



**JULY 23, 2009**  
**VOLUME 31**  
**NUMBER 07**

**COMMONWEALTH REGISTER**

# COMMONWEALTH REGISTER

VOLUME 31  
NUMBER 07

JULY 23, 2009

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## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

**Benigno R. Fitial**  
Governor

**Eloy S. Inos**  
Lieutenant Governor

### **EXTENSION OF EMERGENCY Volcanic of Anatahan**

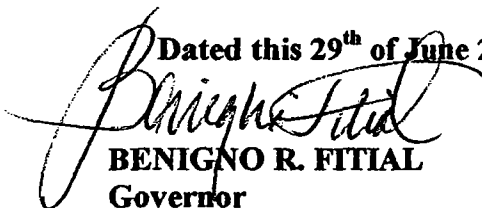
**WHEREAS, On May 13, 2003, a Declaration of Emergency was issued with respect to volcanic activity on the island of Anatahan; and**

**WHEREAS, said Declaration declared the island of Anatahan as unsafe for human habitation and restricted all travel to said island with the exception of scientific expeditions; and**

**NOW, THEREFORE, I, BENIGNO R. FITIAL, by the authority vested in me as Governor, and pursuant to Article III, Section 10 of the Commonwealth Constitution and 3 CMC §5121, and in accordance with the Emergency Management Office, Commonwealth of the Northern Mariana Islands and US Geological Survey, do hereby extend a state of disaster emergency in the Commonwealth with the respect of the island of Anatahan under the same terms and conditions as are contained in the original Declaration.**

**This Extension of Emergency shall remain in effect for thirty (30) days, unless the Governor shall, prior to the end of the 30-day period, notify the Presiding Officers of the Legislature that the state of emergency has been revoked or further extended for a like term, and giving reasons for extending the emergency.**

**Dated this 29<sup>th</sup> of June 2009.**

  
**BENIGNO R. FITIAL**  
Governor

**Cc:**  
Lt. Governor (Fax: 664-2311)  
Senate President (Fax: 664-8803)  
House Speaker (Fax: 664-8900)  
Mayor of the Northern Islands (Fax: 664-2710)  
Executive Assistant for Carolinian Affairs (Fax: 235-5088)  
Attorney General (Fax: 664-2349)  
Secretary Of Finance (Fax: 664-1115)  
Commissioner of Public Safety (Fax: 664-9027)  
Special Assistant for Management and Budget (Fax: 664-2272)  
Special Assistant for Programs and Legislative Review (Fax: 664-2313)  
Press Secretary (Fax: 664-2290)  
United States Coast Guard (Fax: 236-2968)

Caller Box 10007 Saipan, MP 96950 Telephone: (670) 664-2200 /2300 Facsimile: (670) 664-2211/2311



**Emergency Management Office**  
**Office of the Governor**  
 COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



Benigno R. Fitial, Governor  
 Eloy S. Inos, Lt. Governor

Joaquin P. Omar, DSA  
 Mark S. Pangelinan, ADSA

# MEMORANDUM

**To:** Governor  
**From:** Deputy Special Assistant, EMO/OHS  
**Subject:** Declaration of Emergency


06/29/09

The EMO seismic staff and USGS, once again in close consultation has informed me the status of Anatahan volcano that, **No reports of eruptive activity or other unusual volcanic phenomena at Anatahan were received for the past week, seismicity has remained at background levels. The volcano appears to have entered a quiescent period but it is still possible for more active activity, including gas and ash emissions, to resume again at any time with little or no warning.**

**A Volcanic Alert Level: NORMAL and Aviation Color Code: GREEN** still remains for Anatahan volcano.

Therefore, we are once again respectfully soliciting your assistance in extending the **Declaration of Emergency** for the island of Anatahan for another thirty (30) days and to maintain the *off limits zone from 10 nautical miles to 3 nautical miles* around Anatahan until further notice. Under these conditions, restriction of entry to the said island should continue until a thorough scientific study is done and that the findings suggest otherwise. The current **Declaration of Emergency** will expire today, June 29, 2009.

Should you have any question or concern, please call our office at 322-9528/29.

  
 Joaquin P. Omar  
 cc: Lt. Governor  
 SAA  
 Mayor, NI  
 DPS  
 USCG

Commonwealth of the Northern Mariana Islands  
Department of Commerce  
Michael J. Ada, Secretary  
Caller Box 10007  
Saipan, MP 96950

Tel 670-664-3000; Fax 670-664-3067  
[commercedept@pticom.com](mailto:commercedept@pticom.com)

**PUBLIC NOTICE OF EMERGENCY REGULATIONS  
WHICH ARE AMENDMENTS TO THE REGULATIONS OF  
THE DEPARTMENT OF COMMERCE  
FOREIGN STUDENT VISA SECTION**

**EMERGENCY ADOPTION AND IMMEDIATE EFFECT:** The Commonwealth of the Northern Mariana Islands, Department of Commerce, by and through its Secretary finds as follows:

- 1). The attached regulations regarding the administration of the foreign student visa program shall be adopted immediately on an emergency basis because the public interest so requires, for the reasons stated below (1 CMC §9104(b), (c); 1 CMC §9105(b)(2)); and
- 2). The same regulations shall be adopted, after a proper notice and comment period, as permanent regulations pursuant to a Notice of Proposed Regulations, and the Administrative Procedures Act, 1 CMC §9104(a).

**AUTHORITY:** The Secretary of Commerce is empowered by the Legislature to adopt rules and regulations for the administration and enforcement of the statute governing his activities. **1 CMC § 2454** (rules and regulations). See also Executive Order 94-3 (effective August 23, 1994, reorganizing the Executive branch).

The Administrative Procedures Act provides that an agency may adopt an emergency regulation upon fewer than 30 days' notice if it states its reasons in writing:

- (b) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days' notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of not longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.
- (c) No regulation adopted is valid unless adopted in substantial compliance with this section...

1 CMC §9104(b),(c).

**THE TERMS AND SUBSTANCE:** These rules and regulations provide for the adoption of amended requirements in order for foreign students to meet and comply with regulations.

Specifically, these regulations will allow for alternative types of security to address the current unavailability of medical insurance coverage to foreign students.

**THE SUBJECTS AND ISSUES INVOLVED:** These rules and regulations:

1. Amend the medical insurance requirement to include other forms of security.

**ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS:** The Secretary has followed the procedures of 1 CMC §9104(b) to adopt these amended regulations on an emergency basis for 120 days.

**REASON FOR EMERGENCY ADOPTION:** The Secretary finds that the public interest requires adoption of these regulations on an emergency basis, for the following reasons:

1. There is currently no insurance carrier that offers medical insurance coverage for foreign students. As a result, no foreign student can qualify for a foreign student visa if they cannot comply with the requirements. Until such time medical insurance coverage becomes available, providing for an immediate and acceptable alternative form of security will relieve foreign students' immigration status from being in limbo.

**DIRECTIONS FOR FILING AND PUBLICATION:** These Proposed Rules and Regulations shall be published in the Commonwealth Register in the section/s on emergency and proposed regulations (see 1 CMC§9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district. (1 CMC §9104(a)(1)).

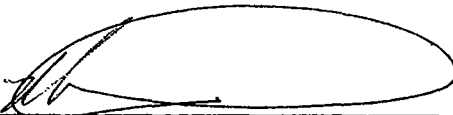
The Secretary shall take appropriate measures to make these Rules and Regulations known to the persons who may be affected by them. (1 CMC §9105(b)(2)).

**IMMEDIATE EFFECT:** These emergency rules and regulations become effective immediately upon filing with the Commonwealth Register and delivery to the Governor. (1 CMC §9105(b)(2)). This is because the Secretary has found that this effective date is required by the public interest or is necessary because of imminent peril to the public health, safety and welfare.

**TO PROVIDE COMMENTS:** No comments are required for these emergency rules and regulations. However, the related Notice of Proposed Rules and Regulations will specify comment procedures. Please the notice regarding these emergency regulations being presented as proposed regulations, in the August 2009 Commonwealth Register.

These emergency regulations were approved by the Secretary on July 2, 2009.

Submitted by:

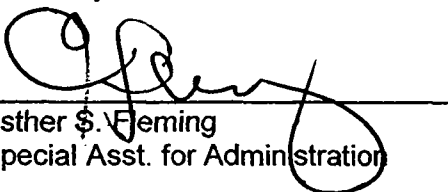


Michael J. Ada  
Secretary of Commerce

7/1/09

Date

Received by:



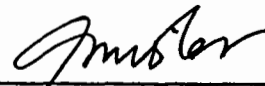
Esther S. Fleming  
Special Asst. for Administration

7/02/09

Date

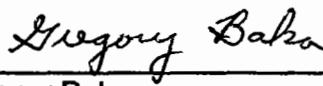
Concurred by:   
Benigno R. Fitial

7/06/09  
Date

Filed and  
Recorded by:   
Esther M. San Nicolas  
Commonwealth Register

07.06.09  
Date

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104()(3), the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published. 1 CMC § 2153(f).

  
Gregory Baka  
Acting Attorney General

6 July 09  
Date

**SUBCHAPTER 30.5: FOREIGN STUDENTS, Part 100 Section 20-30.5-110, Minor children of aliens legally in the Commonwealth (Commonwealth Register, Volume 31, Number 4, April 27, 2009 pp. 029386-87), is hereby amended as follows:**

- (b) Medical insurance. The alien parent who sponsors the alien minor must provide evidence of medical insurance for the alien minor or financial security acceptable to the Secretary sufficient to cover a minimum of \$3,000 in medical expenses. All insurance policies offered to cover student health coverage shall extend to a student of any age enrolled in an accredited institution. **In lieu of medical insurance, if one cannot be procured, the Secretary will accept the following forms of security:**
- (1) Posting of a \$1,000 cash bond per student with the Commonwealth Treasury;**
  - or
  - (2) Posting of a surety bond to cover an amount of not less than \$3,000 per student.**
- (i) This bond may be issued per student on an individual basis or in the case where an educational institutional bond is available; such a bond will require the educational institution to carry the bond of no less than \$3,000.00 per student for all students enrolled.**





# NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 500514, Saipan, MP 96950-0514

Tels: (670) 234-6866  
234-9447  
234-7689  
234-7670  
Fax: (670) 234-9021  
233-6870

## **PUBLIC NOTICE OF EMERGENCY REGULATIONS AND NOTICE OF INTENT TO ADOPT HOMEOWNERSHIP INVESTMENT PARTNERSHIP (HOME) PROGRAM POLICIES AND PROCEDURES FOR HOMEOWNER REHABILITATION AND HOMEBUYERS**


**EMERGENCY:** The Northern Marianas Housing Corporation (“NMHC”), Commonwealth of the Northern Mariana Islands, finds that under 1 CMC § 9104(b) the public interest requires the immediate adoption and implementation of emergency Home Program regulations in order to avail itself by October 31, 2009 of Home funds allocated each fiscal year to the Commonwealth of the Northern Mariana Islands (CNMI) from the U.S. Department of Housing and Urban Development (HUD) for qualified low-to-very-low income homeowners/homebuyers. The main objective of the creation of the Home Program was to encourage, promote, and provide decent, safe, sanitary and affordable housing. Due to the time constraints involved, NMHC finds that the public interest mandates adoption of these regulations upon fewer than thirty (30) days’ notice and that these regulations shall become effective immediately after filing with the Commonwealth Register, subject to the approval of the Attorney General and the concurrence of the Governor, and shall remain effective for one hundred twenty (120) days.

**REASONS FOR EMERGENCY:** NMHC finds that adoption of these regulations upon fewer than thirty (30) days’ notice is necessary to provide adequate financial assistance to eligible low-to-very-low income families in the CNMI in the form of low-interest, non-interest bearing loans and direct grants for rehabilitation and repair and for the purchase and construction of their principal places of residence. Homeowner rehabilitation assistance includes those items necessary to bring the home in compliance with health and safety housing codes, including the reduction of lead-based paint hazards


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and the remedying of other home health hazards. Furthermore, the notice period would prevent the application of these regulations during the period of the notice in order for NMHC to provide loans and direct grants to eligible families. Accordingly, NMHC finds that these regulations be approved and adopted immediately.

**INTENT TO ADOPT:** It is the intent of NMHC to adopt the emergency regulations for homeowner rehabilitation and homebuyers as permanent, pursuant to 1 CMC § 9104(a)(1) and (2). Interested parties may submit written comments on these emergency regulations to Joshua T. Sasamoto, Corporate Director of NMHC at P.O. 500514, Saipan, MP 96950 or by facsimile to (670) 234-9021.

Submitted by:   
Joshua T. Sasamoto  
Corporate Director, NMHC

7/8/09  
Date

Concurred by:   
Benigno R. Fitial  
Governor

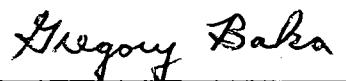
7/9/09  
Date

Filed and Recorded by:   
Esther San Nicolas  
Commonwealth Register

07.15.09  
Date

Pursuant to 1 CMC § 2153(e) and (f), as amended by NMI Public Law No. 10-50, the Home Program emergency regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General's Office.

Dated this 15<sup>th</sup> day of July, 2009.

  
~~Greg Baka~~ Gregory Baka  
Acting CNMI Attorney General

**PUBLIC NOTICE**  
**EMERGENCY REGULATIONS RE: POLICIES AND PROCEDURES FOR**  
**HOMEBUYERS AND HOMEOWNERSHIP REHABILITATION UNDER HOME**  
**PROGRAM**

**EXHIBIT A**

These regulations are promulgated in accordance with the Administrative Procedure Act, 1 CMC § 9101, *et. seq.*

**Citation of**

**Statutory Authority:** Northern Marianas Housing Corporation is authorized to promulgate regulations pursuant to 2 CMC § 4433(i).

**Short Statement of  
Goals and Objectives:**

The proposed regulations are to provide adequate financial assistance to low-to-very-low income families in the form of low-interest loans, non-interest bearing loans and direct grants for purchase, construction, rehabilitation and repair of their principal places of residence.

**Brief Summary of the  
Proposed New Section:**

The proposed emergency regulations set forth policies and procedures in providing loans and direct grants to eligible families for the purchase, construction, rehabilitation and repair of their principal homes under the Home Program.

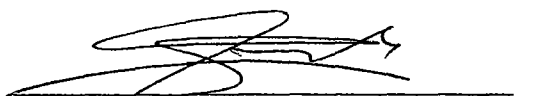
**For Further  
Information Contact:**

Joshua T. Sasamoto, Corporate Director, Northern Marianas Housing Corporation, telephone numbers (670) 234-6866/234-9447.

**Citation of Related  
and/or Affected Statutes,  
Rules and Regulations,  
and Orders:**

The proposed regulations affect Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, and 24 CFR Part 92.

Dated this 9<sup>th</sup> day of July, 2009.  
Submitted by:

  
Joshua T. Sasamoto, Corporate Director  
Northern Marianas Housing Corporation

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**HOMEOWNERSHIP INVESTMENT PARTNERSHIP**

**(HOME) PROGRAM**

**POLICIES AND PROCEDURES  
FOR  
HOMEOWNER REHABILITATION**

## GENERAL PROVISIONS

### INTRODUCTION

The Homeownership Investment Partnership (HOME) Program was established under the National Affordable Housing Act of 1990. The main objective for the creation of the HOME Program was to encourage, promote, and provide decent, safe, sanitary, and affordable housing.

Due to the limited availability of HOME funds allocated each Fiscal Year to the Commonwealth of the Northern Mariana Islands (CNMI) from the U.S. Department of Housing and Urban Development (HUD), financial assistance will be limited to qualified low-to very low-income homeowners. The Northern Marianas Housing Corporation (NMHC) has recognized three target groups to assist under the HOME Program. Funds will be made available for eligible "Homeowner Rehabilitation" activities through low interest, non-interest bearing loans, and direct grants to assist in the rehabilitation and repair of their principal place of residence. Homeowner Rehabilitation activities include those items identified at the **Initial Inspection** which are necessary in bringing the home in compliance with health and safety housing codes including the reduction of lead-based paint hazards and the remediation of other home health hazards.

The (NMHC), on behalf of the CNMI, has been designated the responsibility of implementing and carrying out the objective of the Program. NMHC's Mortgage and Credit Division will be responsible for the day-to-day operation of the HOME Program. Support services will be provided by the NMHC's Fiscal Division with respect to disbursement of and collection of payments, accounting, and maintenance of financial records. Overall, the NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of the Program in accordance with statutory and regulatory requirements. Through these policies and procedures, NMHC will strive to accomplish the following Program objectives:

1. Provide for the operation of the HOME Program, the CNMI's primary objective which is to avail financial assistance to eligible homeowners for the rehabilitation and repair of their principal residence;
2. Foster good working relationships among NMHC, homeowners assisted with HOME monies, and Minority and Women-Owned Businesses (MBE/WBE); and
3. By imposing NMHC and HUD-prescribed residential rehabilitation standards, preserve and improve the general housing stock of the CNMI.

#### **1.0 PURPOSE OF THE PROGRAM**

The purpose of the program is to provide no cost or low cost financing assistance to very low and low-income families for the rehabilitation and/or repair of their principal residence. The rehabilitation goal is to increase the economic life of the existing dwelling, provide energy efficiency, and ensure a safe, decent, and healthy living environment for assisted families.

#### **1.1 GENERAL REQUIREMENTS**

To qualify for rehabilitation assistance, the applicant(s) must meet the following:

1. Qualify as low-income family as defined under the HOME program.
2. The dwelling must be a completed residence prior to owner applying for rehabilitation assistance.
3. Must occupy and continue to occupy residence after the completion of such repairs and/or renovation.
4. Own the property under an approved form of ownership as set forth in 24 CFR Part 92 § 92.254( c), and as specified below:
  - a. Has fee simple title to the property

- b. Maintains a 40-year leasehold interest in the property
- c. Owns a condominium
- d. Owns or has a membership in a cooperative or mutual housing project that constitutes homeownership under state law; or
- e. Maintains an equivalent form of ownership approved by HUD.

