

**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, TINIAN, ROTA and NORTHERN ISLANDS**



COMMONWEALTH REGISTER

**VOLUME 40
NUMBER 05
MAY 28, 2018**

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STATE BOARD OF EDUCATION

Commonwealth of the Northern Mariana Islands — *Public School System*

PO Box 501370 Saipan, MP 96950 • Tel. 670 237-3027 • E-mail: boe.admin@cnmipss.org



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PUBLIC NOTICE OF PROPOSED OF A REGULATION REGARDING CHAPTER 60-20 PUBLIC SCHOOL SYSTEM RULES AND REGULATIONS

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

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 rules and regulations is set forth to provide procedural guidelines for Subpart F, Discipline, Regulation §§60-20-438 Jurisdiction, 60-20-440 Day to Day Discipline, 60-20-442 Detention, 60-20-444 In-School Suspension and 60-20-446 Offense Categories.

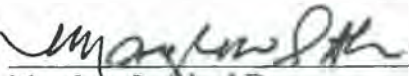
THE SUBJECTS AND ISSUES INVOLVED: Proposed Amendments to Subpart F, Discipline, Regulation §§60-20-438 Jurisdiction, 60-20-440 Day to Day Discipline, 60-20-442 Detention, 60-20-444 In-School Suspension and 60-20-446 Offense Categories are hereby proposed.


DIRECTIONS FOR FILING AND PUBLICATION: The Proposed Amendments of this Regulation 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 interest persons may examine the proposed amendments and submit written comments, positions, or statements for or against the proposed amendments to the Chairperson, State Board of Education, P.O. Box 501370 CK, Saipan, MP 96950, via telephone 670-237-3027 or via email to boe.admin@cnmipss.org within thirty (30) calendar days following the date of the publication in the Commonwealth Register of these amendments. (1 CMC § 9104(a) (2))

STUDENTS FIRST

This regulation was approved at the State Board of Education Special Meeting on Saipan on November 20, 2017.


Submitted by:  May 16, 2018
MaryLou S. Aja, J.D. Date
Chairperson, State Board of Education

Received by:  5/18/18
Shirley Camacho-Ogumoro Date
Special Assistant for Administration

Filed and Recorded by:  05-22-2018
Esther SN. Nesbitt Date
Commonwealth Registrar 

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 this 22 day of May, 2018.


Edward E. Manibusan
Attorney General



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Teacher representative
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Student representative
Mariah Manuel Cruz

NUTISIAN PUBLIKU NI MANMAPROPONI NA REGULASION SIHA PUT PÅTTI 60-20 PARA I AREKLAMENTU YAN REGULASION I SISTEMAN ESKUELAN PUBLIKU

I MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA: I
Commonwealth gi Sangkattan na Islas Mariãnas Sistemán Eskuelan Públiku (“PSS”) ha sodda na:

ÅTURIDÅT: I manmaproponi na amendasion siha para i PSS na regulasion manmácho gui sigun gi åturidåt i Kuetpu kumu mapribeniyi ginin i Attikulu XV gi Konstitusion CNMI, Lai Públiku 6-10 yan i Åktun i CNMI Administrative Procedures.

I TEMA YAN SUSTÅNSIAN I PALÅBRA SIHA: I manmaproponi na areklamentu yan regulasion siha mapega mo na para u pribeniyi procedural guidelines para i Subpart F, Disiplina, Regulasion §60-20- 438 Aturidåt, 60-20-442 Detention, 60-20-444 Suspendin Hålum-Eskuela yan 60-20-446 Katigoriu na Offense siha.

I SUHETU NI MASUMÅRIA YAN ASUNTU NI TINEKKA SIHA: I
Manmaproponi na Amendasion siha para i Subpart F, Disiplina, Regulasion §60-20-438 Aturidåt, 60-20-442 Detention, 60-20-444 Suspendin Hålum-Eskuela yan 60-20-446 Katigoriu na Offense siha ginin resuttan esti i manmaproponi.

DIREKSION PARA U MAPO LU YAN PUBLIKASION: Esti i Manmaproponi na Regulasion siha debi na u mapupblika gi hålum i Rehistran Commonwealth gi seksiona ni manmaproponi yan nuebu na ma adåpta na regulasion siha. (1 CMC § 9102 (a) (1)) yan mapega gi hålum i kumbinienti na lugåt siha gi hålum i civic center yan hålum ufisinan gubietnamentu gi kada distritun senadot, parehu English yan i dos na lingguåhin natibu. (1 CMC § 9104(a) (1))

PARA U MAPRIBENIYI UPIÑON SIHA: Todu maninterisåo na petsona siña ma eksamina i manmaproponi na amendasion siha yan u na hålum i tinigi upiñon, pusion, pat sinangan siha para pat kinentran i manmaproponi na amendasion siha guatu gi Kabiseyu, State Board of Education, P.O. Box 501370 CK, Saipan, MP 96950, pat tilifon gi 670-237-3027 pat email para boe.admin@cnmipss.org gi hålum i trenta(30) dihas gi fetchan kalendåriu ni tinattitiyi ni publikasion esti siha na amendasion gi hålum i Rehistran Commonwealth. (1 CMC § 9104 (a) (2))

Esti na regulasion ma'apueba gi Espisiât na Huntan i State Board of Education gi Nubembri 20, 2017.

Nina hâlum as:


Janice A. Tendrio
Acting Kabesiyu, State Board of Education

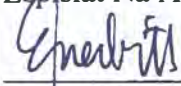
4/23/18 ^{140 PM}
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Rinisibi as:

Pine'lu yan Ninota as:


Shirley P. Comacho-Ogumoro
Espisiât Na Ayudânti Para I Atministrasion

5/18/18
Fetcha


Esther SN. Nesbitt
Rehistran Commonwealth

05-22-2018
Fetcha

Sigun i 1 CMC § 2153(e) (Inapueba i regulasion siha ni Abugâdu Henerât ni para u macho gui kumu fotma) yan 1 CMC § 9104(a) (3) (hentan inapueban Abugâdu Henerât) i man maproponi na regulasion siha ni mañechettun guini ni man maribisa yan man ma'apueba kumu fotma yan sufisienti ligât ginin i CNMI Abugâdu Henerât yan debi na u mapupblika, 1 CMC § 2153(f) (publikasion i areklamentu yan regulasion siha).

Mafetena guini gi diha 22 gi ^{May} ~~April~~, 2018.


Edward E. Manibusan
Abugâdu Henerât



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ARONGORONGOL TOULAP REEL POMMWOL MWÓGHUT IYE E SÚLLÚ NGÁLI CHAPTER 60-20 ALLÉGH ME MWÓGHUTUGHUTÚL PUBLIC SCHOOL SYSTEM

POMMWOL ALLÉGH ME MWÓGHUT: Commonwealth Téel Falúw kkal Efang llól Marianas Public School System (“PSS”) re schuungi bwe:

BWÁNGIL: Pommwol liiwel ngáli mwóghutughutúl PSS aa arongowow sáangi bwángil Board bwe rebwe ayoorai sáangi Article XV reel CNMI Constitution, Alléghúl Toulap 6-10 me CNMI Administrative Procedures Act.

