. Kara

Attorney General (Acting)

Ginen: ELLIOTT A. SATTLER
Elliott A. Sattler

Assistant Attorney General

ARONGORONGOL POMWOL LLIIWEL KKAAL REEL MILLE APPENDIX D HOUSEHOLD INCOME SCHEDULE

Board of Directors mercel Northern Marianas Housing Corporation (NMHC) bwelle reel milleel ekke arongaar aramas toulap reel igha ekke pomwoli ebwe adoptaay liliwel kkaal ikka a takkal amweri sefal reel mille Appendix D Household Income Schedule faal NMHC/MPI.T Home Loan Regulation, iye e póblikalong ilől Volume 18, Numoro 12, peigh 14744, Ilől maramal Tumwur (December) 15, 1996 me Volume 19, Numoro 02, Ilől maramal Mailap (February 15, 1997 mercel Commonwealth Register.

Ral ye 6th lidi maramai _	April_1998.	
Allu	in h	ranger A. Da
Juan S. Tenorio		MaryLou S. Ada
Chairmanii Board		Corporate Director
7/1/198 Rail	Bwughiyal:	Special Assistant for Administration
7/15/98 Rai	Isaliyal:	Bwulasiyol Sów Lemelem Discourse Disc

ARONGORONGOL EFÉRTÁÁL LLIIWEL KKAAL NGÁLI APENDIX D HOUSEHOLD INCOME SCHEDULE

Sángi autol Executive Order No. 94-3, Tálil 407 mellól Reorganization Plan No.2 llól rághewe 1994, Directive No. 138 bwal Administrative Procedure Act 1CMC 9101, et. seq., Appendix D kka e appasch nge atakkal ammwir me alúghúlúgh mereel bwulasiyol Sów Allégh (Attorney General).

Rái ye 10th Ilól maramal 1998

Sow Allegh (Attorney General/Acting)

Mercel: ELLIOTT A. SATTLER

Elliott A. Sattler
Assistant Attorney General

NMHC-MPLT LOAN PROGRAM INCOME SCHEDULE

SIZE	LOW-	MODERATE
01-PERSON	18,150	49,850
02-PERSON	22,600	56,950
03-PERSON	27,050	64,050
04-PERSON	31,500	71,200
05-PERSON	35,050	76,900
06-PERSON	38,600	82,600
07-PERSON	42,150	88,300
08-PERSON	45,700	94,000
09-PERSON	49,300	99,700
10-PERSON	52,850	105,400
11-PERSON	56,400	111,050
12-PERSON	60,000	116,750
13-PERSON	63,500	122,450
14-PERSON	67,100	128,150
15-PERSON	70,650	133,850