**Applicants not meeting ANY ONE of the above, do not qualify for assistance under the HOME Rehabilitation Program.**

## 2.0 LOAN SPECIFICATIONS

### 2.1 LOAN-AMOUNT

1. **Minimum and Maximum Loans:** The minimum loan amount allowable under this program is ONE THOUSAND DOLLARS (\$1,000.00) to a maximum of FORTY THOUSAND DOLLARS (\$40,000.00).
2. HOME Loan funds may not be used for projects that exceed the maximum loan amount. However, in circumstances where the borrower is able to deposit the difference with NMHC before loan closing and he/she is still at or below the debt-to-income ratio, the borrower may still be eligible for assistance.

### 2.2 TARGET GROUP

- A. Because of the limited funding allocated to the CNMI each program year, NMHC has recognized the need to prioritize the level of assistance to qualified families. Based on a first come, first serve basis, NMHC will categorize the target groups as First Priority, Second Priority, and Third Priority. Classification of such groups are as follows:

- A. First Priority



- A. Elderly or Disabled families with income between 0%-30.0% of the area median income. This target group is eligible for grant assistance. Elderly or disabled household applicants may receive 100% grant assistance.

An elderly family is a family whose head of household, spouse, or sole member is age 62 or older.

A disabled family is a family whose head of household, spouse, or sole member is a person with a disability.

Person with a disability:

(1) Means a person who:

(i) Has a disability, as defined in 42 U.S.C. 423;

(ii) Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

(A) Is expected to be of long-continued and indefinite duration;

(B) Substantially impedes his or her ability to live independently, and

(C) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

(iii) Has a developmental disability as defined in 42 U.S.C. 6001.

(2) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome; and

(3) Does not include a person whose disability is based solely on any drug or alcohol dependence.

- B. A combination of loan and grant assistance may be provided to very low income non-elderly or non-disabled applicants whose income fall between 0 %-50.0%, provided that the first half of the assistance (or the first \$20,000) will be in the form of a loan and the next half (or remaining \$20,000) will be in the form of a grant.

- B. Second Priority Very low-income families with limited financial resources whose income fall between 50.1 % to 60.0%.

- C. Third Priority -Low-income families with limited financial resources whose income fall between 60.1% to 80.0%.

## 2.3 INCOME ELIGIBILITY

- A. NMHC shall refer to the *Technical Guide for Determining Income and Allowances for the HOME Program, Third Edition* in verifying the household's assets and income which can be found in the HUD website. The NMHC shall adopt the guide and make use of the Part 5 income and asset calculation worksheets including any and all forms required in determining an applicant's annual and adjusted income. Information provided by the applicant shall be accompanied with proper documentations (i.e., check stubs, bank statements, 1040 tax forms, etc). The anticipated gross annual household income and assets for the next twelve (12) months is used in determining if an applicant(s) is/are eligible to participate in the program. NMHC shall calculate the weekly average income and assets and multiply it by 52 weeks. If the total household income falls within the 80% area median income as indicated on Table 2 below, the applicant(s) is/are eligible to participate in the program. Anything more than 80% would immediately disqualify them.
- B. After the applicant(s) have been determined eligible for the program, their gross household income will be adjusted to determine their interest rate for the requested loan. The deductions are as follows:
- a. Less \$480 per household member below the age of 18, or who is 18 years or older and is disabled, or who is 18 years or older and is a fulltime student (provided that the student isn't the head, co-head, or the spouse);
  - b. Less \$400 per household for households that meet the definition of elderly or disabled families;
  - c. Less medical expenses for either elderly or disabled households that have no disability assistance expenses for medical expenses that exceed 3% of

the household's annual income;

- d. Less reasonable child care expenses for the care of children 12 years and under if the care would enable an adult family member to actively seek employment, be gainfully employed, or further one's own education and the expenses are not reimbursed.

- C. The total adjusted income determines a borrower's interest rate for the loan and/or grant being requested.

## **2.4 PROPERTY ELIGIBILITY**

- A. **Property Ownership:** Interested applicant(s) must provide proof of fee simple ownership or must have at least 40 year leasehold interest on the property to be improved. The applicant must have at least a minimum of 30 years of the leasehold interest remaining on the property to be improved. The assisted unit must be located in the CNMI, more specifically, Saipan, Rota or Tinian.
- B. **Conformance to Property Standards:** All assisted properties that are rehabilitated with HOME Assisted funds must meet the program's established Rehabilitation Standards (see Exhibit 1). The Rehabilitation Standards is the program's guidelines of acceptable construction methods and materials to be used when performing rehabilitation and the quality standards that the property must meet when all rehabilitation work is completed. NMHC shall make the Rehabilitation Standards available to the Department of Public Works (DPW) inspectors and the inspectors shall use it as a guide to certify that completed work was done accordingly.
- C. **Local/State or National Codes.** Upon completion of rehabilitation work, the HOME assisted owner-occupied rehabilitation property must meet applicable state/local codes or national building codes as adopted by the Commonwealth of Northern Mariana Islands (CNMI) government.
- D. Upon completion of rehabilitation work, the HOME assisted owner-occupied

rehabilitation property must meet handicapped accessibility requirements, where applicable.

E. **Principal Residence:** Applicants approved to receive financial assistance must own the property and occupy the property as their principal residence at the time of application, immediately upon completion of the HOME-funded project, and throughout the NMHC affordability period. Since the CNMI currently does not have street addresses, proof of residency must be verified on an annual basis through an affidavit signed by the applicant(s). In addition, homeowners/applicants must submit copies of utility or telephone billing which reflect their names and addresses. The following stipulations apply for a principal residence:

- a. A deed restriction or covenant running with the land shall incorporate this requirement;
- b. The loan documents between the homeowner and NMHC shall also incorporate this requirement;
- c. Temporary subleases are not allowed; and
- d. Loan default and subsequent foreclosure negates the principal residence limitation.

F. **Maximum Property Value:** The after rehabilitation value of each assisted property must not exceed ninety-five percent (95%) of the area median purchase price for the type of housing unit being assisted (single-family unit), as prescribed by HUD. To determine such value, a written appraisal must be obtained by the borrower from an appraiser approved by NMHC. The appraisal report must document the appraised value and the appraisal approach used.

## 2.5 INTEREST RATE & TYPE OF ASSISTANCE

- A. The interest rate charged on the outstanding principal balance for each target group is determined by the adjusted gross household income which falls in the following

percentage of the established Pacific Islands Income Limits. See Table 1 and Table 2 below for more details. *NMHC from time to time may revise the specified interest rates below as it deems beneficial for the administration of the program.*

**Table 1**

TARGET GROUPS	PACIFIC ISLANDS ADJUSTED HOME INCOME LIMITS	INTEREST RATE	TYPE OF ASSISTANCE
FIRST PRIORITY	A. 0% - 30.0%	0%	100% GRANT*
	B. 0% - 50.0%	0%	NON-INTEREST LOAN & GRANT**
SECOND PRIORITY	50.1% - 60.0%	1%	LOAN (INTEREST BEARING)
THIRD PRIORITY	60.1% - 80.0%	3%	LOAN (INTEREST BEARING)

\* -Applies only to qualified elderly and/or disabled household applicants.

\*\* -Applies to families who fall within the specified area median income group above. Families in this income bracket may be given a grant to supplement the additional funding needed to complete the renovation/rehabilitation of the family's dwelling. Maximum grant amount for applicants in this income bracket shall not be more than \$20,000.00. The first \$20,000.00 shall be in the form of a loan and the next half of the assistance shall be in the form of a grant.

B. The Area Median Income for the Pacific Islands as established by the U.S. Department of HUD and periodically revised is provided below and referenced as Table 2. NMHC shall comply with any revisions that the U.S. Congress enacts.

**Table 2**

PACIFIC ISLANDS INCOME LIMITS 7/2008	1st	2nd	3rd	4th	5th	6th	7th	8th
30% of Median Income	13250	15100	17000	18900	20400	21900	23450	24950
50% Very Low Income	22050	25200	28350	31500	34000	36550	39050	41600
60% Limits	26460	30240	34020	37800	40800	43860	46860	49920
80% Low Income	35300	40300	45350	50400	54450	58450	62500	66550

## 2.6 LOAN TERMS & REPAYMENT

- A. **Grants:** Grants are provided with no requirement or expectation of repayment. Homeowners that receive grants to rehabilitate their principal residence must occupy the assisted unit throughout the NMHC affordability period following completion of the rehabilitation. HOWEVER, should the assisted homeowner(s) decide to vacate, rent out, transfer title, or sell the assisted unit during the NMHC affordability period, the homeowner must repay the grant. See Section 6.0 Affordability Restrictions for an explanation of the affordability restrictions and recapture.
- B. **Non-Interest Bearing Loans:** The principal amount of loans is paid back on a regular basis over time, but no interest is charged. The repayment term of all non-interest bearing loans shall be twenty (20) years or two hundred forty (240) months and shall be fully amortized to produce equal monthly payments.
- C. **Interest-Bearing Loans:** These loans are amortizing loans. Repayment is expected on a regular basis so that over a fixed period of time, all the principal and interest is repaid. The repayment term of all interest-bearing loans shall be twenty (20) years or two hundred forty (240) months and shall be fully amortized at either one percent (1 %) or three percent (3%), to produce equal monthly payments. The interest rate is dependent on the applicant's adjusted household income as specified on Table 1.
- D. **Extended Terms:** Should a financial hardship beyond the borrower(s)' control exists, a request for an extended loan term may be considered provided that the borrower(s) are able to meet the repayment of their reamortized loan. The borrower(s) must provide NMHC with documentations justifying their inability to meet the loan repayment term while at the same time providing an adequate standard of living for his/her/their family. An extended term must be recommended by the Mortgage Manager and approved by the Corporate Director. All extended terms granted must not exceed a five-year extension term for each request made. The maximum number of times such an extension may be requested by a homeowner is two (2). Financial Hardship includes, but is not limited to:

1. Increase in cost of living resulting from declining economic conditions;

2. Reduction of work hours of a household's income earner;
3. Deployment of a household's service member(s); and
4. Unforeseen medical expenses.

## 2.7 REPAYMENT ANALYSIS

- A. *Grant*: 100% Grant assistance need not be repaid so long as the homeowner is in compliance with the 10-year principal residency requirement Provisions in Section 2.6(a) apply to this section as well.
- B. *Non-interest and Interest-Bearing Loans*: Maximum monthly debt service for either type of loan including existing long term obligations, insurance, plus the rehabilitation loan that will be incurred shall not exceed 40% of the adjusted household income.
- C. The maximum **Debt-to-Income Ratio** shall be not more than 40% (or most current ratio) of the adjusted household income. The maximum **Payment-to-Income Ratio** of the rehabilitation loan itself shall not be more than 30% (or most current ratio) of the adjusted household income.

## 2.8 USE OF LOAN FUNDS

- A. The loan/grant funds will be used to assist existing homeowners to repair, rehabilitate, or reconstruct owner-occupied housing units for the primary purpose of correcting dwelling deficiencies ensuring a safe and healthy living condition, and preserving and extending the physical life of the dwelling. All corrections shall conform to the local and/or national building codes as adopted by the Commonwealth of the Northern Mariana Islands (CNMI) government, and also ensure that it meets the NMHC HOME Rehabilitation Standards as adopted by the NMHC Board.

Special purpose homeowner repairs such weatherization, emergency repairs, and

handicapped accessibility may only be undertaken within a more comprehensive scope of work that brings the housing unit up to standard.

- B. Rehabilitation – This includes the alternation, improvement or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure.

Adding a housing unit is considered new construction and is not eligible.

- C. Reconstruction -In many instances, applicant(s) requesting assistance under this program live in substandard homes which are often unsafe and unsanitary. Many of which are termite infested and dilapidated to the point where a complete tearing down of the unit would be most appropriate. Reconstruction refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment. HOME funds may be used to build a new foundation or repair an existing foundation. Reconstruction may take place on the same foundation that the existing structure in on. Reconstruction may take place anywhere on the lot. During reconstruction, the number of rooms per unit may change, but the number of units may not.

- D. Luxury items and improvements are not eligible, including but not limited to: barbecue pits, bathhouses, exterior hot tubs, saunas, whirlpool baths, swimming pools, satellite dishes, tennis courts, carport/garage extension, and dirty kitchens. Any additions or alterations to provide for commercial use are not eligible.

## **2.9 ELIGIBLE COSTS**

- A. As defined in 24 CFR Part 92, §92.206(a)(2)-(5), (b), and (d), HOME funds can be used to cover the hard rehabilitation costs necessary to meet required rehabilitation standards and associated "soft costs." HOME funds may be used to pay for property improvements that are considered standard for the area. However, nonessential luxury or cosmetic improvements to the property are not permitted.

1. Hard costs include the following:



- i. Meeting the rehabilitation standards;
- ii. Meeting applicable codes, standards and ordinances;
- iii. Essential Improvements;
- iv. Energy-related improvements;
- v. Lead-based paint hazard reduction;
- vi. Accessibility for disabled persons;
- vii. Repair or replacement of major housing systems;
- viii. Incipient repairs and general property improvements of a non-luxury nature; and
- ix. Site improvements and utility connections.

2. Soft costs include the following:

- i. Financing fees;
- ii. Credit reports;
- iii. Title binders and insurance;
- iv. Recordation fees, transaction taxes;
- v. Legal and accounting fees;
- vi. Appraisals;
- vii. Architectural/engineering fees, including specifications and job progress inspections;

viii. Project costs incurred by the PJ that are directly related to a specific project; and

ix. Refinancing of secured existing debt if the housing is owner-occupied and refinancing allows the overall costs of borrower to be reduced and the housing is made more affordable.

B. NMHC shall set aside \$1,509.00 (or most current costs) of its Administrative Funds to assist each rehab client pay for the following Loan Closing fees and other related costs. This form of assistance shall not be in any way, a part of the rehab loan amount extended to the client. Borrowers will not be required to pay back any of this amount so long as they are in compliance with NMHC affordability restrictions. The entire amount shall be immediately due and payable by the borrower should NMHC determine that borrower(s) are not in compliance with NMHC affordability restrictions.

- |    |          |                                    |
|----|----------|------------------------------------|
| a. | \$400.00 | Utility Connection;                |
| b. | \$400.00 | Insurance;                         |
| c. | \$450.00 | Appraisal Report;                  |
| d. | \$150.00 | Recordation of Mortgage Documents; |
| e. | \$100.00 | Preliminary Title Report (PTR);    |
| f. | \$8.50   | Credit Report @ \$4.25 each.       |

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\$1,508.50	Total
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### 3.0 LOAN APPLICATION PROCESS

#### 3.1 CONFIDENTIALITY

As is NMHC's practice, all applicant information is kept confidential and shall be made available only to borrower(s), borrower(s)' authorized representative, and authorized NMHC personnel.

### **3.2 DISCRIMINATION PROHIBITED**

Under no circumstances shall any of the NMHC Board of Directors, its officers, employees, agents or contractors providing services to the corporation discriminate any applicant or borrower on the basis of race, color, national origin, religion, sex, ancestry, disability or familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18).

### **3.3 Pre-Qualification Interview**

A. Before an applicant can be given a formal application, the interviewing Loan Officer must conduct a pre-qualification interview to initially determine an applicant's eligibility for assistance. A *HOME Program Pre-Qualification Interview Worksheet* shall be completed by the interviewing Loan Specialist.

B. *Because the information collected from the applicant during this process may not be accurate, as the Loan Officer may only be relying on "assumed estimates" regarding their employment, debt, and assets, applicants who are initially determined eligible may later be determined ineligible for the program.*

### **3.4 Eligibility Notification**

Once the applicant(s) have been pre-qualified and have been later determined eligible for the program, NMHC shall officially notify the applicants in writing of their eligibility. Such notification shall be mailed no later than (5) working days after the determination.

### **3.5 Ineligible Applicants**

All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five (5) working days after the determination of ineligibility and shall include a description/reason of such determination.

### **3.6 Initial Inspection of Residence**

Initial inspections shall be conducted by the Loan Specialist or an NMHC representative to identify and verify deficiencies noted by eligible homeowners/applicants. NMHC personnel conducting the inspections shall note deficiencies in written form and shall obtain pictures of the condition of the unit. Such inspections shall also verify the eligibility and be the basis in estimating the costs of the rehabilitation activities requested and in developing the scope of work for the rehabilitation project. The applicant and the responsible Loan Specialist shall work cooperatively to develop the Scope of Work for the project. The Scope of Work must be an eligible activity as described in Section \_\_\_\_\_ (Use of Loan Funds). The Scope of Work shall be provided to three (3) NMHC approved contractors by the borrower(s) who shall prepare a cost breakdown estimate for the project. The estimates shall then be submitted along with the applicant(s) choice of contractor for the project upon submission of his/her/their loan application.

### **3.7 Lead-Based Paint**

- A. The federal government banned lead-based paint from housing in 1978. Deteriorating lead-based paint (peeling, chipping, chalking, cracking, or damaged) is a hazard and needs immediate attention. Before any rehabilitation work is done, homeowners must provide documentation that shows that their homes were built either before or after January 1, 1978. Homes built before the passage of Public Law No. 6-45 or the Building Safety Code of the Commonwealth of the Northern Mariana Islands, must provide an affidavit by the homeowner or contractor attesting to the completion date of the home construction. Homeowners whose homes were completed after Public Law No. 6-45 must provide copies of their building permits as proof that their homes were constructed and completed after January 1, 1978.