KKAPASAL ME AWEEWEL: Pommwol allégh me mwóghutughut kkal ebwe téélo mmwal reel ebwe ayoorai mwóghutughutúl afal ngáli Subpart F, Discipline, Mwóghutughutúl §§60-20-438 Jurisdiction, 60-20-440 Day to Day Discipline, 60-20-442 Detention, 60-20-444 In-School Suspension me 60-20-446 Offense Categories.

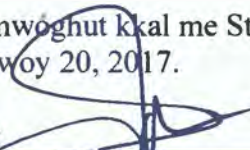
KKAPASAL ME ÓUTOL: Pommwol Liiwel ngáli Subpart F, Discipline, Mwóghutughut §§60-20438 Jurisdiction, 60-20-440 Day to Day Discipline, 60-20-442 Detention, 60-20-444 In-School Suspension me 60-20-446 Offense Categories e lo bwe eyoor pommwol.

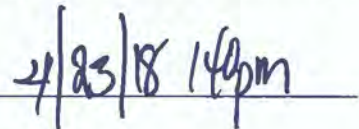
AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Pommwol Mwóghut kkal ebwe akkatééwow me llól Commonwealth Register llól tánil pommwol me ffél mwóghut ikka ra adóptáánil. (1 CMC § 9102(a) (1) me ebwe appaschetá llól civic center me bwal llól bwulasiyol gobetnameento llól senatorial district, fengál reel English me mwaliyaasch. (1 CMC § 9104 (a) (1))

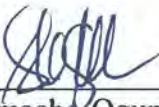
ISIISILONGOL KKPAS: Schóó kka re mwuschel rebwe amwuri pommwol liiwel kkal me rebwe isiisilong ischil kkapas, positions, ngáre kkapasal aweewe ngáli ngáre e kkonturali pommwol liiwel kkal ngáli Chairperson, State Board-il Education, P.O. Box 501370 CK, Saipan, MP 96950, via tilifon ngáli 670-237-3027 ngáre via email ngáli boe.admin@cnmipss.org llól eliigh (30) ráal mwiril aal akkatééwow arongorong yeel me llól Commonwealth Register reel liiwel kkal. (1 CMC § 9104(a)(2))

Aa átirow mwóghut kkal me State Boar-il Education Special Meeting wóól Seipél wóól Aremwoy 20, 2017.

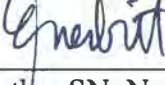

Isáliyalong:


Janice A. Tenorio, Ráal
Acting Chairperson, State Board of Education


4/23/18 1:40pm

Bwughiyal: 
Shirley Camacho-Ogumoro Ráál
Special Assistant ngáli Administration


5/18/18

Ammwelil: 
Esther SN. Nesbitt Ráál
Commonwealth Register 

05-22-2018

Sáangi 1 CMC § 2153(e) (sáangi aal átirow mwóghutughut kkal merel AG bwe aa lléghló reel fféerúl) me 1 CMC § 9104 (a) (3) (mwiril aal átirow merel AG) reel pommwol mwóghut kka e appasch bwe ra takkal amwuri fischiiy me átirow bwe aa lléghló reel fféerúl me legal sufficiency sáangi Soulemelemil Allégh Lapalap CNMI me ebwe akkatééwow (1 CMC 2153(f) (arongowowul allégh me mwóghut).

Aghikkilatiw wóól 22 rááilil Mááilap, 2018.


Edward E. Manibusan
Soulemelemil Allégh Lapalap

Subpart F - Discipline
§ 60-20-438 Jurisdiction

(a) The student discipline regulations apply in all situations in which students are involved, including, but not limited to:

(1) School activities on property owned, rented, leased, or otherwise occupied by the CNMI Board of Education, Public School System (PSS), or Commonwealth government;

(2) Any travel to and from the school site, whether on school buses, school vehicles or during official school sanctioned trips;

(3) Off-site school sponsored activities;

(4) On or off-site school-related problems which are the result or cause of disruptive behavior on school grounds; or

(5) Violent acts or behavior that occur off school property, pose a threat to the safety of students and/or faculty, or disrupt the learning environment.

(b) The fact that a student withdraws from PSS or transfers to another school after the alleged commission of a prohibited act shall not be construed to deprive PSS of jurisdiction to suspend or expel the student.

Modified, 1 CMC § 3806(f).

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001); Amdts Adopted 22 Com. Reg. 17361 (Aug. 18, 2000); Amdts Proposed 22 Com. Reg. 17257 (June 20, 2000); Amdts Proposed 20 Com. Reg. 16083 (Aug. 15, 1998); Amdts Adopted 18 Com. Reg. 14668 (Nov. 15, 1996); Amdts Proposed 17 Com. Reg. 13767 (Nov. 15, 1995); Amdts Emergency 17 Com. Reg. 13754 (Nov. 15, 1995) (effective for 120 days from November 13, 1995).

Commission Comment: The 1996 amendments adopted a new policy 609, entitled "Student Disciplinary Code," and rescinded and replaced former policies 609, entitled "Daily Operational Discipline Guidelines," and 610, entitled "Student Suspension and Expulsion." See 18 Com. Reg. at 14668 (Nov. 15, 1996). The notice of adoption for the 1996 amendments also stated that former policy 617 was rescinded and replaced. The Commission could not determine the promulgated policy to which "policy 617" refers.

A notice of adoption for the August 1998 proposed amendments was never published.

The 2000 amendments re-adopted and republished "policy 609," entitled "Student Discipline," in its entirety with numerous amendments. The 2001 amendments repealed former Board of Education policy 609, entitled "Student Discipline," and replaced it with the sections in subpart F.

The history of former policy 609, entitled "Daily Operational Discipline Guidelines" is as follows: Amdts Adopted 14 Com. Reg. 9285 (May 26, 1992); Amdts Proposed 13 Com. Reg. 8164 (Oct. 15, 1991).

§ 60-20-440 Day to Day Discipline

Principals and designated personnel are specifically authorized by this policy to administer or recommend day to day discipline including, but not limited to, in-house detention, parent conferences, counseling sessions, work detail, community service, appropriate restitution, behavioral intervention plans, and any reasonable disciplinary measures.

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001).

Commission Comment: The 2001 amendments repealed former Board of Education policy 609, entitled "Student Discipline," and replaced it with the sections in subpart F.

§ 60-20-442 Detention

(a) The provisions of a detention program for student violations of policies, rules and regulations shall provide principals with an additional alternative for dealing with disciplinary problems that occur in the schools. Detention is an assigned before-school and/or after-school period, during which student activity is closely monitored and severely restricted. Students will be required to adhere to all detention rules.

(b) School administrators and certified personnel detain students after normal school hours for a reasonable time provided the following conditions are observed, but not longer than daily instructional hours:

(1) Parents will be notified before detention so that transportation is arranged beforehand.

(2) The names of all students detained must be reported to the principal or designee.

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001).

Commission Comment: The 2001 amendments repealed former Board of Education policy 609, entitled "Student Discipline," and replaced it with the sections in subpart F.

§ 60-20-444 In-school Suspension

In-school suspension is a structured disciplinary action in which a student is removed from regular classroom activities, but is not dismissed from the school setting. The principal/designee may assign students to the in-school suspension program for a reasonable and specified period of time. All schools are required to have in-school Suspension policies that ensure students are provided instructional services during ISS.