- B. For those homes deemed to have been completed before January 1, 1978, they

must be checked for lead in one of two ways, or both:

- A paint inspection which shows the lead content of every different type of painted surface in the home;
- A risk assessment which shows if there are any sources of serious lead exposure (such as peeling paint and lead dust). A risk assessment provides the homeowner the necessary actions to take when addressing these hazards.

C. Only a trained, certified professional is allowed to check the home for such hazards. Only a certified lead "abatement" contractor is allowed to permanently remove lead hazards. However, if the risk assessment does not reveal any lead-based paint hazards, NMHC will not require the homeowner to conduct any abatement of hazards.

D. For those homes that were completed before January 1, 1978, the following forms must be completed:

- Lead Hazard Evaluation Notice;
- Notice of Lead Hazard Reduction;
- Relocation Screening Sheet for Projects with Lead Hazard Reduction Activities;
- Protection of Occupants' Belongings and Worksite Preparation for Projects with Lead Hazard Reduction Activities; and
- Property Owner/Rehab Contractor Contract Addendum Reduction of Lead Paint Hazards.

E. The following are required activities to address lead-based paint:

1. Notification

(A) Lead Hazard Information Pamphlet = Occupants, owners, and purchasers must receive the EPA/HUD/Consumer Product Safety Commission (CPSC) lead hazard information pamphlet, or an EPA-approved equivalent.

(B) Disclosure -Property owners must provide purchasers and lessees with available information or knowledge regarding the presence of lead-based paint and lead-based paint hazards prior to selling or leasing a residence.

(C) Notice of Lead Hazard Evaluation or Presumption Occupants, owners, and purchasers must be notified of the results of any lead hazard evaluation work or the presumption of lead-based paint or lead hazards.

2. Notice of Lead Hazard Reduction Activity - Occupants, owners, and purchasers must be notified of the results of any lead hazard reduction work.

3. Lead Hazard Evaluation -Evaluation methods include visual assessments, paint testing, and risk assessments.

4. Lead Hazard Reduction -Reduction methods described include paint stabilization, interim controls, standard treatments, and abatement.

F. The SUMMARY OF LEAD-BASED PAINT REQUIREMENTS BY ACTIVITY chart is also adopted and herein incorporated.

### **3. 8 ENVIRONMENTAL REVIEW PROCEDURES FOR ENTITIES ASSUMING HUD ENVIRONMENTAL RESPONSIBILITIES (24 CFR PART 58)**

HOME rehabilitation activities to be undertaken by NMHC are subject to the environmental review requirements at 24 CFR Part 58. CNMI is the responsibility entity and is responsible for ensuring that the environmental review process is satisfied before HOME funds are committed to specific project site.

Rehabilitation of homeowner housing may be categorically excluded per 24 CFR 58.35(a)(3) when the following conditions are met:

- The building is for residential use and has one (1) to four (4) units;
- The density will not increase beyond four (4) units;
- The land use will not change; and
- The footprint of the building will not increase in a floodplain or in a wetland.

Reconstruction of a single family unit in a new location on the same lot is classified as new construction for the purposes of environmental review. Reconstruction of homeowner housing may be categorically excluded per 24 CFR 58.35(4)(i) when it is an individual action (reconstruction only) on a one (1) to four (4) family dwelling.

Homeowner rehabilitation housing categorically excluded per 24 CFR 58.35 is categorically excluded from an environmental assessment (EA) and finding of no significant impact (FONSI) under the National Environmental Policy Act (NEPA) except for extraordinary circumstances. To document compliance with environmental review requirements, CNMI must:

- Complete the Rehab Environmental Review (RER) for the Homeowner Rehabilitation Loan Program; and
- Complete the RER Appendix A when an individual loan or grant application is received before approving any site-specific loan or grant for each structure, document and implement the mitigation of impacts as necessary, and keep all supporting documents in the Environmental Review Record as evidence of compliance.

### **3.9 HOME Rehabilitation Loan Application**

A. Applicants determined eligible for assistance will be provided a HOME Rehabilitation Loan Application. A checklist of all required documentation for submission is attached to the loan application. Preliminary Requirements include:

1. Certificate of Title/Deed/Homestead Permit/Lease Agreement

2. Property map and sketch of direction to property
3. 1040 Tax form for the previous tax year
4. HOME Program Eligibility Release Form
5. Six (6) most current pay stubs
6. Verification of Permit Employment
7. Current loan statement or loan payment record
8. Most recent savings account statement (TCD, Bonds, Form Passbook, Money Market Accounts)
9. Six (6) months checking account statement
10. Profit Sharing Plan (Bank or Duty Free Employees)
11. Most recent retirement plan statement
12. Current Certification of Child Care expenses
13. Current Certificate of Compliance from Division of Revenue and Tax
14. Judgments (if any); Divorce Statement and/or Probate Decree
15. Verification of Medical Expenses (transportation and medication)
16. Verification of Full-Time Student Status
17. Business Income Tax Forms for three (3) previous years, if applicable
18. Most current Financial Statement, if applicable



B. For further verification purposes, the application shall also be attached with the following documents:

1. Verification of Income from Business
2. Verification of Social Security Benefits
3. Verification of Pension and Annuities
4. Verification of Veterans Administration Benefits
5. Verification of Public Assistance Income
6. Verification of Child Support Payments
7. Verification of Alimony or Separation Payments
8. Verification of Recurring Cash Contributions
9. Verification of Income from Military Service
10. Verification of Assets on Deposit
11. Verification of Assets Disposed
12. Record of Oral Verification
13. Three (3) cost estimates for the rehabilitation project
14. Current Appraisal by an NMHC certified Appraiser, if available

### **3.10 APPLICATION INTAKE & PROCESSING**

Upon receipt of the HOME Rehabilitation Loan Application, the Loan Specialist must provide the applicant(s) with a Good Faith Estimate (GFE) Disclosure Statement as

required by the Real Estate Settlement Procedures Act (RESPA) of 1974. The GFE discloses all costs and/or fees associated with the processing of such loan request. If the GFE is not provided to the client at the time of their submission of their application, the form must be mailed out within three (3) business days after NMHC's receipt of the loan application. If the application is denied within a three (3) business day period, then NMHC is not obligated to send one out.

### **3.11 CREDIT HISTORY AND VERIFICATION OF INCOME**

As part of determining income eligibility and credit worthiness, the applicant(s) shall provide NMHC with an executed *HOME Program Eligibility Release Form* to conduct a third party verification of the following:

1. **Credit Report** - The applicant(s) shall provide a written authorization for NMHC to request and obtain a written credit report from a recognized Credit Bureau, more specifically, Equifax. The credit report will be used as a reference in determining the applicant(s) credit worthiness. Poor repayment of credit obligations shall be considered a credit risk and shall be a reason for denial of assistance. On a case by case basis, NMHC may reconsider its decision if the applicant has reestablished his/her credit standing and shall be required to submit a letter justifying the delinquency. A nonrefundable credit report fee of \$4.25 shall be collected from each applicant.
2. **Employment** - NMHC shall send the applicant(s) employer(s) a signed Verification of Employment (V.O.E.) form who shall furnish the requested information on the V.O.E. A stamped, self-address return envelop shall accompany the form.
3. **Assets, Business Income, and Credit Accounts** - The applicant(s) shall provide NMHC with a written authorization to obtain third party verifications whenever applicable. Monthly bank statements from the previous six months for each checking account owned, and the most recent savings account, Time Certificates of Deposits (TCD), and other bank/investment accounts must be provided to NMHC for asset verification purposes. Third party verification from creditors

shall also be conducted to determine applicant(s)' credit worthiness.

### **3.12 LOAN REVIEW & BOARD APPROVAL**

- A. The responsible Loan Specialist shall review and/or verify applicant(s) credit, income, assets, and liabilities. If the Loan Specialist and Loan Officer have deemed the applicant(s) to have met all requirements upon completion of the Loan Specialist analysis, the Loan Officer shall prepare a Loan Review Conclusion Write-Up (See Exhibit 2) with his/her recommendation for such loan approval. Final approval of any rehabilitation loan request shall be made by the NMHC Board.
- B. *Loan Requests will only be entertained during a scheduled Regular Board Meeting. (The Board, at its discretion may make an exception and entertain such request during a Special Board Meeting in cases where providing immediate assistance to a qualified disabled/elderly applicant(s) is deemed critical.)*

### **3.13 LOAN APPROVAL & COMMITMENT LETTER**

- A. Once the loan request has been officially approved by the NMHC Board of Directors, the responsible Loan Specialist shall prepare the Commitment Letter for the Corporate Director's signature. The Commitment Letter is a binding agreement between NMHC and the borrower(s) wherein it discloses the terms and conditions of the approved loan. Borrowers who have been approved shall agree not to incur additional debts.
- B. The responsible Loan Specialist shall obtain a written certification (via email or memo format) from the Chief Accountant that funds are available for the project before the Corporate Director executes the Commitment Letter.
- C. After the Commitment Letter has been signed by the Corporate Director, the responsible Loan Specialist shall schedule the applicant(s) to come in and sign off on it should they agree with the terms and conditions.

### **3.14 HOMEOWNER COUNSELING SESSION**

- A. All approved applicants must attend a counseling session that will be provided by NMHC. NMHC shall notify the applicant(s) of the date, time and location of the session. **The counseling session shall be scheduled after the NMHC Board has approved the requested loan amount and shall coincide on the day that NMHC will issue a Commitment Letter to the applicant(s).** The counseling session shall include a discussion of the terms and conditions of the approved loan, educate the homeowner(s) of their financial responsibilities, the importance of budgeting, making timely payments, and reinforcing the affordability provisions.
- B. NMHC shall inform applicant(s) at the time of their submission of their application of the required Homeowner Counseling Session and again in written form when NMHC notifies the applicant(s) of NMHC's approval of their loan request. Failure to attend a counseling session is grounds for denial of assistance.

### **3.15 PRELIMINARY TITLE REPORT (PTR)**

The responsible Loan Specialist shall order a Preliminary Title Report (PTR) on behalf of the borrower(s) immediately after the borrowers have executed their Commitment Letter. The purpose in obtaining a Title Report is to ascertain ownership of the proposed property for collateral and to ensure that NMHC holds either the 1<sup>st</sup> or 2<sup>nd</sup> lien on the property. If NMHC shall be the 2<sup>nd</sup> mortgagee, then it shall ensure that the 1<sup>st</sup> mortgage is likewise held by NMHC or by the U.S.D.A., Rural Development, thereby further securing its interest in the mortgaged real property.

### **3.16 PRE-CONSTRUCTION CONFERENCE**

- A. The pre-construction conference shall be held immediately after NMHC's receipt of the PTR and the same has been determined to have met NMHC's requirement as indicated in Section \_\_\_\_\_ (PTR). The responsible Loan Officer shall inform the homeowner(s) and their contractor, and their private inspector (if applicable), in written form of the scheduled pre-construction conference. The notice shall include the date, time, and location of the conference. The conference shall be conducted by the responsible Loan Officer and shall include the homeowner(s), their contractor, and their private inspector

(if applicable)

- B. The homeowner(s) and their contractor, and if applicable, their private inspector are to be provided with information such as their rights and responsibilities during, and after the rehabilitation period of their home. (See Exhibit 3 Pre-Construction Conference.)

### **3.17 SUBMISSION OF PRE-CONSTRUCTION DOCUMENTS**

The NMHC shall notify the contractor of the homeowner(s) selection of his/her/their company and shall likewise instruct the contractor to submit the required construction documents listed below.

1. Building Permit (if applicable)
2. Earthmoving & Erosion Control Permit (if applicable)
3. Construction Contract
4. Performance Bond
5. Plans & Specification approved by DPW
6. Private Inspector's Contract (if applicable)

### **3.18 LOAN CLOSING/SETTLEMENT**

**PROMISSORY NOTE, MORTGAGE, RESTRICTIVE COVENANT, CONSENT TO ENCUMBER LAND, AFFIDAVIT**

- A. Promissory Note: All loans will require borrower(s) to sign a Promissory Note. The Promissory Note shall be attached together with the Mortgage and Loan Agreement and shall be filed at the Commonwealth Recorder's Office as one document in the following order: Mortgage, Promissory Note, and Loan Agreement.

- B. Mortgage, Consent to Encumber Land, Restrictive Covenant: All loans will require all

legal owners, including the spouse of a borrower who may or may not be an applicant of the rehabilitation loan to sign the aforementioned documents. The Consent to Encumber Land and Restrictive Covenant shall be attached together with the Mortgage, Loan Agreement, and Promissory Note and shall be filed at the Commonwealth Recorder's Office as one document.

- C. Affidavit of Marital Status: All loans will require that all unmarried borrowers declare their marital status before executing the documents stated in Sections (A & B) above.
- D. The responsible Loan Officer shall prepare the following disclosure forms to be executed by borrowers: Federal Truth-in-Lending Disclosure, HUD 1, Fixed Rate and Variable Rate Disclosure Form.

#### **4.0 PERFORMING REHABILITATION WORK**

##### **A. Contractor Cost Estimates**

The homeowner(s) shall be responsible in obtaining a minimum of three (3) written rehabilitation cost estimates from at least three (3) NMHC approved contractors.

##### **B. Selection of Contractor**

The homeowner(s) shall have the right to select whichever contractor to perform the rehabilitation work, provided that the contractor's quotation does not exceed the loan amount and provided that the contractor is an NMHC-approved contractor. Should it exceed the loan amount, the homeowner shall choose to either deposit the difference or negotiate with contractor in reducing the contract amount. Should the borrower not be able to deposit the difference or the contractor unwilling to lower the contract amount, then the borrower shall select his/her/their next choice. The homeowner(s) shall submit a Contractor Selection Notice notifying NMHC of his/her/their selection.

##### **C. Construction Contract**

The Construction Contract is a binding agreement strictly between the homeowner and the contractor whereby the contractor will provide the rehabilitation or repair work for a specified and agreed upon price. As NMHC's role is basically to finance the construction

of the project, it **will not** be a party to the construction contract. However, NMHC will ensure that all contractual provisions are followed. At any time that the provisions are not followed, NMHC shall have the right to withhold any progress payment request until the contractor has complied with such provisions. The construction contract shall include, but is not limited to the following provisions:

1. Contractor's name and mailing address
2. Homeowner(s) name and mailing address
3. Date of the contract, the contract amount, & payment schedule for each incremental billing
4. Calendar days to complete the work (includes Saturdays, Sundays, & holidays)
5. Contractor will provide the Performance Bond up to the contract amount
6. The contractor will provide the construction plans, Building Permit, Earthmoving & Erosion Control permit (whenever applicable)
7. Issuance of the *Notice to Proceed* or the commencement of the project
8. Contractor will provide a one (1) year warranty on all work completed
9. NMHC's right to inspect the progress of the project and right to withhold progress payments
10. Change Order Procedures, if any.

D. Contractor Notification & Pre-Construction Requirements Once NMHC is in receipt of the homeowner's *Contractor Selection Notice*, NMHC shall notify the contractor of the homeowner's selection of their company. NMHC shall inform the contractor of the scheduled Pre-Construction Conference and shall likewise inform the contractor of the required construction documents for submission as listed below.

1. Building Permit (if applicable)
2. Earthmoving & Erosion Control Permit (if applicable)
3. Construction Contract
4. Performance Bond
5. Plans & Specification approved by DPW
6. Private Inspector's Contract (if applicable)

#### Project Duration

1. Progress Payment Requests shall be submitted to NMHC by the Contractor incrementally as specified in the Payment Schedule. NMHC shall ensure that all work description indicated on the payment schedule is completed prior to releasing contractor's payment. An original and a copy of the requests must be submitted to the NMHC. The contractor shall freely use his/her/their's Company's billing form when submitting a payment request. The payment request shall be accompanied with the following whenever applicable: inspection reports (DPW and/or Private Inspector), geotesting results, termite treatment certification and/or warranty, Builder's Warranty, Homeowner's acceptance of the project. In addition, each billing submitted must include pictures of the progress of the project and a copy of the payment schedule.
2. Payment Schedule shall be as follows:
  - a. Payment Request Number 1 shall not be more than 10% of the contract amount. This shall include the installation of the project sign board accompanied with a picture, the delivery of materials to the construction site and commencement of the project.
  - b. Payment Request Number 2 shall not be more than 30% of the contract amount.

c. Payment Request Number 3 shall not be more than 25% of the contract amount.



- d. Payment Request Number 4 shall not be more than 25% of the contract amount. ,
- e. Payment Request Number 5 shall be the 10% retainage request when all work is completed. The final payment request shall be accompanied with the Certificate of Occupancy from the Commonwealth Building Safety Office, Builder's Warranty, Window Warranty if subcontracted, Termite Treatment Warranty, Final Inspection Report from the DPW and if applicable, the Private Inspector's, Certificate of Acceptance from the homeowners, Geo Testing results if applicable, Pictures of Project Interior and Exterior, Contractor's Affidavit of Payment of Debts and Claims (AIA Form G706), Certificate of Substantial Completion (AIA Form G704), Contractor's Affidavit of Release of Liens (AIA form G706A), and DEQ Certificate of Use (Sewage Disposal System), if applicable.

### 3. Change Order Procedures

From time to time, homeowner(s) may request for changes in the plans and specifications. In the event that this should occur, the following steps must be taken to address such request:

- a. Homeowner must notify contractor in written form of the proposed changes and provide NMHC a copy of the notification.
- b. Upon receipt of the notification, the contractor must cease work at the project site and obtain NMHC's approval of the change order request. Upon approval the contractor shall then provide NMHC a revised plans and specifications, including a revised payment schedule (if scheduled payments will be altered by the proposed changes). The contractor must obtain NMHC's approval of the Change Order request.
- c. Once the Change Order request is approved, the homeowner will be required to deposit the additional money needed to NMHC (if applicable) to carry out the Change Order. The contractor will be required to submit the revised plans and specifications to DPW for approval.