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001).

Commission Comment: The 2001 amendments repealed former Board of Education policy 609, entitled "Student Discipline," and replaced it with the sections in subpart F.

§ 60-20-446 Offense Categories

The offense categories set out in this section are intended to be illustrative but not an exclusive listing of acts of misconduct and the consequences for each. Misconduct that is not specifically listed in this section may be deemed to warrant discipline up to and including expulsion following provision of all due process procedures. In addition, the disciplinary consequence listed for each offense may be increased or decreased by the administration or the Board due to mitigating or aggravating circumstances.

(a) Category I - Examples of offenses which may result in suspension:

- (1) Academic dishonesty (cheating on tests, copying term papers, forging signature of teacher or parent)
- (2) Disrespect to teacher/staff
- (3) Gambling
- (4) Harassment, including, but not limited to, nuisance phone calls to students or staff members; continued comments or passing unofficial notes to another individual who wishes not to hear or receive the notes
- (5) Igniting matches (when not part of the instructional program)
- (6) Refusing to cooperate with school transportation regulations
- (7) Refusing to cooperate with school rules and regulations
- (8) Refusing to serve detention
- (9) Tardiness (class/classes)
- (10) Tardiness (school day)
- (11) Truancy (class/classes)
- (12) Truancy (school day)

(13) Possession and/or use of tobacco or cigarette rolling papers

(14) Possession and/or distribution of drug paraphernalia

(15) Excessive foul or abusive language

(16) Possession and/or distribution of pornography.

(17) Failure to assume responsibility for, or to control his/her behavior

(b) Category II - Examples of offenses for which the student will normally be suspended and which may result in expulsion and referral to law enforcement:

(1) Assault on a student

(2) Chronic disruption of the school program and/or activities

(3) Bullying:

a) Physical - Includes hitting, kicking, tripping, pinching and pushing or damaging property.

b) Verbal - Includes name calling, insults, teasing, intimidation, homophobic or racist remarks, or verbal abuse.

c) Social- Includes:

i) Lying and spreading rumors;

ii) Negative facial or physical gestures, menacing or contemptuous looks;

iii) Playing nasty jokes to embarrass and humiliate;

iv) Mimicking unkindly;

v) Encouraging others to socially exclude another;

vi) Damaging someone's social reputation or social acceptance.

d) Cyber - Includes:

i) Abusive or hurtful texts, emails or posts, images or videos;

ii) Deliberately excluding others online;

iii) Nasty gossip or rumors;

iv) Identity theft: imitating others online or accessing their content.

(4) Possession and/or use of electronic devices are prohibited without prior and written approval from the school principal.

(5) Destruction and vandalism of school property, personal property of students and/or faculty

- (6) Receipt, sale, possession, or distribution of property stolen from CNMI Public School System valued less than \$300
- (7) Distribution, attempt to distribute, or possession with intent to distribute a non-controlled substance upon the representation that the substance is a controlled substance
- (8) Extortion less than \$300
- (9) False fire alarm/false fire report
- (10) Harassment for any reason including, but not limited to, sex, sexual orientation, color, race, religion, national origin and disability
- (11) Indecent exposure
- (12) Participating in, or inciting a school disruption
- (13) Possession and/or detonation of an incendiary or explosive material and/or device (firecracker or greater)
- (14) Possession, use or distribution of controlled substance-related paraphernalia (other than betel nut or cigarette rolling papers (see category I)
- (15) Theft and/or knowingly possessing stolen property (24) Trespassing on school property
- (16) Possession and/or use of tobacco or cigarette rolling paper, repeated offense
- (17) Possession and/or use of betel nut (pugua) and or betel nut-paraphernalia, repeated offense
- (18) Fighting
- (19) Conspiracy involving two or more persons to commit a category II offense
- (20) Arson
- (21) Conspiracy between two or more persons to commit a category III offense
- (22) Destruction and/or vandalism of school property, personal property of students and/or faculty valued at more than \$300
- (23) Receiving, selling, possessing or distributing property stolen from the CNMI Public School System valued at \$300 or more

(24) Distribution and/or sale of alcohol

(25) Distribution and or sale of controlled substances (illegal drugs), excluding betel nut

(26) Possession or use of a weapon or look-alike weapon of any kind (other than a firearm) including, but not be* limited to knives, throwing star, straight razor, nunchaku, spiked glove, spiked wristband, or any mace, tear gas, or pepper-spray derivative. Mace, tear gas, and pepper-spray derivatives may be carried with prior, written approval from the Commissioner of Education

(27) Extortion of \$300 or more

(28) Possession of alcohol

(29) Possession of illegal drugs including betel nut

(30) Prescription violation (misuse of properly prescribed medicine including, but not limited to, such drugs as amphetamines and barbiturates) Possession of prescription drugs without prior authorization for prescribing mediation (office policy).

(31) Robbery

(32) Use of alcohol, under the influence of alcohol, or showing evidence of having consumed alcohol

(33) Use of intoxicants which cause a loss of self-control or inebriation which include, but are not limited to, glue and solvents, excluding betel nut

(34) Violent behavior which creates a substantial danger to persons or property

(35) Any crime that is designated a felony by CNMI or federal statutes.

*So in original.

(c) Category III - Offenses which shall result in expulsion and referral to law enforcement

(1) Possession, use, purchase, or sale of a firearm.

(i) A firearm is defined as:

(A) Any weapon which will, or is designed to or may readily be converted to expel a projectile by the action of an explosive;

(B) The frame or receiver of any weapon which will, or is designed to or may be readily converted to expel a projectile by the action of an explosive;*

(2) Act of Terrorism (such as bomb threats)

(3) Fraud and/or identity theft

*So in original; see the commission comment to this section.
Modified, 1 CMC § 3806(d), (e), (f), (g).

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001); Amdts Adopted 22 Com. Reg. 17361 (Aug. 18, 2000); Amdts Proposed 22 Com. Reg. 17257 (June 20, 2000); Amdts Proposed 20 Com. Reg. 16083 (Aug. 15, 1998); Amdts Adopted 18 Com. Reg. 14668 (Nov. 15, 1996); Amdts Proposed 17 Com. Reg. 13767 (Nov. 15, 1995); Amdts Emergency 17 Com. Reg. 13754 (Nov. 15, 1995) (effective for 120 days from November 13, 1995).

Commission Comment: The 1996 amendments adopted a new policy 609, entitled "Student Disciplinary Code," and rescinded and replaced former policies 609, entitled "Daily Operational Discipline Guidelines," and 610, entitled "Student Suspension and Expulsion." See 18 Com. Reg. at 14668 (Nov. 15, 1996). The notice of adoption for the 1996 amendments also stated that former policy 617 was rescinded and replaced. The Commission could not determine the promulgated policy to which "policy 617" refers.

A notice of adoption for the August 1998 proposed amendments was never published.

The 2000 amendments readopted and republished "policy 609," entitled "Student Discipline," in its entirety with numerous amendments. The 2001 amendments repealed former Board of Education policy 609, entitled "Student Discipline," and replaced it with the sections in subpart F.