- d. Should the Change Order request be denied, then the contractor shall resume work to ensure timely completion of the project. The contractor may not be able to complete the project on time because of the delays the Change Order request may have caused. Therefore, the homeowner(s) shall give the contractor additional days equal to the time the work was ceased up until the time the Change Order request was denied to complete the project. The homeowner shall not charge the contractor liquidated damages during this period.
- e. Once the contractor has obtained the DPW's approval of the plans and specifications, then it shall provide the NMHC with the same copy. The contractor shall proceed in carrying out the Change Order and completing the project.

## 5.0 MORTGAGE LOAN PAYMENTS

- A. Prepayment of Mortgage Loan -There shall be no prepayment penalties for all rehabilitation loans that are "paid-off" prior to the maturity date (original or revised). Pre-paying off the loan **DOES NOT** relieve the borrower(s) from the Affordability restrictions imposed on the property.
- B. The monthly mortgage payments (inclusive of principal, interest, insurances, late charges or any other amounts due) shall be made to the NMHC whose central office is located in the corner of Micro Beach Road and Chalan Pale Arnold Road, Garapan, Saipan. NMHC's respective field offices in Rota and Tinian are likewise accepting payments daily. NMHC's Rota Field Office is currently located in Songong Village. NMHC's Tinian Field Office is located at the Juan B. King Building in San Jose Village. Acceptable forms of payment are cash, personal checks, debit or credit cards (available only in Saipan), cashier's check, money order, allotment, or direct deposit thru Bank of Guam.
  1. The first monthly mortgage payment inclusive of the Principal, Interest, and Insurance shall begin thirty (30) days after all construction work is satisfactorily completed. Payment application shall be applied in the following order:

- a. Accrued Interest

- b. Principal
- c. Late Fees
- d. Monthly Hazard Insurance Premium

2. Irregular Payments from time to time may be made by borrowers. Should they occur, the NMHC shall apply the payments as follows:

- a. Partial Payments made that are less than a borrower's scheduled payment are to be held in suspense, deposited and credited, **BUT NOT** applied to the account until the full payment amount is received.
- b. Multiple Payments - In instances where borrower(s) may have two (2) existing loan accounts with NMHC, but makes less than the combined scheduled payments, payments are to be applied first to the oldest loan and the balance shall be deposited and credited to the other loan.
- c. Excess Payments -In instances where borrowers make more than their scheduled monthly payments, the payments are to be applied to the unpaid principal, unless the borrowers indicate in written form to have the payments applied as advance payments.
- d. Charged-off Accounts -Borrowers whose account(s) have been charged off will still have the opportunity to pay-off such account. Borrower(s) will be required to execute a Charged-off Payment Agreement prior to making any payment.

#### **5.1 FAILURE TO MAKE PAYMENT AS REQUIRED**

A. Late Fees for Overdue Payments: A penalty fee of one percent (1%) of the monthly mortgage payment will be assessed on all accounts not paid by the fifteenth (15th) of each month each day that the full payment is not received.

- 1. Delinquencies

a. Notices -Written notices of past due accounts shall be sent to borrower(s) based on the following schedule:

i. First Notice -Account over 30 days past due

ii. Second Notice -Account over 60 days past due

iii. Third Notice (Demand Notice) Account over 90 days past due

iv. Fourth Notice (2<sup>nd</sup> Demand Notice) -Account over 120 days past due

b. In the event that the borrower(s) fail(s) to update the account after the receipt of the Third Notice, the NMHC shall send out the Notice which shall include a mandatory appointment date and time to meet with the Loan Specialists of the Mortgage Credit Division to discuss options available for Borrower to bring account current. Options include extension of the loan term up to 60 months, or Loan Assumption. Borrower(s) that fail to keep the scheduled appointment shall have their account immediately referred for legal action and/or collection.

B. Default: Should a borrower under this loan program fail to make payment as required or breaches any of the terms and conditions of the Mortgage and the Promissory Note, the borrower will be considered in default of said agreements. NMHC shall have the right to collect any and all outstanding amounts due and demand a full payment thereof. NMHC shall have the right to charge the borrower(s) all legal expenses and fees caused by the borrower's failure to pay.

C. Foreclosure: NMHC may use its right of first refusal, as set forth in the loan documents, written agreement with homebuyer, and restrictive deed or land covenant, to purchase the housing before foreclosure or deed in lieu of foreclosure. Foreclosure triggers the NMHC recapture agreement enforceable through the restrictive deed or land covenant.

Foreclosure and Recapture. If the HOME assisted property is subject to recapture terms, NMHC has two options:

Recapture Option 1: NMHC will recapture and pay to the CNMI HOME account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms.  
OR

Recapture Option 2: NMHC may purchase the HOME assisted property at foreclosure sale and additional HOME funds may be spent. However, the total amount of the original and additional HOME funds spent may not exceed the maximum per unit subsidy amount.

In the event of default by the borrower, the NMHC may foreclose its lien on the property as secured by the mortgage. Such foreclosure proceedings may result in the sale of the rehabilitated real property. If NMHC forecloses on its own loan, NMHC CANNOT spend any additional HOME funds to acquire the property. Should the property be sold through foreclosure, then the amount due to NMHC will be the net proceeds of the sale up to the amount of loan assistance provided Including, interest due, late charges, outstanding principal, legal fees and any other amounts due.

## **6.0 AFFORDABILITY RESTRICTIONS**

### **A. Long Term Affordability**

HOME rules do not impose long term affordability requirements for rehabilitation of existing homeowner occupied housing. NMHC has elected to impose NMHC affordability requirements that require that assisted properties remain affordable for a specific period of time, depending on the level of HOME funds invested in the property and the nature of the activity funded:

<u>HOME Invested per Unit</u>	<u>Minimum Length of the Affordability Period</u>
Less than \$15,000	5 years
\$15,000 -\$40,000	10 years
More than \$40,000	15 years

1. Affordability Restrictions

- a. The affordability requirements are to be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. NMHC may use its right of first refusal, as set forth in the loan documents, to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.
- b. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those whom, the former owner has or had family or business ties, obtains an ownership interest in the project or property. If a home rehabilitated with HOME assistance is sold during the NMHC affordability period, NMHC recapture provisions apply to ensure the continued provision of affordable homeownership. Loan pay-offs do not end the affordability period.

B. Right of First Refusal

During the affordability period, the homeowner(s) agrees not to sell or assign the residence hereby rehabilitated to any persons unless and until homeowner(s) proposes to sell same to NMHC, its successors or assigns on terms consistent with preserving affordability and allows then sixty (60) days time within which to purchase said residence.

C. Recapture

NMHC will ensure that it recoups all or a portion of the HOME grant or loan assistance provided to the homeowner(s), if the housing unit ceases to be the principal residence of the homeowner(s) for the duration of the period of affordability. Subsidy amounts (in the form of loans) that directly benefited the property owner (i.e., through grants, non-interest bearing loans, interest bearing loans, etc.) are also subject to recapture. Recapture is capped at what is available out of net proceeds for agreements after November 2004. Net

proceeds are defined as the sales price less superior non HOME debt (if any) less closing costs. NMHC shall utilize the following recapture options:

**1. RECAPTURE THE ENTIRE AMOUNT**

NMHC may recapture the entire amount of the loan, grant, and/or subsidy from the homeowner(s) if the sale of the property occurs within halfway into the given NMHC affordability period. For example, a homeowner was approved for a \$20,000 HOME loan to rehabilitate a home. The NMHC affordability period is therefore, ten (10) years. On the fourth (4th) year, the homeowner sells the house for \$60,000. Since the homeowner failed to comply with the minimum five years of the ten (10) year affordability period, the recaptured amount is \$20,000.

**2. FORGIVENESS: Reduction during NMHC Affordability Period**

NMHC may reduce the loan amount, grant, and/or subsidy to be recaptured on a pro rata basis for the period the homeowner(s) has/have owned and occupied the housing unit measured against the required NMHC affordability period; however, the homeowner(s) must occupy the housing unit as his/her/their principal residence for a minimum of five years or at least halfway into the NMHC affordability, whichever is greater, in order to qualify for this recapture option. For example, if the HOME assistance is \$40,000 with a 10 year affordability period, the homeowner sells the property in the 6<sup>th</sup> year of the NMHC affordability period having lived in the home for a full 5 years for \$60,000, the homeowner has a superior debt of \$15,000, and the homeowner's share of the closing cost is \$1,500, the amount subject to recapture is calculated as follows:

a. Net Proceeds:

\$60,000 (sales proceeds)

\$15,000 (superior private debt)

- \$ 1,500 (closing cost)\*

---

\$43,500 (net proceeds)

\*If client pays closing cost, it will be subtracted. If not, it will be added on as part of the net proceeds.

b. Reduction to Direct Subsidy

$\$40,000 \div 10$  year NMHC affordability period = \$4,000 per year

5 years X \$4,000 per year = \$20,000 forgiven

Amount to Recapture

$\$40,000$  subsidy - \$20,000 forgiven = \$20,000 subject to recapture

c. Homeowner Gets

(net proceeds amount to recapture)

$\$43,500$  net proceeds - \$20,000 recaptured = \$23,500 for homeowner

**3. HOMEOWNER(S) RECOVERY OF INITIAL INVESTMENT**

The homeowner(s) investment (down payment and capital improvements made by the owner after completion of the rehab work) may be repaid in full before any HOME funds are recaptured, provided that the homeowner(s) have occupied the housing unit at a minimum of 5 years before the sale of the property and the homeowner's household income is at or below 50% of the Area Median Income.

**4. SHARED APPRECIATION**

In the case where net proceeds exceed the amount necessary to repay both the homeowner(s)' investment and the HOME assistance, the excess proceeds may be shared proportionately (i.e., percentage of investment provided) by both parties.

NOTE: When the recapture requirement is triggered due to a voluntary or involuntary sale during the period of affordability and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, NMHC may recapture an amount less than or equal to the net proceeds available.

Legal Instrument to Enforce Recapture. NMHC must use deed restrictions, land covenants, or other similar legal documents to enforce these recapture restrictions.



## **7.0 SALE, CONVEYANCE OR TRANSFER OF PROPERTY**

- A. Upon the sale, conveyance, or transfer of title of the rehabilitated and mortgaged real property under this program during the NMHC affordability period, a repayment of all HOME assistance received by the borrower will be immediately due and shall be repaid to the NMHC. Repayment of assistance includes the outstanding principal amount, interest due, late charges, legal fees, and any other amounts due.
  
- B. At the sole discretion of the NMHC, a title transfer will only be permitted through the laws of descent or through a Loan Assumption, or upon selling the property, provided that NMHC have been properly informed and the same have consented to such sale. If, should any of these occur, one must submit his/her intention of loan assumption or selling of the property and request for the NMHC Board's approval for the transfer of title.

## **8.0 LOAN ASSUMPTION**

- A. Death of a Borrower -Immediately upon notification to NMHC of a borrower's death, the surviving borrower or a family member of the borrower(s) shall complete a Deceased Borrower's Report (See exhibit 4) and must submit it together with the Death Certificate.
  - 1. Upon the death of a borrower, the entire unpaid balance of the loan shall be immediately due and payable. NMHC shall instruct its Collection Attorney to file a claim against the estate or;
  
  - 2. For those accounts covered with a Mortgage Life Insurance, or where the borrower assigns his/her Life Insurance to NMHC, NMHC shall ensure that it files its claim with the insurance company to ensure that the outstanding balance including the principal, interest, insurances, late fees, and any other fees due to the account is paid off or;
  
  - 3. In situations where there exists a surviving borrower, the same may submit a

request to maintain the current monthly payment as scheduled without having the account sent for legal collection or;

4. If both borrowers are deceased, then NMHC may allow for an assumption of the loan by the heir(s) as indicated in the Probate Decree (which shall be provided to NMHC).
    - a. This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all HOME Program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and execute a mortgage update and will be subject to a credit, income, and asset verification just like a new applicant.
    - b. The heir or heirs of the deceased will be responsible in maintaining the account current as they await the Probate Decree. Once they are in receipt of the decree, they must submit it to NMHC so that NMHC will prepare the Loan Assumption Agreement.
- B. Foreclosure Prevention - In situations where a foreclosure is imminent, the NMHC may allow a borrower to have a HOME eligible immediate relative (i.e., mother, father, brother, sister, son, daughter) assume the loan, all for the purpose of preserving the affordability period. The total outstanding balance thereof shall be fully amortized at the original interest rate and terms to produce equal monthly payments.

If the HOME eligible immediate relative assuming the loan cannot afford the repayment of the loan at its original rate and terms, NMHC may but is not required to waive that requirement and extend an additional term of up to a period of five (5) years or sixty (60) months to the existing term.

- C. Foreclosure - Should NMHC determine the borrower(s) or family member's

absolute inability to repay the loan, then it shall sell the property to recover all assistance provided. Recapture provision shall take place. See Section 5.1 Failure to Make Payment and Required for guidance on foreclosures and Section 6.0 Affordability Restrictions for guidance on recapture.

## **9.0 FINANCIAL HARDSHIP ASSISTANCE**

A. Moratorium assistance may be provided to borrowers who have involuntarily lost employment or a household's income earner, experiences a death of an immediate family member (biological or step -father, mother, brother sister), or experiences unforeseen excessive medical expenses. The assistance shall be applied in the following manner:

1. **NO PRINCIPAL AND INTEREST PAYMENT WILL BE REQUIRED FOR ONE YEAR.** However, clients will be required to pay their monthly insurance premium and will be strongly encouraged to make payments whenever they can to lessen their future re-amortized monthly payment.
2. Account will remain inactive during the one year moratorium period. Interest accrual and late fee charges will not be charged to the account.
3. Upon the moratorium expiration, the total outstanding balance inclusive of the one year non-payment period of Principal and Interest, will be added together, re-amortized, and the term of the loan extended for up to five (5) years. **Borrower must be within the forty percent (40%) Debt-to-Income ratio.**

B. Disability Assistance may be provided to borrower(s) who, after obtaining HOME Rehabilitation assistance become physically or mentally disabled and are certified by a physician to be incapable of resuming work. The assistance may be conducted in the following manner:

1. Borrower(s) are to submit a Doctor's Certification certifying their incapability to resume work.

2. Borrower(s) outstanding loan balance may immediately be converted to a grant.

#### **10.0 DIRECT/DEFERRED LOAN ASSISTANCE (COMBINATION LOAN)**

- A. Deferred Loan Assistance will no longer be provided. However, to further assist our economically-disadvantaged families, NMHC may make available Direct Loan/Grant Assistance instead (See Section 2.5 Interest Rate & Type of Assistance).

**\*\*\*\*The following provision in this section alone refers only to existing deferred loan clients. \*\*\*\***

#### **B. Annual Recertification of EXISTING Deferred Home Loan Borrowers**

1. Existing Borrowers whose loans have been partially or entirely deferred prior to or on December 31, 2007 will be recertified annually to verify eligibility for continued deferred assistance.
2. During the 11<sup>th</sup> month of any annual twelve-month deferment period, NMHC shall schedule an appointment with the borrower to conduct a recertification of income to determine if the Borrower still lacks the financial resources for the repayment of their deferred loan. Recertification will be treated the way a new applicant is determined eligible using the Part 5 adjusted income. However, the original interest rate and term will remain the same.
3. Although further extensions of deferment assistance may be granted to the Borrower by NMHC prior to the expiration or end of any twelve (12) months deferment period, no extension or deferment is automatic.
4. Furthermore, a deferred loan will be converted to repayment status as soon as the Borrower has the ability to repay and that all outstanding deferred payments are subject to recapture.
5. In the event that the Borrower does not show up for their scheduled recertification appointment (provided that they have been properly notified at least

60 calendar days notice before deferment expiration), NMHC shall automatically convert the Deferred Loan into a Direct Loan the day after the assistance expires.

6. No deferment shall be granted after fifteen (15) years from the effective date of the loan and mortgage documents. Loan and mortgage payments may be continually deferred during the fifteen (15) year period upon proper and annual recertification by NMHC of the Borrower.
7. If at any time during the fifteen (15) years following the effective date of the loan and mortgage documents or the completion of the rehabilitation and repair work, whichever is longer, Borrower decides to sell, transfer, lease, or rent the house and/or property, or any portion thereof, NMHC may declare the Borrower's loan and any other indebtedness immediately due and payable, including any and all deferred payments. In the event NMHC declares such loan or indebtedness due, the Borrower shall repay the loan and debt in its entirety, plus interest and any other fees and charges, not later than thirty (30) calendar days after the house and *or* property is sold, transferred, leased, or rented. See Section 6.0 Affordability Restrictions for guidance on enforcing recapture requirements.
8. Annual re-certification for elderly Borrower shall be conducted solely to ensure that residence and occupancy requirements are being met.
9. Upon the death of Borrower, NMHC agrees to waive any and all charges, outstanding and accrued interest and to forgive any principal amount remaining under the loan and mortgage documents, regardless of whether said balance is outstanding and/or due. However, should any family member listed on the Homeowner Rehabilitation Loan Application continue to occupy the housing unit as his/her/their principal residence, the family member will assume the affordability period and Section 8.0 Loan Assumption shall apply.
10. NMHC shall prepare the Release of Mortgage after borrowers have fully complied with the terms of the homeowner rehabilitation assistance including the NMHC affordability period and principal residency requirements.

## 11.0 CONFLICT OF INTEREST (24 CFR Part 92 §92.356)

Under no circumstances shall any immediate family members biological or stepfather, mother, biological or adopted son, daughter, sister, brother, elected or appointed official of the CNMI Government, NMHC's Board of Directors, its Officers, Agents, and employees may participate in any HOME assisted project or unit including the procurement of materials, or have an interest in any contracted services, or be a beneficiary in any HOME proceeds. Other provisions in Section 92.356 shall apply.

Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions above on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

- (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- (2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

Factors to be considered for exceptions. In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements mentioned above, HUD will consider the cumulative effect of the following factors, where applicable:

- (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

- (2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- (3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;
- (4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
- (5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (6) Any other relevant considerations.