The publication of the 2001 amendments omitted a page of the regulations containing the end of "regulation 2505," entitled "Offense Categories" and the beginning of "regulation 2506," entitled "Suspension." See 23 Com. Reg. at 18020-21 (June 19, 2001). The missing language of subsection (c) is as follows:

(C) Any firearm muffler or firearm silencer;

(D) Any explosive, incendiary, or poison gas, bomb, grenade, propellant with a charge of more than four ounces, missile having an explosive or incendiary charge of more than one quarter ounce, mine, or similar device;

(E) Any weapon which will, or which may be readily converted to, expel a projectile by the action of an explosive or other propellant, and which has any barrel with a bore of more than one-half inch in diameter;

(F) Any combination of parts either designed or intended for use in converting any destructive device described in the subsection (c)(1)(i)(D) and (E) above, and from which a destructive device may be readily assembled.

(ii) A firearm is not:

(A) Class C common fireworks;

(B) Any device which is neither designed nor redesigned for use as a weapon; and

(C) Any device, although originally designed for use as a weapon, which is redesigned for use as a signaling pyrotechnic, line-throwing, safety, or similar device.

(2) Conspiracy between two or more persons to commit a category III offense. See 22 Com. Reg. at 17271-72 (June 20, 2000).

In subsections (a)(23) and (b)(50), the Commission inserted the final periods. In subsection (b)(21), the Commission inserted the final closing parenthesis.

§ 60-20-448 Suspension

(a) [Reserved.]

(b) [Reserved.]

(c) [Reserved.]

(d) [Reserved.]

(e) When a student is suspended, the principal/designee shall attempt to reach the student's parent/guardian to inform them of the school's action and to request that they come to school for the student. If the parent/ guardian is unable to come for the student, the principal/designee may ask the parent/guardian for permission to send the student home. If the parent/guardian cannot be reached or if the above request is refused, the student must remain on school property until the close of the school day.

(f) The student's parent or guardian shall also be notified, in writing, on the day the suspension decision is made of the reason(s) for the suspension and the right of the student or parent or guardian to appeal the suspension to the Commissioner of Education within ten calendar days of the notification. Copies of all notifications shall be sent to the Commissioner of Education and the PSS legal counsel.

(g) The appeal procedures for suspensions of less than ten days are described in section (h) of this section (below). The appeal procedures for suspensions of ten days or more are described in § 60-20-452.

(h) If the parent and/or student wishes to appeal a suspension of ten days or less, the Commissioner of Education or a designee who shall be someone other than a principal, TITLE 60: BOARD OF EDUCATION © 2014 by The Commonwealth Law Revision Commission (December 28, 2014) Page 69 of 151 administrator or teacher in the suspended student's school, shall meet with the student and/or the parent or guardian to discuss the suspension. If the Commissioner of Education or designee finds that the student was suspended unfairly or unjustly, or that the suspension was inappropriate given the nature of the alleged offense, or that the student suffered undue consequences or penalties, the suspension may be overturned and any reference to the suspension in school records will be expunged. Such findings shall be made in writing within ten school days of the conference.

Modified, 1 CMC § 3806(c), (d), (e), (f), (g).

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001); Amdts Adopted 22 Com. Reg. 17361 (Aug. 18, 2000); Amdts Proposed 22 Com. Reg. 17257 (June 20, 2000); Amdts Proposed 20 Com. Reg. 16083 (Aug. 15, 1998); Amdts Adopted 18 Com. Reg. 14668 (Nov. 15, 1996); Amdts Proposed 17 Com. Reg. 13767 (Nov. 15, 1995); Amdts Emergency 17 Com. Reg. 13754 (Nov. 15, 1995) (effective for 120 days from November 13, 1995).

Commission Comment: The 1996 amendments adopted a new policy 609, entitled "Student Disciplinary Code," and rescinded and replaced former policies 609, entitled "Daily Operational Discipline Guidelines," and 610, entitled "Student Suspension and Expulsion." See 18 Com. Reg. at 14668 (Nov. 15, 1996). The notice of adoption for the 1996 amendments also stated that former policy 617 was rescinded and replaced. The Commission could not determine the promulgated policy to which "policy 617" refers.

A notice of adoption for the August 1998 proposed amendments was never published.

The 2000 amendments readopted and republished "policy 609," entitled "Student Discipline," in its entirety with numerous amendments. The 2001 amendments repealed former Board of Education policy 609, entitled "Student Discipline," and replaced it with the sections in subpart F.

The publication of the 2001 amendments omitted a page of the regulations containing the end of "regulation 2505," entitled "Offense Categories" and the beginning of "regulation 2506," entitled "Suspension." See 23 Com. Reg. at 18020-21 (June 19, 2001). The Commission reserved subsections (a) through (d) so that the error can be corrected.

In subsection (g), the original cross-reference to subsection (e) was incorrect. See 23 Com. Reg. at 18021 (June 19, 2001). The Commission changed the cross-reference to "subsection (h)" to correct a manifest error.

The history of former policy 610, entitled "Student Suspension and Expulsion" is as follows: Amdts Proposed 17 Com. Reg. 13505 (June 15, 1995); Amdts Proposed 17 Com. Reg. 13008 (Mar. 15, 1995); Amdts Adopted 14 Com. Reg. 9285 (May 26, 1992); Amdts Proposed 13 Com. Reg. 8164 (Oct. 15, 1991); Amdts Adopted 13 Com. Reg. 7541 (Jan. 15, 1991); Amdts Adopted 12 Com. Reg. 7438 (Oct. 15, 1990) (reserving proposed amendment for further consideration); Amdts Proposed 12 Com. Reg. 7205 (Aug. 15, 1990); Proposed 3 Com. Reg. 1254 (June 30, 1981).

§ 60-20-450 Expulsion

(a) Expulsion is permanent exclusion from public school attendance, school activities and school property. Expulsion shall be used only in severe cases, or where other means of corrective disciplinary action have failed, or where no other reasonable alternatives are available. An expulsion may be recommended if the student persistently engages in conduct that warrants suspension, or if the student by means of a single action evidences behavior that is serious enough to warrant removal to protect the rights or safety of others. TITLE 60: BOARD OF EDUCATION © 2014 by The Commonwealth Law Revision Commission (December 28, 2014) Page 70 of 151

(b) Only the Commissioner of Education may expel a student. The principal recommending expulsion shall prepare written documentation in justification of such action.

(c) The Commissioner of Education reserves the right to exclude students for other than disciplinary reasons if the expulsion is deemed in the best interest of the student or the operation of the school (i.e. student with a contagious health problem).

(d) In the event of criminal conduct or other serious action committed by a student, the Commissioner of Education may expel the student immediately and for an unlimited period with a hearing to be held in accordance with § 60-20-452.

(e) Prior to any expulsion ordered by the Commissioner of Education, the student shall be advised by the principal or his designee of the specific conduct resulting in the action, the student shall be given the opportunity to explain his or her version of the facts surrounding the alleged misconduct and the student shall be advised of the applicable hearing procedures.

Modified, 1 CMC § 3806(c).