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**NORTHERN MARIANAS HOUSING CORPORATION**

**HOMEOWNERSHIP INVESTMENT PARTNERSHIP  
(HOME) PROGRAM**

**POLICIES AND PROCEDURES  
FOR  
HOMEBUYER ACTIVITIES**

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# HOME BUYER POLICIES AND PROCEDURES

## INTRODUCTION

The Homeownership Investment Partnership (HOME) Program was established under the National Affordable Housing Act of 1990 (NAHA). The main objectives for the creation of the HOME Program were to encourage, promote, and expand the supply of decent, safe, sanitary, and affordable housing, as well as to increase homeownership opportunities for low- and very low-income families.

Funds will be made available for eligible projects and to eligible beneficiaries through the following forms of financial assistance or subsidy:

- Interest bearing loans or advances
- Non-interest bearing loans or advances
- Deferred loans (forgivable or repayable)
- Interest subsidies
- Loan guarantees

Due to the limited availability of HOME funds allocated each Fiscal Year to the Commonwealth of the Northern Mariana Islands (CNMI) from the U.S. Department of Housing and Urban Development (HUD), financial assistance will be limited to qualified low and very low-income homebuyers. 100 percent of HOME funds will be used to assist families with income levels at or below 80 percent of the area median income. These families' income eligibility is based on their annual income. Annual income for this purpose is the gross amount of income anticipated by all adults in a family during the 12 months following the effective date of the determination. The determination of income and allowances as a criteria to qualify these homebuyers shall be guided by 24 CFR Part 5 (Part 5 annual income).

The Northern Marianas Housing Corporation (NMHC), on behalf of the CNMI, has been tasked with the responsibility and administration of the HOME Program for the benefit of low- and very-low income families. NMHC's Mortgage and Credit Division will be responsible for the day-to-day administration of HOME Program. Support services will be provided by NMHC's Fiscal Division with respect to disbursement of funds and collection of payments, accounting, and maintenance of financial records. NMHC's Technical and Maintenance Division will provide technical assistance with respect to reasonableness of cost estimates, dwelling unit inspections, and other related matters. Overall, the NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of the HOME Program in accordance with federal and local statutory and regulatory requirements.

With these policies and procedures, NMHC will strive to accomplish the following objectives:

1. Provide for the efficient and effective administration of the HOME Program wherein eligible beneficiaries can avail the financial assistance provided for the construction of their principal residence;
2. Foster positive working relationships among NMHC, homebuyers assisted with HOME monies, and Minority and Women-Owned Businesses (MBE/WBE);
3. Enforce NMHC, Building Code, and HUD-prescribed residential building standards;  
and
4. Preserve and improve the general housing stock of the CNMI.

These policies and procedures shall govern; however, in situations in which these policies and procedures are silent, NMHC may apply its general standard loans policies/ procedures to address these situations in the administration of the HOME Program.

## **I. PUBLIC ANNOUNCEMENT**

### **A. Publicity**

Upon notification from HUD of the approval of additional HOME funds, NMHC shall

publish such approval within thirty (30) calendar days from the date of the approval. General information of the HOME Program shall be published in the print media of the widest local circulation and other suitable means available. HOME Program information shall also be posted in public and private bulletin boards where announcements are commonly posted. Loan applications may be submitted after a thirty (30) calendar day period to be stated in the public notice, has expired. **NOTE:** When it is determined that HOME funds have been exhausted, the application intake will be closed until funding is once again available. Those applicants who did not submit their loan applications when HOME funds were available may do so once NMHC is notified by HUD of the availability of funds and after such notice is published.

**B. Contents**

Program announcements shall inform interested applicants on how and where they may obtain an application and additional information on the type of HOME Program activity being administered in the CNMI. Such announcements shall further contain the following information:

1. Brief overview of the HOME Program;
2. General list of eligible activities available;
3. Amount of funds available;
4. General eligibility requirements to qualify for financial assistance;
5. Homebuyer selection process;
6. Fair Housing Logo and Equal Opportunity language; and
7. Opening date for acceptance of applications.

**C. Special Outreach**

To ensure that all persons are effectively and adequately informed about the HOME Program and the availability of funds, brochures shall be provided and distributed in the following locations and shall contain the information described in Part I. B. Contents. Brochures shall be made available at the following public and private areas:

1. U.S. Post Offices;

2. Major shopping centers;
3. Public Health Centers;
4. Places of worship;
5. Government office buildings;
6. The Nutrition Assistance Program (Food Stamp) office(s); and
7. U.S. Social Security Administration office(s).

## **II. APPLICATION FORM**

### **A. Formal Application**

Applicants may obtain a *Uniform Residential Loan Application* form along with a checklist of required documents in order to complete the application submission. Such application form shall be in accordance with loan applications widely used by financial lending institutions. Those applicants who are initially determined eligible shall be notified to provide additional documents to further process their applications. Proper completion of the formal application and submission of supplemental information shall be in accordance with HOME Program and NMHC loan processing procedures. Loan applications shall be completed and signed by applicant(s) requesting assistance and such signature(s) shall certify to the truth of all statements contained therein. No formal application shall be officially received prior to the completion of the thirty (30) day announcement period.

### **B. SUPPLEMENTAL INFORMATION**

Completed applications shall be submitted together with the following supporting information which shall be used solely for the purpose of determining applicant eligibility for financial assistance:

1. Prior year's income tax return and/or W-2 Tax Form;
2. Recent check stubs for the past two (2) months prior to applying for HOME Program financial assistance of all household members that are 18 years old or older;



3. Other forms of documentation of income (i.e., Social Security payments, SSI, Retirement Income, etc.), if any;
4. Proof of land ownership for principal residence;
5. Property map for principal residence;
6. Preliminary Title Report showing clear title to property;
7. Savings and checking account(s) information, if any; and
8. Private life insurance policies, if any.

A checklist of the above described supplemental information shall be provided with each formal application obtained. Additional information may be requested if deemed necessary by NMHC to ensure the eligibility of each applicant. NMHC must complete the Borrower's income eligibility within six (6) months.

To substantiate eligibility, supplemental information submitted with each loan application shall be verified in writing, from a reliable third party and such verification shall be considered valid for a period of one hundred eighty (180) calendar days from the date the verification was completed. Prior to verifying any applicant information, NMHC shall obtain written authorization from the applicants.

If a written third party verification is not used, notarized statements or signed affidavits by the applicants shall be an acceptable form of verification, but only in situations where a more acceptable form of verification cannot be obtained.

### **III. ELIGIBILITY REQUIREMENTS**

#### **A. Household Income**

Homebuyer(s) must qualify as a low-income household as defined in the HOME Program. Their income eligibility is determined based on their annual income. Combined anticipated gross *household* income of adults 18 years old or older, must not exceed 80% of the median income for the area (adjusted for family size), as prescribed by

HUD. Section 8 (Part 5) annual (gross) income definition is used to calculate annual (gross) income. NMHC will verify their income using source documentation such as wage statements, interest statements, and SSI documents to determine if program applicants are income-eligible.

**B. Determination of Repayment Ability**

NMHC shall use forty-percent (40%) (or most current ratio) of the gross monthly income of both applicant and co-applicant (homebuyers) combined, to determine the amount of available debt-service or repayment ability. Any remaining debt-service or repayment ability after existing monthly obligations (long- and short-term combined) is/are subtracted from the total available debt-service (not to exceed 30% of gross monthly income for loan mortgage payment), shall be used to determine if homebuyers/applicants can afford to repay the entire loan amount needed.

**C. Property Ownership**

Interested applicants must provide proof of ownership such as fee simple title to the property. Ownership also includes leases of 40 years or more provided that the applicant must have at least a minimum of thirty-five (35) years leasehold interest remaining on the property to be improved, or ownership of a condominium.

**D. Principal Residence**

Homebuyers/Applicants approved to receive financial assistance must occupy the property as their primary residence immediately upon completion of all HOME-funded activities. Since the CNMI currently does not have street addresses, proof of residency must be verified on an annual basis through an affidavit signed by the applicant(s). In addition, homebuyers/applicants must submit copies of utility or telephone billing which reflect their names and addresses. The following stipulations apply for a principal residence:

- A deed restriction or covenant running with the land should incorporate this requirement;

- The loan documents between the purchaser and NMHC should also incorporate this requirement;
- Temporary subleases are not allowed; and
- Loan default and subsequent foreclosure negates the principal residence limitation.

**E. Loan Cancellation**

NMHC reserves the right to cancel any loan if in its opinion the homebuyer(s)/applicant(s) has not substantially complied with all the terms and conditions herein.

**IV. AFFORDABILITY RESTRICTIONS**

**A. Long Term Affordability**

HOME rules require that assisted properties remain affordable for a specific period of time, depending on the level of HOME funds invested in the property and the nature of the activity funded:

<u>HOME Invested per Unit</u>	<u>Minimum Length of the Affordability</u>
	<u>Period</u>
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years

The affordability requirements are to be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. NMHC may use its right of first refusal, as set forth in the loan documents, to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.

The affordability restrictions shall be revived according to the original terms if, during

the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those whom, the former owner has or had family or business ties, obtains an ownership interest in the project or property. If a home purchased with HOME assistance is sold during the affordability period, resale or recapture provisions apply to ensure the continued provision of affordable homeownership. Loan payoffs do not end the affordability period.

**B. Right of First Refusal**

During the affordability period, the homeowner(s) agrees not to sell or assign the residence hereby purchased to any persons or persons unless and until homeowner(s) proposes to sell same to NMHC, its successors or assigns, on terms consistent with preserving affordability and allows then sixty (60) days time within which to purchase said residence.

**C. Resale**

If the housing unit designated as an affordable unit does not continue to be the principal residence of the approved homebuyer(s) for the duration of the period of affordability, the housing shall be made available for subsequent purchase only to a purchaser whose family qualifies as a low-income family, meeting the HOME Program definition, and will use the property as the family's principal residence. The remaining resale restrictions will apply to the new buyer. If additional HOME assistance is provided to the new buyer, the period of affordability for the unit starts anew.

Fair Return on Investment. The price at resale must provide the homebuyer(s) a fair return on investment, defined as the homebuyer(s) original investment and any capital improvements, and ensure that the housing unit will remain affordable (may not exceed 95 percent of the median purchase price for that type of single-family housing for the area, as published by HUD, or in accordance with the Final Rule, as determined locally through market analysis) to a reasonable range of low-income homebuyers. "Affordable" is defined as monthly costs for principal, interest, taxes, and insurance (PITI) not

exceeding 40% (or most current repayment ability ratio) of monthly gross income of a buyer household whose income is at or below 80% of the Area Median Income. Should the resale of the property be consummated before the fifth (5<sup>th</sup>) year into the affordability period, the homebuyer(s) may get his/her/their investment back but not appreciation.

Circumstances Under Which Resale Will Apply. Resale restrictions must be used in cases where deferred loans (forgivable) or grants were provided to the homebuyer(s) in order to subsidize the purchase of the property to cover the downpayment or closing costs. Resale restrictions must be used in pure grant situations. Resale restrictions must be used for properties that received development subsidies only (that is, no direct financial assistance is provided to the homebuyer).

Legal Instrument to Enforce Resale. NMHC must use deed restrictions, land covenants, or other similar legal documents to enforce these resale restrictions.

**D. Recapture**

NMHC will ensure that it recoups all or a portion of the HOME loan assistance provided to the homebuyer(s), if the housing unit ceases to be the principal residence of the homebuyer(s) for the duration of the period of affordability. All subsidy amounts (in the form of loans) that directly benefited the property owner (i.e., through downpayment and/or closing cost assistance, deferred payment loans, interest rate buy-downs, property discount, etc.) are also subject to recapture. Recapture is capped at what is available out of net proceeds for agreements after November 2004. Net proceeds are defined as the sales price less superior non HOME debt (if any) less closing costs. NMHC will utilize the following recapture options:

- (1) *Recapture entire amount.* NMHC may recapture the entire amount of the loan and/or subsidy from the homebuyer(s) if the sale of the property occurs within halfway into the given affordability period. For example, a homebuyer was approved for a \$50,000 HOME loan to construct a home. The affordability

period is therefore, fifteen (15) years. On the seventh (7<sup>th</sup>) year, the borrower sells the house for \$60,000. Since the borrower failed to comply with the minimum seven and one half (7.5) years of the fifteen (15) year affordability period, the recaptured amount is \$50,000.

- (2) ***Forgiveness.*** NMHC may reduce the loan amount and/or subsidy to be recaptured on a pro rata basis for the period the homebuyer(s) has/have owned and occupied the housing unit measured against the required affordability period; however, homebuyer(s) must occupy the housing unit at a minimum of ten (10) years or at least halfway into the affordability period, whichever is greater, in order to qualify for this recapture option. For example, if the HOME subsidy is \$60,000 with 15-year affordability and the owner sells the property in the 12<sup>th</sup> year of ownership the recapture amount will equal \$12,000. ( $\$60,000/15$  years affordability period  $\times$  3 years remaining = \$12,000 recapture.)
- (3) ***Buyer's recovery of initial investment.*** The homebuyer(s) investment (downpayment and capital improvements made by the owner since purchase) may be repaid in full before any HOME funds are recaptured, provided that the homebuyer(s) occupied the housing unit at a minimum of ten (10) years before the sale of the property and the homebuyer's household income level is at or below 50% of the Area Median Income in order to qualify for this recapture option.
- (4) ***Shared appreciation.*** In the case where net proceeds exceed the amount necessary to repay both the homebuyer(s)' investment and the HOME assistance, the excess proceeds may be shared proportionately (i.e., percentage of investment provided) by both parties.

**NOTE:** The HOME Interim Rule on November 22, 2004 clarifies that when the recapture requirement is triggered due to a voluntary or involuntary sale during the period of affordability and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, NMHC may recapture an amount less than or equal to the net proceeds available.

Circumstances Under Which Recapture Will Apply. Recapture restrictions must be used in cases where interest bearing loans or advances, non-interest bearing loans or advances, deferred loans (repayable), interest subsidies, or loan guarantees were provided to the homebuyer(s) in order to subsidize the purchase of the property to cover the down payment or closing costs.

Legal Instrument to Enforce Recapture. NMHC must use deed restrictions, land covenants, or other similar legal documents to enforce these recapture restrictions.

## V. ELIGIBLE HOMEBUYER COSTS:

### Hard Costs include:

- Acquisition of land and existing structures
- Site preparation or improvement, including demolition
- Securing buildings
- Construction materials and labor

### Soft Costs include:

- Financing fees
- Credit reports
- Title binders and insurance
- Recordation fees
- Legal & accounting fees
- Appraisals
- Architectural/engineering fees, including specifications and job progress inspections
- Environmental investigations

- Builders' or developers' fees
- Affirmative marketing and marketing costs
- Homebuyer counseling provided to purchasers of HOME-assisted housing
- Management fees
- Direct project costs incurred by the PJ

**Relocation Costs include:**

- Replacement housing, moving costs, and out-of-pocket expenses
- Advisory services
- Staff and overhead related to relocation assistance and services

NMHC shall set aside \$1,508.50 (or most current costs) of its Administrative Funds to assist each homebuyer client pay for certain Loan Closing fees and other related costs such as the following:

a. \$400.00	Utility Connection;
b. \$400.00	Insurance;
c. \$450.00	Appraisal Report;
d. \$150.00	Recordation of Mortgage Documents;
e. \$100.00	Preliminary Title Report (PTR);
f. \$8.50	Credit Report @ \$4.25 each.
\$1,508.50	Total

This form of assistance shall not be in any way, a part of the loan amount extended to the client. Borrowers may not be required to pay back any of this amount so



long as they are in compliance with the NMHC affordability restrictions. The entire amount shall be immediately due and payable by borrower(s) should NMHC determine that borrower(s) are not in compliance with NMHC affordability restrictions.

## **VI. NOTIFICATION OF ELIGIBILITY/INELIGIBILITY**

### **A. Eligible Applicants**

NMHC shall send written notifications to all applicants determined eligible for financial assistance. Such notification shall be mailed no later than five (5) working days after the determination, and shall contain a listing of additional information to be submitted for completion of loan file. Eligible applicants shall be given twenty-one (21) calendar days to submit the additional information requested. Applicants that do not submit all pending information before the twenty-one (21) calendar day deadline, shall have their applications file placed in the inactive files.

### **B. Ineligible Homebuyers/Applicants**

All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five (5) working days after the determination of ineligibility and shall include a description/reason of such determination.

## **VII. SELECTION PROCESS**

Financial assistance shall be based on available HOME Program funds and such assistance shall be awarded to eligible applicants on a "first-come, first-served" basis. The application will have the date and time stamped when received; however, to be considered received, the application must be completely filled-out and the applicant must submitted all additional information requested by NMHC to perform an eligibility review.

In the event that there are more applicants than available funds, NMHC shall establish and maintain an applicant waiting list. Applicants placed on the waiting list shall be assisted in the event that funds available are not entirely used up or committed by the homebuyers/applicants initially awarded financial assistance. Those homebuyers/applicants unable to be assisted with remaining funds shall be given first priority if and when additional grant funds applied for are approved.

## VIII. TERMS AND CONDITIONS OF LOAN

### A. Maximum Homebuyer Programs Loan Amount

The maximum HOME funds for new construction or for acquisition shall be based on the lowest responsible bid submitted by the applicant(s), and such bid shall not exceed \$60,000.00. If using HOME funds for new construction, the property must meet all applicable Federal or local codes and zoning ordinances.

### B. Minimum Homebuyer Programs Loan Amount

The Minimum loan amount shall not be less than \$1,000.00.

### C. Interest-Bearing Loans or Advances

These loans are amortizing loans. Repayment is expected on a regular basis, usually monthly, so that over a fixed period of time, all of the principal and interest is repaid. The interest chargeable on any borrowed HOME funds shall be based on income limits as specified below:

- If the applicant(s)' annual household income is between 61% and 80% of the HUD Income Limits, a fixed rate of five percent (5%) shall apply throughout the term of the loan.
- If the applicant(s)' annual household income is between 51% and 60% of the HUD Income Limits, a fixed rate of four percent (4%) shall apply throughout the term of the loan.

- If the applicant(s)' annual household income is between 31% and 50% of the HUD Income Limits, a fixed rate of three percent (3%) shall apply throughout the term of the loan.
- If the applicant(s)' annual household income is at or below 30% of the HUD Income Limits, a fixed rate of two percent (2%) shall apply throughout the term of the loan.

**D. Non-Interest-Bearing Loans or Advances**

These loans do not have any interests charged to the homebuyer(s). The principal amount of such loans is paid back on a regular basis over time. In order to qualify for non-interest-bearing loans, the applicant(s)' annual household income must be at or below 30% of the HUD Income Limits AND at a minimum the homebuyer(s)/applicant(s) must be 55 years of age or disabled.

A disabled family is a family whose head of household, spouse, or sole member is a person with a disability.

Person with a disability:

(1) Means a person who:

(i) Has a disability, as defined in 42 U.S.C. 423;

(ii) Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:

(A) Is expected to be of long-continued and indefinite duration;

(B) Substantially impedes his or her ability to live independently, and

(C) Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or

(iii) Has a developmental disability as defined in 42 U.S.C. 6001.

(2) Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome; and

(3) Does not include a person whose disability is based solely on any drug or alcohol dependence.

**E. Deferred Loans (Forgivable or Repayable)**

These loans are not fully amortized. Instead, some, or even all, principal and interest payments are deferred to some point in the future. Deferred payment loans can be forgivable or repayable.

The forgiveness may be forgiven incrementally based on the affordability period. In order to qualify for deferred forgivable loans, the applicant(s)' annual household income must be at or below 30% of the HUD Income Limits AND at a minimum the homebuyer(s)/applicant(s) must be 62 years of age or disabled (as defined earlier) and unable to be gainfully employed.

Full repayment will be required at the sale, transfer, or the property being no longer the principal residence less than halfway into the affordability period. The deferred loan will be structured to begin incremental forgiveness when the homebuyer is more than halfway into the affordability period.

For example, a homebuyer acquires a HOME assisted property that has a HOME

subsidy of \$50,000. The affordability period is therefore 15 years. The homebuyer would have to live in the HOME assisted property for seven (7) years and six (6) months before forgiveness will begin. Beginning with the 91<sup>st</sup> month of the affordability period, NMHC will forgive one (1) percent of principal and interest for each month thereafter that homebuyer principally resides in the HOME assisted property.

Existing homebuyer(s) (a homebuyer that received a HOME interest-bearing loans/advances or non-interest bearing loans/advances) may qualify for a deferral if their annual household income is at or below 50% of the HUD Income Limits AND at some future point in time they have become un-gainfully employed because of a medical condition or because of a career-ending injury.

**F. Interest Subsidies**

The interest subsidy will be deposited in an interest-bearing account from which monthly subsidies are drawn and paid to a lender along with the homebuyer(s)' monthly payment. Any applicant who is at or below 80% of the HUD Income Limits is eligible for this option.

**G. Loan Guarantees**

A loan guarantee ensures payment of a loan in case of default. A written promise or agreement is executed between NMHC and the lender to pay the lender a maximum of 20 percent of the total outstanding principal. The timeframe for this guarantee is

only up until the given length of affordability period based on the loan guarantee amount.

**H. Repayment Period**

The maximum repayment term shall not exceed 360 months or the affordability period, whichever is greater, unless the repayment term is amended or revised by the NMHC Board to accommodate requests for relief from borrowers who have been determined to be able to repay their obligations, with the amended or revised repayment terms not to exceed an additional 60 months.

**I. After-Construction Property Value**

The “after-construction” value of each homebuyer property to be assisted, must not exceed 95% of the median purchase price for the type of housing unit being assisted (single-family unit), as prescribed by HUD. NMHC will request for a real estate appraisal from a Federally-certified and licensed Real Estate Appraiser, prior to loan closing. To determine such value, NMHC shall conduct a HUD-approved local market survey where the length of the reporting period will depend on the volume of monthly home sales, and may be justifiably adjusted upwards depending on the nature or extent of any economic/housing crisis.

**J. Security**

To ensure borrowed HOME funds, NMHC shall secure a mortgage on the property. The mortgage shall be maintained for no less than the term of each approved loan or the affordability period, whichever is greater.

NMHC will execute a written agreement with the homebuyer that will specify the use of HOME funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, and duration of the agreement.

NMHC will require the homebuyer to execute and file for record a deed or deeds of restriction, land covenant or similar legal documents approved by HUD that will assure compliance with the principal residency and affordability period requirements and enforce HOME restrictions.

**K. Late Charge**

For interest-bearing loans, a fixed one percent (1%) late installment charge of the missed monthly principal and interest (P & I) payment shall be assessed for every monthly payment that is over fifteen (15) calendar days late or past due.

**L. Prepayment of Loan**

There shall be no prepayment penalties for loans that are “paid-off” prior to the completion of the term of the loan. The affordability period provision is still applicable to loans that are “paid-off.”

**IX. DISTRESSED HOMEBUYER(S)**

Distressed homebuyer(s) are those who are having a difficult time meeting their monthly loan payments due to external circumstances beyond their control. These circumstances include:

- Reduction-In-Force
- Reduction in pay
- Family medical emergency (including death of an immediate family member)
- Medical condition (including career-ending injury) that causes homebuyer to discontinue employment
- Drastic increase in cost of living (e.g., utility rates, fuel)
- Call of duty (deployment)
- Temporary Relocation

## X. TYPES OF ASSISTANCE

NMHC may offer the following types of assistance depending on the circumstances mentioned above:

- Reduction-In-Force – Monthly loan payments may be deferred for a period of up to twelve months. Interest and late charges would not accrue. Thereafter, interest rate will be reduced by 50% for a period of up to sixty months. If this approach is still deemed unaffordable, the current term with the new interest rate may be extended and reamortized with an additional sixty months.
- Reduction in pay – Interest rate may be reduced by 50% for a period of up to twenty-four months. If this approach is still deemed unaffordable, the current term with the new interest rate may be extended and reamortized with an additional sixty months.
- Family medical emergency – Monthly loan payments may be deferred for a period of up to twenty-four months. Interest and late charges would not accrue. The current term may be extended and reamortized with an additional sixty months.
- Medical condition that causes borrower to discontinue employment – Principal amount may be forgiven incrementally (based on term). Homebuyer(s) above the 50% HUD income limits may only be required to pay principal or interest (whichever is lower) as his/her monthly payments. The borrower's physician must complete the *HOMEBUYER/HOMEOWNER PROGRAM DISABILITY ELIGIBILITY VERIFICATION* to certify the borrower's disability.
- Drastic increase in cost of living – Interest may be waived for a period of up to twenty-four months. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty months.
- Call of duty (deployment) – Monthly loan payments may be deferred for a period of up to twenty-four months. Interest and late charges would not accrue. The current term of the loan may be extended and reamortized with an additional sixty months.
- Temporary relocation – If the borrower must relocate for (a) employment purposes



due to the lack of jobs to support the household; (b) educational purposes; or (c) to seek medical treatment, the resale or recapture provisions may be suspended for a period of five (5) years. If, after the 5-year period and the unit is still not the principal place of residence, the resale or recapture provisions will take into effect. During the period of temporary relocation, the unit will become a HOME rental unit subject to:

**24 CFR 92.252 - Qualification as affordable housing: Rental housing. The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low income families and must meet the following requirements to qualify as affordable housing. The affordability requirements also apply to the HOME-assisted non-owner-occupied units in single-family housing purchased with HOME funds in accordance with § 92.254. (a) Rent limitation. HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of: (1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or (2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions. . . (b) Nondiscrimination against rental assistance subsidy holders. The owner cannot refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982—Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based**

rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document. (c) **Periods of Affordability.** The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

**Rental housing activity with minimum period of affordability in years:**

Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000 .....	5
\$15,000 to \$40,000 .....	10
Over \$40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed housing .....	20

(d) Subsequent rents during the affordability period. (1) The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to participating

jurisdictions. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment. (2) The participating jurisdiction must provide project owners with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits in paragraph (f)(1) of this section) in accordance with the written agreement between the participating jurisdiction and the owner. Owners must annually provide the participating jurisdiction with information on rents and occupancy of HOME-assisted units to demonstrate compliance with this section. (3) Any increase in rents for HOME assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents. (e) Adjustment of HOME rent limits for a particular project. (1) Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of a project within the HOME rent limits in this section. (2) HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly. (f) Tenant income. The income of each tenant must be determined initially in accordance with § 92.203(a)(1)(i). In addition, each year during the period of affordability the project owner must re-examine each tenant's annual income in accordance with one of the options in § 92.203 selected by the participating jurisdiction. . . [61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28929, May 28, 1997; 62 FR 44840, Aug. 22,

1997]; and

24 CFR 92.253 Tenant and participant protections.

(a) Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.

(b) Prohibited lease terms. The lease may not contain any of the following provisions: (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease; (2) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law; (3) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent; (4) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;

(5) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties; (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial

by jury; (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.(c) Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy. [61 FR 48750, Sept. 16, 1996, as amended at 67 FR 61756, Oct. 1, 2002]”

In addition, NMHC may offer the two following types of assistance:

- Penalty Waiver - Accrued penalty fees for delinquent borrowers may be waived to assist them in making their accounts current.
- Loan Assumption - Death of a homebuyer/borrower: Upon the death of the borrower which occurs within the affordability period, the entire unpaid balance of the loan shall be immediately due and payable. Title transfer without sale triggers the HOME resale or recapture agreement enforceable through the restrictive deed or land covenant. The NMHC Board may allow assumption of the loan by the heirs of the borrower if a final decree in the probate of the borrower identifies the heirs and approves distribution to them of the improved property and the loan, and if the heirs themselves would qualify as a new applicant for the loan.

At the sole discretion of the NMHC Board, the loan may be assumed by a legal heir

of a deceased borrower(s) of the HOME-assisted unit. This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all HOME Program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and will be subject to credit, income, and asset verification.

Foreclosure Prevention. In situations where a foreclosure is imminent, the NMHC Board may allow a borrower to have a HOME eligible immediate relative (i.e., mother, father, brother, sister, son, daughter) assume the loan, all for the purpose of preserving the affordability period. The total outstanding balance thereof shall be fully amortized at the original interest rate and terms to produce equal monthly payments. If, however, the HOME eligible immediate relative assuming the loan cannot afford the repayment of the loan at its original rate and terms, the NMHC Board may extend the term up to a period of sixty months. Should this accommodation still prove unaffordable, the property will go through the foreclosure process.

Foreclosure. NMHC may use its right of first refusal, as set forth in the loan documents, written agreement with homebuyer, and restrictive deed or land covenant, to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. Foreclosure triggers the HOME resale or recapture agreement enforceable through the restrictive deed or land covenant.

Foreclosure and Resale. If the HOME assisted property is subject to resale terms, NMHC has two options:

Resale Option 1: NMHC will ensure the sale of the HOME assisted property to another eligible low income homebuyer under the terms of the resale agreement. OR

Resale Option 2: NMHC will repay the full amount of HOME assistance to the

CNMI HOME account regardless of the amount collected at foreclosure sale.

Under Resale Option 1, NMHC may provide assistance to the new homebuyer. However, the total amount of the original and any additional HOME assistance may not exceed the maximum per unit subsidy amount.

Foreclosure and Recapture. If the HOME assisted property is subject to recapture terms, NMHC has two options:

Recapture Option 1: NMHC will recapture and pay to the CNMI HOME account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms. OR

Recapture Option 2: NMHC may purchase the HOME assisted property at foreclosure sale and additional HOME funds may be spent. However, the total amount of the original and additional HOME funds spent may not exceed the maximum per unit subsidy amount.

If NMHC forecloses on its own loan, NMHC CANNOT spend any additional HOME funds to acquire the property.

#### **XI. ITEMS NEEDED TO CANCEL FORECLOSURE AND RE-INSTA TE ACCOUNT**

- In accordance with 2 CMC 4536(a) pay the entire amount then due under the terms of the mortgage other than such portion of principal as would not then be due had no default occurred, and reasonable attorney's fees actually incurred.
- Pay delinquent account current inclusive of one month advance payment.
- Have the homebuyer(s) submit a written proposal on how he/she will maintain the account in good standing.

- Submit paid in full receipt of homebuyer(s)' insurance coverage for fire and earthquake.
- Submit 2-3 recent check stubs and/or verification of benefits.

## **XII. PERFORMING NEW CONSTRUCTION WORK**

### **A. Contractor Cost Estimates**

Homebuyers/Applicants approved for financial assistance shall be responsible for and required to obtain a minimum of three (3) written cost estimates from NMHC-approved CNMI-licensed contractors. Contractor shall be required to submit cost estimates, and each cost estimate submitted must include, as a minimum, the following information:

1. Bid price, cost breakdown of materials, and labor charges;
2. Schedule for completion of work; and
3. Copy of valid business/contractor license.

### **B. Selection of Contractor/Contract Award**

Upon NMHC's receipt of three (3) contractor proposals, NMHC shall schedule an appointment with the homebuyers/applicants to review bids submitted. Homebuyers/applicants shall be required to select the responsible contractor to perform proposed work. The selection shall be based on the reasonableness of the cost estimate.

### **C. Notification of Contract Award**

Homebuyers/applicants shall be responsible for notifying the selected contractor of the contract award. Such notification shall be in writing and shall be mailed to selected contractor within ten working (10) days after making the selection.

### **D. Contractor/Homebuyer Agreement Form**

Contractors selected to perform work shall prepare an NMHC-prescribed "AIA Construction Contract" (AIA Document No. A107-1997) between Contractor and Homebuyer for Construction of Private House form. Such Agreement shall be completed



by the contractor and immediately forwarded to NMHC for review by NMHC Loan Specialists and the Homebuyer(s), prior to executing such Agreement. At a minimum, the Agreement shall include the following:

1. Name of Contractor and Project Owner(s);
2. Lot/Tract No. of Project;
3. Description of all work to be performed;
4. U.S. Dollar amount/cost of project;
5. Progress Payment Schedule; and
6. Time of Performance.

**E. Pre-Construction Conference**

NMHC shall schedule and conduct a Pre-Construction Conference between the homebuyer(s) and selected contractor prior to the execution of the Contract Agreement specified above. The conference shall be conducted to ensure that the homebuyer(s) understand their responsibilities during the construction phase, terms of the contract, the work to be performed by the contractor, and the role of NMHC. An NMHC-prescribed "Pre-construction Conference Report" form shall be signed by the homebuyer(s) and contractor upon completion of such conference.

**F. Execution of Contract Agreement**

Upon completion of the "Pre-Construction Conference Report" and approved by NMHC as well the execution of all necessary loan documents by the approved homebuyer(s)/applicant(s), the Construction Contract may be executed by all necessary parties.

**G. Inspections**

NMHC shall have the right, during the construction or improvement of the building, to inspect the same and to reject and to require to be replaced, any material or workmanship that does not comply with the plans and specifications, without any liability on the part of

NMHC, as to workmanship or materials therein. Such inspection is solely for financing purposes and for the disbursement of funds, and any inspection or approval of any construction phase or increments of said dwelling shall not be deemed as a warranty by NMHC of the workmanship and material therein.

**H. Inspector**

Progress and final inspections shall be conducted by the Building Safety Office of the Department of Public Works (DPW) to ensure all work performed is done according to the plans and specifications as approved by the applicant and DPW and applicable property standards. NMHC's Technical Maintenance Division will act as a second level of inspection.

**I. Minimum Property Standards (MPS)**

For new construction of housing and acquisition-rehabilitation of housing, CNMI Building Safety Code and zoning laws (if applicable for Tinian and Rota), International Energy Conservation Code, NMHC written design standards for single-family housing new/rehabilitation, and handicapped accessibility requirements (where applicable) must be adhered to. Homebuyer(s), through their contractors, must ensure that they are familiar with these requirements. PJs using MPS may rely on inspections performed by a qualified person. If using HOME funds solely for acquisition, the property must also meet the minimum property standards mentioned above (or Section 8 HQS if no local codes and standards apply).



# COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



STATE BOARD OF EDUCATION  
PUBLIC SCHOOL SYSTEM  
P.O. BOX 501370  
SAIPAN, MP 96950

*Lucia L. Blanco-Maratia*  
*Chairperson*

*Herman T. Guerrero*  
*Vice-Chairperson*

*Marylou S. Ada*  
*Secretary/Treasurer*

*Members*  
*Galvin S. Deleon Guerrero*  
*D. Tanya King*

*Scott Norman*  
*Non Public School Rep.*

*Francine R. Babauta*  
*Student Representative*

*Teacher Representative*

*Commissioner of Education*  
*Rita A. Sablan, Ed.D.*  
*coe.ras@pss.cnmi.mp*

## **PUBLIC NOTICE OF PROPOSED RULES AND REGULATIONS WHICH ARE AMENDMENTS TO RULES AND REGULATIONS REGARDING THE AMENDED PAY DIFFERENTIALS OF THE PUBLIC SCHOOL SYSTEM**

**PROPOSED RULES AND REGULATIONS:** The Commonwealth of the Northern Mariana Islands Public School System ("PSS") finds that:

**INTENDED ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS:** The Commonwealth of the Northern Mariana Islands, Public School System ("PSS") intends to adopt as permanent regulations the attached Proposed Regulations, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(A). The Regulations would become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b))

**AUTHORITY:** The proposed amendments to PSS regulations are promulgated pursuant to the Board's authority as provided by Article XV of the CNMI Constitution, Public Law 6-10 and the CNMI Administrative Procedures Act.