History: Amdts Adopted 23 Com. Reg. 18263 (Aug. 16, 2001); Amdts Proposed 23 Com. Reg. 17965 (June 19, 2001); Amdts Adopted 22 Com. Reg. 17361 (Aug. 18, 2000); Amdts Proposed 22 Com. Reg. 17257 (June 20, 2000); Amdts Proposed 20 Com. Reg. 16083 (Aug. 15, 1998); Amdts Adopted 18 Com. Reg. 14668 (Nov. 15, 1996); Amdts Proposed 17 Com. Reg. 13767 (Nov. 15, 1995); Amdts Emergency 17 Com. Reg. 13754 (Nov. 15, 1995) (effective for 120 days from November 13, 1995).

Commission Comment: The 1996 amendments adopted a new policy 609, entitled "Student Disciplinary Code," and rescinded and replaced former policies 609, entitled "Daily Operational Discipline Guidelines," and 610, entitled "Student Suspension and Expulsion." See 18 Com. Reg. at 14668 (Nov. 15, 1996). The notice of adoption for the 1996 amendments also stated that former policy 617 was rescinded and replaced. The Commission could not determine the promulgated policy to which "policy 617" refers.

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STATE BOARD OF EDUCATION

Commonwealth of the Northern Mariana Islands — *Public School System*

PO Box 501370 Saipan, MP 96950 • Tel. 670 237-3027 • E-mail: boe.admin@cnmipss.org



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Vice-chairwoman

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Members
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Teacher representative
Paul Miura

Non public school rep.
Galvin S. Deleon Guerrero

Student representative
Mariah Manuel Cruz

PUBLIC NOTICE OF PROPOSED RULES AND REGULATIONS WHICH ARE AMENDMENTS TO RULES AND REGULATIONS REGARDING CHAPTER 60-20 PUBLIC SCHOOL SYSTEM RULES AND REGULATIONS

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

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 is set forth to set forth procedural guidelines to Regulation §60-20-434 Promotion and Graduation Requirements.

THE SUBJECTS AND ISSUES INVOLVED: Subpart E – Student Academic Achievement, Regulation §60-20-430 Grade Placement for Transfer Students is hereby amended to include an Addendum.

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 interest persons may examine the proposed amendments and submit written comments, positions, or statements for or against the proposed amendments to the Chairperson, State Board of Education, P.O. Box 501370 CK, Saipan, MP 96950, via telephone to 670-237-3027 or via email to boe.admin@cnmipss.org within thirty (30) calendar days following the date of the publication in the Commonwealth Register of these amendments. (1 CMC § 9104(a) (2))

STUDENTS FIRST

This regulation was approved at the State Board of Education Special Meeting on Saipan on November 20, 2017.

Submitted by: MaryLou S. Ada, J.D. Nov 19 2018
Date
Chairperson, State Board of Education

Received by: Shirley Camacho-Ogumoro 5/18/18
Date
Special Assistant for Administration

Filed and Recorded by: Esther SN. Nesbitt 05.22.2018
Date
Commonwealth Registrar

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 this 22 day of May, 2018.

Edward E. Manibusan
Edward E. Manibusan
Attorney General



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Non public school rep.
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Student representative
Mariah Manuel Cruz

NUTISIAN PUPBLIKU NI MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA NI MA AMENDA NA AREKLAMENTU YAN REGULASION SIHA PUT PÁTTI 60-20 PARA I AREKLAMENTU YAN REGULASION

I SISTEMAN ESKUELAN PUPBLIKU I MANMAPROPONI NA AREKLAMENTU YAN REGULASION SIHA: I Commonwealth gi

Sangkattan na Islas Mariñas Sistemán Eskuelán Pupblíku (“PSS”) ha sodda na:

ÁTURIDÁT: I manmaproponi na amendasion siha para i PSS na regulasion manmácho gui sigun gi áturidát i Kuetpu kumu mapribeniyi ginin i Attikulu XV gi Konstitusion CNMI, Lai Pupblíku 6-10 yan i Áktun i CNMI Administrative Procedures.

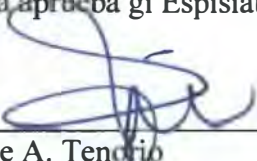
I TEMA YAN SUSTANSIAN I PALÁBRA SIHA: I manmaproponi na amendasion mapega mo na para u pribeniyi procedural guidelines para i Regulasion §60-20-434 Promotion yan Nisisidát Graduasion Siha.


I SUHETU NI MASUMÁRIA YAN ASUNTU NI TINEKKA SIHA: I Subpart E – Taka na Akademikun Estudiánti, Regulasion §60-20-430 Grade Placement para Transferin Estudiánti siha ginin esti na amenda ni para u ma inklusi i Addendum.

DIREKSION PARA U MAPO LU YAN PUPBLIKASION: Esti i Manmaproponi na Regulasion siha debi na u mapupblika gi hálum i Rehistran Commonwealth gi seksiona ni manmaproponi yan nuebu na ma adápta na regulasion siha. (1 CMC § 9102 (a) (1)) yan mapega gi hálum i kumbenienti na lugát siha gi hálum i civic center yan hálum ufisinan gubietnamentu gi kada distritun senadot, parehu English yan i dos na lingguáhin natibu. (1 CMC § 9104(a) (1))


PARA U MAPRIBENIYI UPIÑON SIHA: Todu maninterisáo na petsona siña ma eksamina i manmaproponi na amendasion siha yan u na hálum i tinigi upiñon, pusision, pat sinangan siha para pat kinentran i manmaproponi na amendasion siha guatu gi Kabiseyu, State Board of Education, P.O. Box 501370 CK, Saipan, MP 96950, pat tilifon gi 670-237-3027 pat email para boe.admin@cnmipss.org gi hálum i trenta(30) dihas gi fetchan kalendáriu ni tinattitiyi ni pupblíkasion esti siha na amendasion gi hálum i Rehistran Commonwealth. (1 CMC § 9104 (a) (2))

Esti na regulasion ma'apueba gi Espisiât na Huntan i State Board of Education gi Nubembri 20, 2017.

Nina hâlum as: 
Janice A. Tencio
Acting Kabesiyu, State Board of Education

4/23/18
Fetcha 

Rinisibi as:

Pine'lu yan Ninota as: 
Shirley P. Camacho-Ogumoro
Espisiât Na Ayudânti Para I Atministrasion


5/18/18
Fetcha


Esther SN. Nesbitt
Rehistran Commonwealth

05.22.2018
Fetcha

Sigun i 1 CMC § 2153(e) (Inapruêba i regulasion siha ni Abugâdu Henerât ni para u macho'gui kumu fotma) yan 1 CMC § 9104(a) (3) (hentan inapruêban Abugâdu Henerât) i man maproponi na regulasion siha ni mañechettun guini ni man maribisa yan man ma'apueba kumu fotma yan sufisienti ligât ginin i CNMI Abugâdu Henerât yan debi na u mapupblika, 1 CMC § 2153(f) (publikasion i areklamentu yan regulasion siha).

Mafetcha guini gi diha 22 ^{May} ~~April~~, 2018.


Edward E. Manibusan
Abugâdu Henerât



STATE BOARD OF EDUCATION

Commonwealth of the Northern Mariana Islands — *Public School System*

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ARONGORONGOL TOULAP REEL POMMWOL ALLÉGH ME MWÓGUT IYE AA LIIWEL NGÁLI ALLÉGH ME MWÓGHUT IKKA E SÚLLÚ NGÁLI CHAPTER 60-20 ALLÉGH ME MWÓGHUTUGHUTÚL

PUBLIC SCHOOL SYSTEM

POMMWOL ALLÉGH ME MWÓGHUT: Commonwealth Téél Falúw kka Efáng
llól Marianas

Public School System re schuungi bwe:

BWÁNGIL: Pommwol liiwel ngáli mwóghutughutúl PSS aa arongowow sáangi
bwángil Baord bwe rebwe ayoorai sáangi Article XV reel CNMI Constitution, Alléghúl
Toulap 6-10 me CNMI Administrative Procedures Act.

KKAPASAL ME AWEEWEL: Ebwe tééló mmwal pommwol liiwel kkal bwe ebwe
yoor mwóghutughutúl afal ngáli mwóghutughutúl § 60-20-434 Promotion me
Graduation Requirements.


KKAPASAL ME ÓUTOL: Subpart E – Student Academic Achievement,
Mwóghutughut §60-20-430 Grade Placement ngáli Schóól Meleitey ikka re mereer
ngáre Transfer Students aa liiwel bwe ebwe aschuulong Addendum.

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Pommwol Mwóghut kkal
ebwe akkatééwow me llól Commonwealth Register llól tánil pommwol me ffél
mwóghut ikka ra adóptaáánil. (1 CMC § 9102(a) (1) me ebwe appaschetá llól civic
center me bwal llól bwulasiyol gobetnameento llól senatorial district, fengál reel
English me mwaliyaasch. (1 CMC § 9104 (a) (1))

REEL ISIISILONGOL KKPAS: Schóó kka re mwuschel rebwe amwuri
pommwol liiwel kkal me rebwe isiisilong ischil kkapas, positions, ngáre kkapasal
aweewe ngáli ngáre e kkonturali pommwol liiwel kkal ngáli Chairperson, State Board-
il Education, P.O. Box 501370 CK, Saipan, MP 96950, via tilifon ngáli 670-237-3027
ngáre via email ngáli boe.admin@cnmipss.org llól eliigh (30) ráál mwiril aal
akkatééwow arongorong yeel me llól Commonwealth Register reel liiwel kkal. (1
CMC § 9104(a)(2))

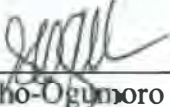
Aa átirow mwóghut kkal me State Board-il Education Special Meeting wóól Seipél
wóól Aremwoy 20, 2017.

Isáliyalong: _____


Janice A. Tenorio Ráal
Acting Chairperson, State Board of Education

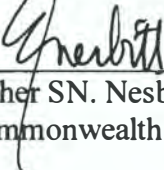
4/23/18 - 140pm

Bwughiyal: _____


Shirley Camacho-Ogunoro Ráal
Special Assistant ngali Administration

5/18/18

Ammwelil: _____


Esther SN. Nesbitt Ráal
Commonwealth Register

05-22-2018

Sáangi 1 CMC § 2153(e) (sáangi aal átirow mwóghutughut kkal merel AG bwe aa lléghló reel fféerúl) me 1 CMC § 9104 (a) (3) (mwiril aal átirow merel AG) reel pommwol mwóghut kka e appasch bwe ra takkal amwuri fischiy me átirowa bwe aa lléghló reel fféerúl me legal sufficiency sáangi Soulemelemil Allégh Lapalap CNMI me ebwe akkatéewow (1 CMC § 2153(f) (arongowowul allégh me mwóghut).

Aghikkilátiw wóól 22 ráalil Mááilap, 2018.


Edward E. Manibusan
Soulemelemil Allégh Lapalap

Proposal to Include an Addendum to §60-20-434 Graduation Requirements

ISA Committee Presentation
Key Management, CNMI PSS

| Courses | CNMI | Guam | Hawaii |
|-----------------------------|--|---|--|
| English | 4 Years (8 Credits) Integrated Lit. & Comp. 9th grade (2) Integrated Lit. & Comp. 10th grade (2) Tech research/business writing 11 (1) American literature 11th grade (1) British literature 12th grade (2) | 4 Years | (4 Credits) ELA 1 (1) ELA 2 (1), Expository Writing (.5), ELA basic Electives (1.5) |
| Mathematics | 3 Years Algebra I (2) Geometry (2) Algebra II (2) | 4 Years Algebra I Geometry Remedial or other Advance or other | (3 Credits) Algebra I (1) Geometry (1) Math basic elective (1) |
| Social Studies | 3 Years NMI history (1) US/World history (1) US government/economics (1) | 3 Years Guam History World Studies Citizenship Studies | (4 Credits) US History/Government (1) World History/Culture (1) Modern History of Hawaii (.5) Participation in a Democracy (.5) Social Studies basic elective (1) |
| Science | 3 Years Environmental science (1) Biology (1) Chemistry (1) | 3 Years Life Science Physical Science | (3 Credits) Biology (1) Science basic electives (2) |
| Physical Education | 1 Year 2++ (1 credit of JROTC may be substituted for 1 credit of physical education. 0.5 credits of the physical education credits must include a health course.) | 1 Year Health I PE I | (1.5 Credit) P. E. Lifetime Fitness (.5) P. E. basic elective (.5) Health (.5) |
| Language other than English | 1 Year | 1 Year Chamorro | (2 Credits) World Language / Fine Arts |
| Electives | 2.5 Years 5 Electives | 1 Year Fine Arts | (6 Credits) Any subject area |
| Other | | 6 Credits College, Career or Life Course | (2 Credits) Personal Transition Plan (.5) CIE/JROTC |
| Total | 28Credits | 24 Credits | 24Credits |

Graduation Rates

CNMI 99%
(2016)

GUAM 79%
(2016)

HAWAII 82%
(2013)

Existing Policy: Transfer of Credit

Subpart E - Student Academic Achievement

§ 60-20-430 Grade Placement for Transfer Students

(c) Transfer of Credits

(1) Religious courses will be accepted for credit using the following guidelines:

(i) No more than one (1) credit will be accepted as a transfer credit.
(ii) Any religious credit transferred will be counted toward, and factored into the student's overall PSS grade point average (GPA).

(2) Courses taken outside of the Public School System may be transferred which meet any of the following criteria:

(i) It is an U.S. accredited institution;
(ii) The institution's primary language of instruction is English;
(iii) The subject area coverage and time allotment are parallel to PSS;

or

(iv) Credit by examination may be used as appropriate.

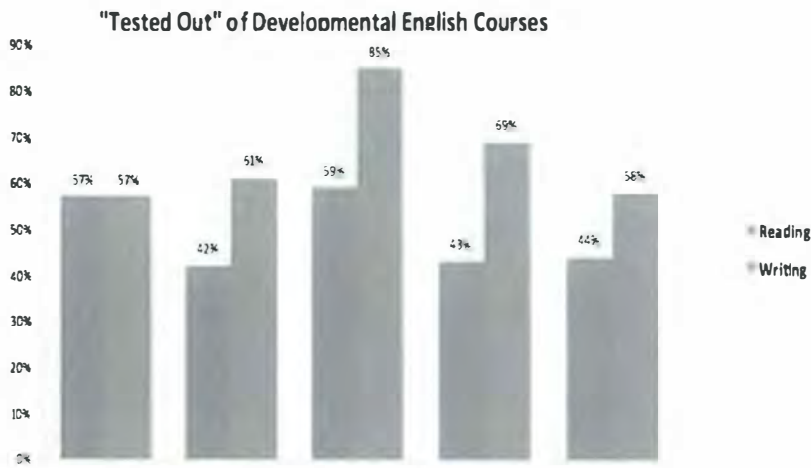
How well are our students doing?