**THE TERMS AND SUBSTANCE:** The proposed amendment sets forth the revised Amended Pay Differentials.

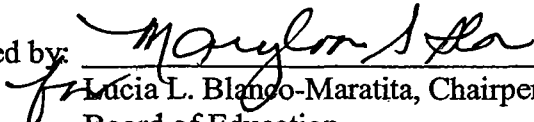
**THE SUBJECTS AND ISSUES INVOLVED:** These rules and regulations provide guidance for compensation commensurate with the type of certification obtained by personnel within the PSS.

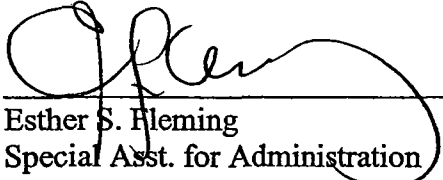
**DIRECTIONS FOR FILING AND PUBLICATION:** These Proposed Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations. (1 CMC § 9102(a)(1) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular. (1 CMC § 9104(a)(1))

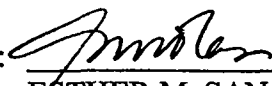
**TO PROVIDE COMMENTS:** All interested persons may examine the proposed amendments and submit written comments, positions, or statements for or against the proposed amendments to the Chairperson, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950, call 237-3727

or fax 664-3711 within thirty (30) calendar days following the date of the publication in the Commonwealth Register of these amendments. (1 CMC § 9104(a)(2))

These regulations were approved by the Board of Education on April 29, 2008.

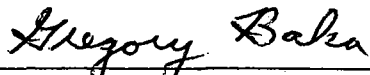
Submitted by:  July 22, 2009  
Lucia L. Blanco-Maratita, Chairperson  
Board of Education  
Date

Received by:  7/23/09  
Esther S. Fleming  
Special Asst. for Administration  
Date

Filed and  
Recorded by:  07.23.09  
ESTHER M. SAN NICOLAS  
Commonwealth Register  
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(A)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 22 day of July, 2009.

  
GREGORY BAKA  
Acting Attorney General

**SUBCHAPTER 60-30.2 EMPLOYMENT OF CERTIFIED PERSONNEL  
REGULATIONS**

**60-30.2-790 Pay Differentials**

(a) After-school differential, coaching differential, summer school differential and Saturday school differential may be paid to PSS personnel who meet all BOE teacher certification requirements, and have previously consulted and obtained approval from the COE. This differential shall be paid based on rates approved by the BOE, provided funds are available. Persons receiving an after-school differential, coaching differential, summer school differential and/or a Saturday school differential shall not be eligible to receive overtime compensation. Coaches may receive a waiver of the certification requirement from the Commissioner for up to four years.

(b) Proposed differentials:

- (1) Coaches: \$300/sports season
- (2) After-school: \$30/daily (not to exceed 2 hrs)
- (3) Saturday: \$60/half day session
- (4) Before school: \$15/daily session (not to exceed 1 hr)
- (5) Summer school: \$100/full day (6 periods)  
\$60/half day (up to 4 periods)

(c) Professional development differential may be paid to PSS personnel exempt from the Fair Labors Standards Act who coordinate, facilitate or present at professional development seminars, workshops or trainings held on weekends or in the evening (after working hours) provided that the PSS staff coordinating, facilitating or presenting at the seminar, workshop or training have consulted and obtained the prior approval of the COE. This differential shall be paid based on rates approved by the BOE, provided funds are available. The PSS staff receiving this differential shall not be eligible to receive overtime compensation or extended day credits. This professional development differential shall be \$100/day for Saturdays (four hours or longer seminar, workshop or training) and \$30/evening (two hour or longer workshop or training after working hours).

(d) Principals, vice principals, program managers, and teachers aspiring to become principals or vice principals, who take and pass the School Leadership Licensure Assessment (SLLA) are eligible for a one time pay differential of \$5,000.

(e) Teachers who take and pass the National Teacher Exam (NTE) are eligible for a one time pay differential of \$3,000.

(f) Principals, vice principals, program managers and teacher aides who take and pass both the PRAXIS I and applicable PRAXIS II exams are eligible for a one time pay differential of \$3,000.

**ARONGOL TOULAP REEL POMWOL ALLÉGH KKA EBWE SSIWEL NGÁLI  
ALLÉGH KKAAL BWELLE SALAAPIAL GHILIGHIL (PAY  
DIFFERENTIALS) KKA E SSIWEL LLÓL ALLÉGHÚL GAKKOOL TOULAP  
(PSS)**

**POMWOL ALLÉGH KKAAL:** Alléghúl Gakko (“PSS”) mellól Commonwealth Téél falúw kka falúwasch Efáng Marianas e schungi bwe:

**AGHIYEGHIL IGHA EBWE FILLÓÓY POMWOL ALLÉGH KKAAL:** Alléghúl Gakkool Toulap (“PSS”) mellól Commonwealth Téél falúw kka falúwasch Efáng Marianas e tipeli ebwe schéshéél fillóóy Pomwol Allégh kka e appasch, bwelle mwóghutul Administrative Procedure Act, 1 CMC Talil 9104(A). Allégh kkaal ebwe kkamal llól seigh (10) ráálil ngáre raa fillóóy me atééw llól Commonwealth Register. (1 CMC Tálil 9105(b)).

**BWÁNGIL:** Pomwol ssiwel kkaal ngáli alléghúl PSS ebwe akkatééló bwelle bwángil Mwiisch iye e tooto mereel Article XV mellól CNMI Allégh Lapalap, Alléghúl Toulap ye 6-10 me aweewel CNMI Administrative Procedure Act.

**ÓUTOL ME KKEPASAL:** Pomwol ssiwel kkaal nge ekke bwáari ghilighilil obwos (Pay Differential) kka aa lliwel.

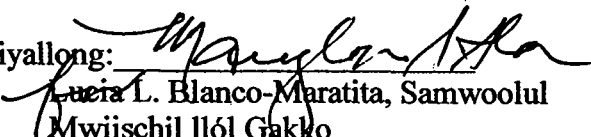
**AWEEWEL ME MILIKKA E TÉÉTÁ:** Allégh kkaal ebwe ayoora aweewel salaapi ye ebwe ghol, ghilighil ghatch, ileet ngáli schéél alúghúlúgh (certificate) ye u bwughi mellól personnel ye PSS.

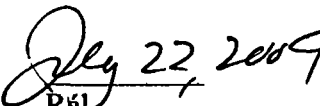
**AFALAFAL REEL AMMWELIL ME AKKATÉÉL:** Pomwol Allégh kkaal ebwe akkatééló llól Commonwealth Register llól Tálil ye raa pomwoli me fillóól allégh kkaal. (1 CMC Tálil 9102(a)(1) me appaschetá igha efil iye llól civic center me llól bwulasiyool gobenno kkaal me bwal llól senatorial district, e weewe schagh llól kkasal Amerikkónu, Refalúwasch, Remeraalis. (1 CMC Talil 9104\*a)(1)).

**ISISILONGOL AGHIYEGH:** Afanga ischil mááfiyámi ngáli Assamwoolul, Mwiischil llól Gakko, P.O. Box 1370 CK, Seipél, MP 96950, faingi 237-3727 me ngáre fax reel 664-3711 llól eliigh (30) ráálil mwiril schagh yaar atééw llól Commonwealth Register sáangi ssiwel kkaal. (1 CMC Tálil 9104(a)(2)).

Allégh kkaal nge e allégheló mereel Mwiischil llól Gakko ótol Séétá 29, 2008.

Isaliyallong:

  
Lucia L. Blanco-Maratita, Samwoolul  
Mwiischil Ilól Gakko

  
Rál

Mwir sáangi:

\_\_\_\_\_  
Esther S. Fleming  
Sów Alillisil Sów Lemelem

\_\_\_\_\_  
Rál

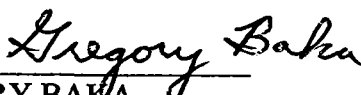
Ammwel sáangi:

  
\_\_\_\_\_  
ESTHER M. SAN NICOLAS  
Commonwealth Register

07-23-09  
Rál

Sáangi allégh ye 1 CMC Tálil 2153(e) (alughulughul allégh kkaal mereel AG igha ebwe akkatééló) me 1 CMC Tálil 9104(A)(3) (bweibwogh alughulugh mereel AG) pomwol allégh kkaal nge raa takkal amweri fischí ,me allégheló mereel CNMI Sów Bwungul Allégh Lapalap me ebwe akkatééló (1 CMC Tálil 2153(f) (akkatéél allégh kkaal)).

Rállil 22 Ilól maramal Wuun, 2009.

  
\_\_\_\_\_  
GREGORY BAKA  
Acting ngáli Sów Bwungul Allégh Lapalap

**SUBCHAPTER 60-30.2 ALLÉGHÚL SCHÓÓY ANGAANG KKA RAA  
CERTIFIED**

**60-30.2-790 Pay Differentials**

(a) Emmwel rebwe obwossuur sów afal kkaal mellól PSS sáangi ghilighil kka after school differencial, coaching differencial, summer school differencial me Saturday school differencial ikka re bwughi alongal yaal BOE teacher certification tingor, me raa amatafangaliir me bweibwogh alughulugh mereel COE. Salaapial ghilighil kkaal ebwe óbwóssuur sów afal kkaal sáangi rates ye e alughulugh mereel BOE, ngáre eyoor salaapial. Aramas ye e bwughi after-school differencial, coaching differencial, summer school differencial me/ ngáre Saturday school differencial e ssobw yááyá overtime compensation. Emmwel bwe coaches rebwe yááyá alughulughul waiver mereel Commissioner (Samwool) llól faawu ráagh.

(b) Pomwol differentials:

(1) Coaches: \$300/Otol sports

(2) Mwirilool Gakko (After school): \$30/alongal ral (e ssobw luulo ruwoow oora)

(3) Sóóbwal (Saturday): \$60/ótol esóbw rál

(4) Mmwal gakko: \$15/alongal rál (e ssóbw luuló eew oora)

(5) Summer school: \$100/eral (6 periods)

\$60/esobw rál (ebwe yoor 4 periods)

(c) Emmwel bwe Professional development differencial ebwe óbwóssuur sów afal llól PSS nge essóbw toolong llól Fair Labors Standards Act iye e lemeli, alillis me ngáre e tabweey professional development seminars, workshops me akkabwung ótol weekends me ngáre fááfil (sáril angaang) ngáre schagh schóóy angaang kkaal rekke mwóghut ágheli, alillis, me toolong llól mwiisch (seminar) kkaal, workschop, me akkabwung me raa aghuley ngáliir me mmwal bweibwoghul alughulugh mereel BOE, ngare eyoor salaapi. PSS staff kka re bweibwogh differencial kkaal e ssobw fillong, yááyá (eligible) salaapial overtime me credits ngare e sobwosobw ótol. Professional development differencial ebwe ebwughúw dóóla (\$100) alongal Sóóbwal (faawu oora ngáre e láálááy seminar, workshop me akkabwung kkaal) me eliigh doola (\$30.00) leefááf (ruwoow oora me ngáre e láálááy workshop me wiisal akkabwung kkaal, mwirilóól angaang).

(d) Principals, vice principals, program managers, me sów afal kka re tipeli rebwe principals me ngáre vice principals, ikka re bweibwogh me atakka Asóssótol School Leadership Licensure (SLLA) ebwe fáál eew schagh pay differencial llól limangaras dóóla (\$5. 000).

(e) Emmwel ebwe faal eew schagh pay differencial llól elengaras dóóla (\$3,000) ngáliir Sów afal kka re bweibwogh me atakka Asóssótol National Teacher Exam (NTE).

(f) Principals, vice principals, program managers me sów alillisil sów afal kka re bweibwogh me atakka ii me ruwoow asóssótol PRAXIS 1 me lamal PRAXIS 11, emmwel ebwe faal eew schagh pay differencial llól elengaras dóóla ( \$3,000 ).



**COMMONWEALTH GI SANGKATTAN NA ISLAN MARIANAS SIHA**

**STATE BOARD OF EDUCATION  
SISTEMAN ESKUELAN PUPBLIKU  
P. O. BOX 501370  
SAIPAN, MP 96950**

**NOTISIAN PUPBLIKU POT I MANMAPROPONEN AREKLAMENTO YAN  
REGULASION SIHA NI MANMA'AMENDA PARA I AREKLAMENTO YAN  
REGULASION SIHA GI POT I MA'AMENDA NA PAY DIFFERENTIALS GI  
SISTEMAN ESKUELAN PUPBLIKU**

**MANMAPROPONE NA AREKLAMENTO YAN REGULASION SIHA: I**  
Commonwealth gi Sangkattan na Islan Marianas Sistemán Eskuelan Púpblíku ("PSS") ha  
sodda' na:

**MA'INTENSIONA NA AKSION PARA U MA'ADÁPTA ESTE SIHA  
MANMAPROPONE NA AREKLAMENTO YAN REGULASION SIHA: I**  
Commonwealth gi Sangkattan na Islan Marianas Siha, Sistemán Eskuelan Púpblíku ("PSS") ha  
intensiona para u adápta komu petmaniente i regulasion siha ni mañechetton gi Manmapropone  
na Regulasion siha, sigun gi areklo siha gi Ákton Administrative Procedures, 1 CMC § 9104(A).  
I Regulasion siha para u efektibu gi halom i dies(10) diha siha despues di adaptasion yan  
púpblíkasion gi halom i Rehistran Commonwealth. (1 CMC § 9105(b))

**ÁTURIDÁT:** I manmapropone na amendasion siha para i regulasion i PSS macho'gue  
sigun gi áturidát i Kuetpo komu mapribeniyi ginen i Attikulu XV gi Konstitusion CNMI, Lai  
Púpblíku 6-10 yan i Ákton i CNMI Administrative Procedures.

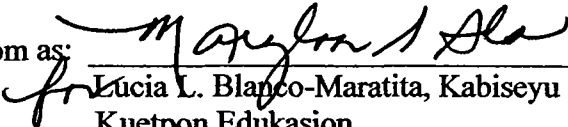
**I SUSTÁNSIAN I PALÁBRA SIHA:** I manmapropone na amendasion mapega mo'na i  
maribisa i Ma'amenda na Pay Differentials.

**SUHETO NI MASUMÁRIA YAN ASUNTO NI TINEKKA:** Este na areklamento yan  
regulasion siha ha rpibeniyi giniha para i compensation commensurate yan i klásen settífiku ni  
hinenta ginen i personnel gi halom i PSS.

**DIREKSION PARA U MAPO'LO YAN MAPUPBLIKA:** Este i Manmapropone na  
Regulasion siha debi na u mapúpblíka gi halom i Rehistran Commonwealth gi seksiona ni  
manmapropone yan nuebu na ma'adápta na regulasion siha (1 CMC § 9102 (a)(1) yan mapega  
gi halom i kombeniente na lugát siha gi halom ofisinan gobietnamento gi kada distriton senadot,  
pareha English yan i dos na lengguáhen natibu. (1 CMC § 9104(a)(1)

**PARA U MAPRIBENIYI OPIÑON SIHA:** Todu maninterisào na petsona siña ma'eksamina i manmapropone na amendasion siha yan u mana'hålom i tinige' infotmasion, pusion, pat deklarsion inaksepta pat kinentran i manmapropone na amendasion siha guatu gi Kabiseyu, Kuetpon Edukasion, P.O. Box 1370 CK, Saipan, MP 96950, ågang 237-3727 pat fax 664-3711 gi halom i trenta(30) diha siha ni tinattitiyi ni fechan publikasion gi halom i Rehistran Commonwealth gi este na amendasion siha. (1 CMC § 9104(a)(2))

Este i manmapropone na regulasion siha manma'apreba ginen i Kuetpon Edukasion gi Abrit 29, 2008..

Nina'hålom as:   
Lucia L. Blanco-Maratita, Kabiseyu  
Kuetpon Edukasion

July 22, 2009  
Fecha

Rinisibi as: \_\_\_\_\_  
ESTHER S. FLEMING  
Espisiåt Na Ayudante Para I Atministrasion

\_\_\_\_\_  
Fecha

Pine'lo Yan Rinekot as:   
ESTHER M. SAN NICOLAS  
Rehistran Commonwealth

07.23.09  
Fecha

Sigun i 1 CMC § 2153(e) ( I Abugådu Heneråt ha apreba i regulasion siha na para u macho' gue komu fotma) yan 1 CMC § 9104(a)(3) (hentan inapreban Abugådu Heneråt) i manmapropone na regulasion siha ni mafiechetton guini ni manmarebisa yan manma'apreba komu fotma yan suficiente ligåt ginen i CNMI Abugådu Heneråt yan debi na u mapublika, 1 CMC § 2153(f) (publikasion areklamento yan regulasion siha).

Mafecha guini gi diha 22, Hului, 2009

  
GREGORY BAKA  
Acting Abugådu Heneråt

## **SUBCHAPTER 60-30.2 EMPLOYMENT OF CERTIFIED PERSONNEL REGULATIONS**

### **60-30.2-790 Pay Differentials**

(a) After-school differential, coaching differential, summer school differential yan Saturday school differential siña ma'apási gi PSS personnel háyi kumomple todú i BOE settifikon dinimánda para i manma'estra/o siha, yan esta ha konsutta yan mahenta i inapreba ginen i COE. Este na differential debi na u ma'apási sigun gi kosta siha ni ma'apreba ginen i BOE, mapribeniyi ni fondo siha ni guaha. Petsona siha ni manrisesibi after-school differential, coaching differential, summer school differential yan/pat i Saturday school differential ti debi na kualifikáo para u risibe overtime compensation. Coaches siña marisibi i waiver gi dinimánda settifiku ginen i Commissioner hulo' asta kuátro años.

(b) Manmapropone na differential siha:

- (1) Coaches: \$300/ sports season
- (2) After-school: \$30/kada diha (ti u inipos dos (2)oras)
- (3) Saturday: \$60/mediu diha na session
- (4) Before school: \$15/kada diha (ti u inipos una (1) ora)
- (5) Summer school: \$100/tudot diha (6 periods)

\$60/mediu diha (hulo' asta kuátro (4) periods)

(c) Professional development differential siña ma'apási gi PSS personnel exempt ginen i Akton i Fair Labors Standards ni ha coordinate, alibia pat mátto gi professional development seminars, workshops, pat trainings ni makondukta gi weekends pat gi pupuenge (despues di finakpo' oran cho'cho') mapribeniyi na i PSS staff coordinating, facilitating pat manprisesenta gi seminar, workshops pat training ni makonsutta yan mahenta i inapreban i COE. Este na differential debi na u ma'apási gi sigun gi kosta ni inapreban i BOE, mapribeniyi fondo siha ni guaha. I PSS staff manrisesibi ni este na differential ya ti debi na u kualifikáo para u risibe overtime compensation pat extended day credits. Este i professional development differential debi na \$100/gi diha para Sábalo ha' (kuátro (4)oras pat la'anákko' na seminar, workshop pat training) yan \$30/gi pupuenge (dos(2) oras pat la'anákko' i workshop pat training despues di finakpo' cho'cho' siha)

(d) Principals, vice principals, manihântén prugrâma siha, yan manma'estra/o siha ni manmalago' para u fan principal pat vice principals, ni chumule' yan ha pas i School Leadership Licensure Assessment (SLLA) mangkualifikâo para i one time pay differential gi \$5,000.

(e) Ma'estra/o siha ni chumule' yan ha pas i National Teacher Exam (NTE) mangkualifikâo para i one time pay differential gi \$3,000.

(f) Principals, vice principals, manihântén prugrâma siha yan ayudântén ma'estra/o siha ni chumule' yan ha pas parehu i PRAXIS I yan i aplikâpble na PRAXIS II exams mangkualifikâo para i one time pay differential gi \$3,000.



# COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS



STATE BOARD OF EDUCATION  
PUBLIC SCHOOL SYSTEM  
P.O. BOX 501370  
SAIPAN, MP 96950

*Lucia L. Blanco-Maraitia*  
**Chairperson**

*Herman T. Guerrero*  
**Vice-Chairperson**

*Marilyn S. Ada*  
**Secretary/Treasurer**

**Members**  
*Galvin S. Deleon Guerrero*  
*D. Tonya King*

*Scott Norman*  
**Non Public School Rep.**

*Francine R. Babauta*  
**Student Representative**

**Teacher Representative**

**Commissioner of Education**  
*Rita A. Sablan, Ed.D.*  
[coe.ras@pss.cmi.mp](mailto:coe.ras@pss.cmi.mp)

## **PUBLIC NOTICE OF PROPOSED RULES AND REGULATIONS WHICH ARE AMENDMENTS TO RULES AND REGULATIONS REGARDING THE HEAD START ONE TIME BENEFIT PAY DIFFERENTIAL OF THE PUBLIC SCHOOL SYSTEM**

**PROPOSED RULES AND REGULATIONS:** The Commonwealth of the Northern Mariana Islands Public School System (“PSS”) finds that:

**INTENDED ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS:** The Commonwealth of the Northern Mariana Islands, Public School System (“PSS”) intends to adopt as permanent regulations the attached Proposed Regulations, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(A). The Regulations would become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b))

**AUTHORITY:** The proposed amendments to PSS regulations are promulgated pursuant to the Board’s authority as provided by Article XV of the CNMI Constitution, Public Law 6-10 and the CNMI Administrative Procedures Act.


**THE TERMS AND SUBSTANCE:** The proposed amendment sets forth the revised One Time Benefit Pay Differential.

**THE SUBJECTS AND ISSUES INVOLVED:** These rules and regulations provide guidance for a one time pay benefit to current employees of the PSS Head Start program.

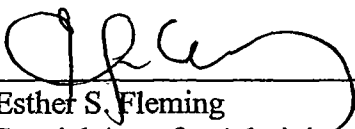
**DIRECTIONS FOR FILING AND PUBLICATION:** These Proposed Regulations shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations. (1 CMC § 9102(a)(1) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular. (1 CMC § 9104(a)(1))

**TO PROVIDE COMMENTS:** All interested persons may examine the proposed amendments and submit written comments, positions, or statements for or against the proposed amendments to the Chairperson, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950, call 237-3727 or fax 664-3711 within thirty (30) calendar days following the date of the publication in the Commonwealth Register of these amendments. (1 CMC §9104(a)(2))

These regulations were approved by a joint meeting of the Board of Education and the Head Start Policy Council on May 1, 2009.

Submitted by:   
Lucia L. Blanco-Maratita, Chairperson  
Board of Education

July 22, 2009  
Date

Received by:   
Esther S. Fleming  
Special Asst. for Administration

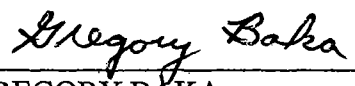
7/23/09  
Date

Filed and  
Recorded by:   
ESTHER M. SAN NICOLAS  
Commonwealth Register

07.23.09  
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(A)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 22 day of July, 2009.

  
GREGORY BAKA  
Acting Attorney General

## CHAPTER 60-60 HEAD START PROGRAM REGULATIONS

### 60-60-805 Benefits

(a) Medical and Life Insurance

The Commonwealth government makes medical and life insurance available to Head Start employees. Employees may elect to participate and such participation is explained in 60-60-810 and governed by the CNMI health insurance plan.

(b) Retirement

Head Start employees are required by law to be contributing members to the CNMIs retirement fund. Participation is mandatory and such participation is explained in 60-60-815 and governed by the CNMI retirement fund.

(c) Head Start teachers, teacher aides and support staff who are current employees of the CNMI Head Start program for the 2008-2009 school year, are eligible for a one time pay differential of \$1,000 with two or more years of service or \$500 if less than two years of service.

**COMMONWEALTH GI SANGKATTAN NA ISLAN MARIANAS SIHA**

**STATE BOARD OF EDUCATION  
SISTEMAN ESKUELAN PUPBLIKU  
P. O. BOX 501370  
SAIPAN, MP 96950**

**NOTISIAN PUPBLIKU POT I MAPROPONEN AREKLAMENTO YAN  
REGULASION SIHA NI PARA I AMENDASION PARA I AREKLAMENTO  
YAN REGUALSION SIHA POT I HEAD START ONE TIME BENEFIT PAY  
DIFFERENTIAL GI SISTEMAN ESKUELAN PUPBLIKU**

**MANMAPROPONEN AREKLAMENTO YAN REGULASION SIHA:** I Commonwealth gi Sangkattan na Islan Marianas Siha Sistemana Eskuelan Publika ("PSS") ha sodda' na:

**MA'INTENSIONA NA AKSION PARA U MA'ADAPTA ESTE I MANMAPROPONE NA AREKLAMENTO YAN REGULASION SIHA:** I Commonwealth gi Sangkattan na Islan Marianas siha, Sistemana Eskuelan Publika ("PSS") ha intensiona para u adapta komu petmaniente i regulasion siha ni mafiechetton i Manmapropone na Regulasion siha, sigun gi areklo siha gi Akton Administrative Procedure, 1 CMC § 9104(A). I Regualsion siha para u efektibu gi halom i dies (10) diha siha despues di adaptasion yan publikasion gi halom i Rehistran Commonwealth. (1 CMC § 9105(b))

**ATURIDAT:** I manmapropone na amendasion siha para i regulasion i PSS macho'gue sigun gi aturidat i Kuetpo komu mapribeniyi ni Attikulu XV gi Konstitusion CNMI, Lai Publika 6-10 yan i Akton CNMI Administrative Procedures.

**I SUSTANSIAN I PALABRA SIHA:** I mapropone na amendasion ni mapega mo'na i maribisa One Time Benefit Pay Differential.

**I SUHETO NI MASUMARIA YAN ASUNTO NI TINEKKA:** Este i areklamento yan regulasion siha ha pribeniyi giniha para i one time pay benefit para i presente na empli'ao siha gi prugaman PSS Head Start.

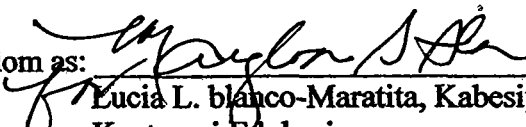
**DIREKSION PARA U MAPO'LO YAN MAPUBLIKA:** Este i Manmapropone na Regulasion siha debi na u mapublika gi halom i Rehistran Commonwealth gi halom i seksiona ni mapropone yan nuebu na ma'adapta na regulasion siha. (1 CMC § 9102(a)(1) yan u mapega gi kombiniente na lugat siha gi halom i civic center yan gi ofisinan gobietnameto siha gi kada distriton senadot, parehu English yan i dos na legguahen natibu. (1 CMC § 9104(a)(1))

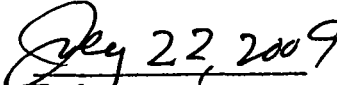


**PARA U MAPRIBENIYI OPIÑON SIHA:** Todu maninterisào na petsona siña ma'eksamina i manmapropone na amendasion siha yan u mana'hålom i infotmasion, pusision, pat deklarasion inaksepta pat kinentra gi manmapropone na amendasion siha guatu gi Kabiseyu, Kuetpon i Edukasion, P. O. Box 1370 CK, Saipan, MP 96950, ågang i 237-3727 pat fax gi 664-3711 gi halom i trenta (30) diha siha ni tinattitiyi ni fechan publikasion gi halom i Rehistran Commonwealth ni este na amendasion siha. (1 CMC § 9104(a)(2))

Este na regulasion siha manma'apreba ginen i dinanña' i Kuetpon Edukasion yan i Headstart Policy Council gi Måyu 1, 2009.

Nina'hålom as:

  
Lucia L. blanco-Maratita, Kabesiyu  
Kuetpon i Edukasion

  
Fecha

Rinisibi as:

\_\_\_\_\_  
Esther S. Fleming  
Espisiåt Na Ayudãnte Para I Atministrasion  
Gobietno

\_\_\_\_\_  
Fecha

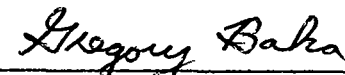
Pine'lo yan Rinekot as:

  
ESTHER M. SAN NICOLAS  
Rehistran Commonwealth

07.23.09  
Fecha

Sigun i 1 CMC § 2153(e) (Inapreban Abugådu Heneråt i regulasion siha na para u macho' gue komu para fotma) yan 1 CMC § 9104(A)(3) (hentan inapreban Abugådu Heneråt) i manmapropone na regulasion siha ni mafiechetton guini ya manmaribisa yan ma'apreba komu para fotma yan ligåt suficiente ginen i CNMI Abugådu Heneråt yan debi na u mapublikas (1 CMC § 2153(f) (publikasion i areklamento yan regulasion siha)).

Mafecha gi diha 22 gi Hului, 2009

  
\_\_\_\_\_  
GREGORY BAKA  
Acting Abugådu Heneråt

## **KAPITULU 60-60 REGULASION SIHA PARA I PRUGÁMAN HEAD START**

### **60-60-805 Benifisio Siha**

#### **(a) Medical yan Life Insurance**

I gobietnamenton Commonwealth ha fa'tinas medical yan life insurance ha na'guaha para i emple'áo Head Start siha. Emple'áo siha ma'ayek para u fanpattisipáo yan komu pattisipasion ha eksplika i 60-60-810 yan ginebietna ginen i plánon i CNMI health insurance.

#### **(b) Ritiru**

I emple'áo Head Start ha dimánda ginen i lai na debi i miembro siha ni mannana'halom gi CNMI fondon ritiru. I pattisipasion ha dimánda yan komu i pattisipasion ha eksplika gi 60-60-815 yan ginebietna ginen i CNMI fondon ritiru.

**(c) Head Start ma'estra/o, ayudánten ma'estra/o, yan support staff siha ni man ma'emplepleha gi CNMI Prugráman Head Start para i 2008-2009 sákan eskuela, mankualifikáo para i one time pay defferential ni \$1,000 yan dos pat más años gi setbisio siha pat \$500 yanggen menus ki dos años na setbisio.**

**ARONGOL TOULAP REEL POMWOL ALLÉGH IKKA EBWE SSIWEL NGÁLI  
ALLEGH KKAAL BWELLE EBWE FAAL EEW SCHAGH SALAAPIAL  
GHILIGHIL KKAAL MELLÓL AMMWELIL BWULSAIYOOL GAKKOOL  
TOULAP (HEAD START ONETIME BENEFIT PAY DIFFERENTIAL OF THE  
PUBLIC SCHOOL SYSTEM)**

**POMWOL ALLÉGH KKAAL:** Alléghól Gakko (“PSS”) mellól Commonwealth  
Téél falúw kka falúwasch Efáng Mariana e chungí bwe:

**AGHIYEGHIL IGHÁ EBWE FILLÓÓY POMWOL ALLÉGH KKAAL:** Alléghúl  
Gakko (“PSS”) mellól Commonwealth Téél falúw kka falúwasch Efáng Marianas e tipeli  
ebwe schéschéél fillóóy Pomwol Allégh kka e appasch, bwelle mwóghutul  
Administrative Procedure Act, 1 CMC Tálil 9104(A). Allégh kkaal ebwe kkamal llól  
seigh (10) ráálil ngáre raa fillóóy me atéw llól Commonwealth Register. (1 CMC Tálil  
9105(b)).

**BWÁGIL:** Pomwol ssiwel ngáli alléghúl PSS ebwe akkatééló bwelle bwángi  
Mwiisch iye e tooto mereel Article XV mellól CNMI Allegh Lapalap, Alléghul Toulap  
ye 6-10 me aweewel CNMI Administrative Procedure Act.

**ÓUTOL ME KKEPASAL:** Pómwol ssiwel kkaal nge ekke bwáári mille faal eew  
schagh salaapial.ghilighil kkaal

**AWEEWEL ME MILIKKA KKA E FÉÉTÁ:** Allégh kkaal ebwe ayoora aweewel  
mille salaapial faal eew schagh llól ghilighil kkaal (pay differential)

**AFALAFAL REEL AMMWELIL ME AKKATÉÉL:** Pómwol Allégh kkaal ebwe  
akkatééló llól Commonwealth Register llól Tálil ye raa pomwoli me fillóól allégh kkaal.  
(1 CMC Tálil 9102(a)(1) me appaschetá igha efil iye llól civic center me llól bwulasiyool  
gobenno kkaal me bwal llól senatorial district, e weewe schagh llól kkasal Amerikkónu,  
Refalúwasch, Remeraalis. (1 CMC Talil 9104\*a)(1)).

**ISISILONGOL AGHIYEGH:** Afanga ischil mááfiyami ngáli Assamwoolul, Mwiischil  
llól Gakko, P.O. Box 1370 CK, Seipél, MP 96950, faingi 237-3727 me ngáre fax reel  
664-3711 llol eliigh (30) ráálil mwiril schagh jaar atéw llól Commonwealth Register  
sángi ssiwel kkaal. (1 CMC Talil 9104(a)(2)).

Allégh kkaal nge aa alúghúlúghúló mellól schuulap ye Mwiischil llól Gakko me  
Ammwelil Téélapal Head Start ótol Ghúúw 1, 2009.

Isaliyallong:   
Lucia L. Blanco-Maratita, Samwoolul  
Mwiischil Gakko

July 22, 2009  
Rál

Mwir sangi: \_\_\_\_\_  
Esther S. Fleming  
Sów Alillisil Sów Lemelem

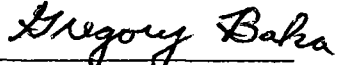
\_\_\_\_\_ Rál

Ammwel sáangi:   
ESTHER M. SAN NICOLAS  
Commonwealth Register

07.23.09  
Rál

Sáangi allégh ye 1 CMC Talil 2153(e) (alughulughul allegh kkaal mereel AG igha ebwe akkatééló) me 1 CMC Tálil 9104(A)(3) (bweibwogh alughulugh mereel AG) pomwol allégh kkaal nge raa takkal amweri fischi ,me allégheló mereel CNMI Sów Bwungul Allégh Lapalap me ebwe akkatééló (1 CMC Talil 2153(f) (akkatéél allégh kkaal)).

Rállil 22 llól maramal Wuun, 2009.

  
GREGORY BAKA  
Acting ngáli Sów Bwungul Allégh Lapalap

## CHAPTER 60-60 AMMWELIL PROGROMAAL HEADSTART

### **60-60-805 Benefits (salaapial alillis)**

(a) Medical me Life Insurance

Commonwealth government ekke ayoora medical me life Insurance ngáliir schóóy angaangal llól Head Start. Emmwel bwe schóóy angaang kkaal rebwe fili ngáre rebwe toolong me ngáre toolongol nge e affatawow llól 60-60-810 me e lemelem sáangi CNMI health insurance plan.

(b) Retirement

Schóóy angaangal llól Head Start sangi allegh yeel rebwe memborol CNMI's retirement fund.. E alleghewow bwe mellol alughulugh rebwe toolong me schóókka re túútá me toolongoor nge e affatawow mellól 60-60-815 me e lemelem sáangi CNMI retirement fund.

(c) Sów afal mellól Head Start, sów alillisil sów afal me support staff (sow alillis) ikka re ghal angaang llól progróomal Head Start ighila llól 2008-2009 school year, emmwel rebwe toolong llól salaapial ghilighil kkaal llól eew sangaras (\$1,000) fengál me ruwoow me ngáre fitoow ráágh yaal angaang me limabwughúw dóóla ngáre ese toori ruwoow ráágh llól yaal angaang.