2017 NMC Placement Test

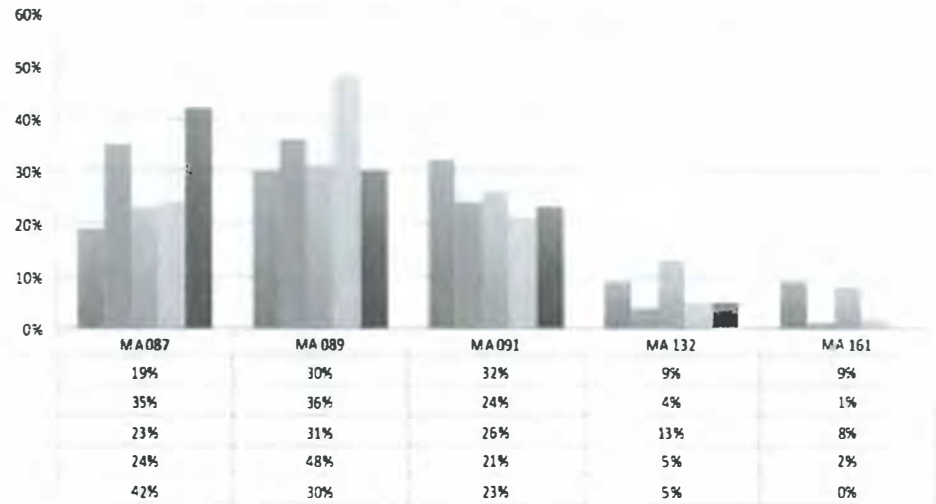
Reading: 53% tested into credit bearing English courses (312/591)
7% tested into the lowest remedial English (39/591)

Writing: 65% tested out of remedial English (379/585)
Only 1 student placed into the lowest writing.

Math: 14% tested into credit bearing Math courses (86/594)
25% tested into the lowest remedial Math (148/594)



Placement into Developmental and College-Level Math Courses



Student Performance Data

General Education Dropout Data

- 1.84% of general education dropout SY 2015-16 (64/3460)
- 1.77% of general education dropout SY 2016-17 (60/3390)
 - 9th Grade: 2% (22)
 - 10th Grade: 1% (8)
 - 11th Grade: 2% (20)
 - 12th Grade: 2% (10)

Special Education Dropout Data

- 8.77% of special education students dropped out of SY 2015-16 (28/319). 44% of all dropouts were SWD.
- 5.37% of special education students dropped out of SY 2016-17 (18/335). 47% of all dropouts were SWD
- Highest percentage of Sped Dropouts in the last five years are freshman and sophomores at over 60%.

Active High School SARC cases SY 16-17

- 30 active cases
- 5 referred for action

Cooperative Education - 202 students enrolled in Fall 2017 (I & II)

Career & Technical Education

- Teacher Academy Academy (current)
- Automotive Technology Academy (current)
- Health Occupancy Academy 2017-18
- Hospitality & Tourism Academy 2017-18
- Information Technology Academy 2018-19
- Culinary Arts Academy 2018-19

| Type of Dropout Statistic | Definition |
|--|--|
| Event Rate (may also be referred to as the annual rate or incidence rate) | Measures the proportion of students who drop out in a single year without completing high school. |
| Status Rate (may also be referred to as the prevalence rate) | Measures the proportion of students who have not completed high school and are not enrolled at one point in time, regardless of when they dropped out. |
| Cohort Rate (may also be referred to as the longitudinal rate) | Measures what happens to a single group (or cohort) of students over a period of time. |

Source: Adapted from Thurlow, Sinclair, & Johnson, 2002.

National Trends in Graduation Requirements

Table 7. Curriculum Recommendations from ACT and High Schools That Work

| | ACT College Preparatory Curriculum | High Schools That Work Recommended Curriculum |
|-------------------------|---|---|
| English | 4 years | 4 years |
| Mathematics | 3 years (rigorous Algebra I, Geometry, Algebra II) | 4 years (rigorous Algebra I, Geometry, Algebra II, and higher level math course). Students who complete Algebra I in eighth grade complete an additional four years of math. |
| Science | 3 years (rigorous Biology, Chemistry, and Physics) | 3 years of college-preparatory science (Biology, Chemistry, Physics or Applied Physics, Anatomy/Physiology) |
| Social Studies | 3 years | 3 years of college-preparatory social studies courses |
| Additional requirements | Some colleges and universities require other classes as prerequisites for admission, such as two or more years of the same foreign language or courses in the visual arts, music, theater, drama, dance, computer science, etc. | Career or academic concentration (at least 4 courses) in Humanities, Mathematics and Science, or Career/Technical. At least one computer course or demonstrated proficiency in computer technology beyond simple keyboarding. |

Sources: Southern Regional Education Board. (2009). *High Schools That Work: An enhanced design to get all students to standards*. Atlanta, GA: Author.

ACT. (n.d.). *Recommended college prep courses*. Retrieved from <http://www.actstudent.org/college/courses.html>

| Courses | Years | Recommended Curriculum |
|---------------------------------------|-----------|--|
| English | 4 Years | Integrated literature and composition 9th grade (2) Integrated literature and composition 10th grade (2) Technical research/business writing 11th grade (1) American literature 11th grade (1) British literature 12th grade (2) |
| Mathematics | 3 Years | Algebra I (2) Geometry (2) Algebra II (2) |
| Social Studies | 3 Years | NMI history (1) US/World history (1) US government/economics (1) |
| Science | 3 Years | Environmental science (1) Biology (1) Chemistry (1) |
| Physical Education | 1 Year | Physical Education 2++ ++ 1 credit of JROTC may be substituted for 1 credit of physical education. 0.5 credits of the physical education credits must include a health course. |
| Language other than English Electives | 1 Year | Language other than English |
| | 2.5 Years | 5 Electives |

Trends in Successful High Schools Across the Nation

States with highest % of graduates attending post-secondary institution with post-secondary graduation rates higher than 50%.

- How students earn credits varies among states.
- States use competency based, proficiency based and time based credits to define credits.
- Some states substitute core courses for credit (computer science for credit in arts).
- Some states give students credit for independent study, service based or project based learning and online work.
- No studies have been conducted to examine long term impact of policy changes.
- There is no correlation between state-set high school graduation requirements and completion rates (Virginia Department of Education)

Diploma Requirements for States with Successful Postsecondary Outcomes

| State | Eng | Math | Sci | Soc.St. | PE/Hlth | Arts | For.Lang | Elective | Other | Total |
|----------------------|--|------|-----|---------|----------|------|----------|----------|-------|-------|
| California | 3 | 2 | 2 | 3 | 2 | 1 | 1 | - | 1 | 13 |
| Florida | 4 | 4 | 3 | 3 | 0-1 | 1 | - | 3-8 | 1 | 18-24 |
| Massachusetts | 4 | 1-4 | 3 | 3 | required | 1 | 2 | 5 | | 22 |
| Minnesota | 4 | 3 | 3 | 3.5 | - | 1 | - | 7 | - | 21.5 |
| Pennsylvania | Credit requirements for high school graduation are determined by local boards of ed. | | | | | | | | | |
| Rhode Island | 4 | 4 | 3 | 3 | - | - | - | 6 | | 20 |
| South Dakota | 4 | 3 | 3 | 3.5 | 0.5 | 1 | - | - | - | 22 |
| Washington | 4 | 3 | 2 | 3 | 2 | 1 | - | 4 | 1 | 20 |
| Wisconsin | 4 | 3 | 3 | 3 | 2 | - | - | - | - | 15 |

NOTE: Credit totals represent the minimum credits needed to earn a high school diploma. "Other" courses refer to visual and performing arts, fine arts, speech, debate, and/or occupational education.

Scenarios from PSS High Schools



Transfer In

Anna is transferring in to Tinian High School from the U.S. Her transcript shows that she has completed calculus and statistics at her previous school. Is she required to still take Algebra I to graduate?

Dual Enrolled

Jeffrey is a Junior who is dual enrolled at Marianas High School and NMC. He is taking Math 132 but still needs one credit of Math to graduate from MHS. Does he take Geometry at MHS and Math 132?

Accelerated

Hannah is a Junior at RHI and enrolled online with Distance Education. She is taking Anatomy & Physiology online. Will her online course be counted as a Science requirement?

Struggling

Mars is a Senior at SSSHS. He is failing British Literature (ELA 4). Mars is a Cooperative Education student and wants to work for Napa Auto parts when he graduates. Can his Business Writing class be counted as an ELA requirement?

Special Needs

Fred is in his freshman year of high school and doing well in most of his classes. His specific learning disability is in Reading. He wants to be a reporter one day. He would like to take journalism in lieu of Language & Composition (ELA 1). Should his journalism class count as ELA 1?

Proposed Timeline for Implementation

Timeline

November: PPM, PAC, Student Forum, Principals share at December PTA. Present to ISA in January for final review.

Counselors have already been engaged in this discussion.

Implications and Next Steps:

- Current SOPs from Secondary Counselors' Work Session:
 - DRAFT Community Service, Graduation and Service Learning SOP
 - DRAFT Credit Restoration SOP
 - DRAFT Dual Enrollment SOP
 - DRAFT Grade Placement for Transfer Students SOP
 - DRAFT High School Credit SOP
- Additional SOPs for GPA calculation for transfer in students and from other organizations.

Addendum Proposal

Receiving Credits Toward Graduation

- A **Transfer In:** Students who are enrolled in post-secondary or trades institutions OR who transfer to PSS from other schools with transcripts from secondary and/or post-secondary institutions, may receive credit for courses that have met or exceeded the CNMI PSS required courses as assessed by the school counselor and concurred by the principal in meaningful consultation with the Office of Curriculum & Instruction (OCI)
- B **Career Track:** Students who elect a career path may receive credits for content courses aligned with their career track, as assessed by the school counselor and concurred by the principal in meaningful consultation with the Office of Curriculum & Instruction (OCI) as long as the content courses meet the requirements prescribed in the career track
- C **Other:** Other courses may fulfill graduation requirements that meet the required number of credits for each content, as needed and as assessed by the school counselor and concurred by the principal in meaningful consultation with the Office of Curriculum & Instruction (OCI)
- D **Prescribed Track:** There are no changes for students who wish to follow the prescribed graduation requirements as approved by the State Board of Education

Credit equivalency

Credits from other secondary, post-secondary and/or trades institutions will be transferable as the PSS equivalent for the completed course. The equivalency will be based on a course-to-course assessment. Example. An NMC 3-4 English credit courses will transfer to PSS as an ELA 2 credit course.

References

- CNMI Office of Accountability, Research & Evaluation
- Northern Marianas College English & Math Placement Testing
- CNMI PSS Special Education
- Education Commission of the States (ECS)
- National Center for Higher Education Management Systems (NCHEMS)
- Student Attendance Review Committee
- <https://sites.google.com/a/gdoe.net/gdoe/>
- <http://www.hawaiipublicschools.org/TeachingAndLearning/StudentLearning/GraduationRequirements/Pages/Requirements.aspx>
- <http://www.guampdn.com/story/news/2016/10/28/stateeducationreportdropoutratedown/92875486/>



NORTHERN MARIANAS HOUSING CORPORATION

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

PUBLIC NOTICE

Tel: (670) 234-6866
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Fax: (670) 234-9021

OF PROPOSED AMENDMENTS TO THE HOMEOWNERSHIP INVESTMENT PARTNERSHIPS (HOME) PROGRAM POLICIES AND PROCEDURES FOR HOMEBUYER ACTIVITIES AND HOMEOWNER REHABILITATION OF THE NORTHERN MARIANAS HOUSING CORPORATION

Notice of Intended Action: The Board of Directors of the Northern Marianas Housing Corporation proposes the following amendments to NMHC's Homeownership Investment Partnerships (HOME) Program Policies and Procedures for Homebuyer Activities and Homeowner Rehabilitation pursuant to the Administrative Procedure Act, 1 CMC § 9104(a). If adopted, these regulations will become effective ten (10) calendar days after publication of a Notice of Adoption in the Commonwealth Register after compliance with 1 CMC §§ 9102, 9104(a), and 9105(b).

Authority: These amendments are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 2 CMC § 4433(i), which lists the responsibilities of the Board of the NMHC

Terms and Substance: These proposed regulations seek to amend the current Homeownership Investment Partnerships (HOME) Program Policies and Procedures for Homebuyer Activities and Homeowner Rehabilitation. The purpose of the amendments is to reflect changes and /or updates to the CNMI Housing market as it pertains to the new construction, purchase and /or repair, and rehabilitation of a single family housing units; as well as, to certain updates to sections as maximum loan limits, terms, affordability restrictions, construction and contractor requirements, and clarifications to lead-based pain section requirements.

Citation of Related and/or Affected Statutes, Rules and Regulations. The proposed amendments were formulated to amend the Homeownership Investment Partnerships (HOME) Program Policies and Procedures for Homebuyer Activities and Homeowner Rehabilitation as affected through Title II of the Cranston-Gonzalez/National Affordable Housing Act of 1990, and 24 CR part 92.

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VOLUME 40 NUMBER 03

MARCH 28, 2018

Tinian Field Office
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PAGE 040598

Directions for Filing and Publication: These proposed amendments to the Homeownership Investment Partnerships (HOME) Program Policies and Procedures for Homebuyer Activities and Homeowner Rehabilitation 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)).

Comments: Interested parties may submit written comments on the proposed amendments to Jesse S. Palacios, Corporate Director, NMHC, to the following address, fax or email address, with the subject line "Proposed Amendments to the NMHC Homeownership Investment Partnerships (HOME) Program Policies and Procedures for Homebuyer Activities and Homeowner Rehabilitation."

NORTHERN MARIANAS HOUSING CORPORATION

PO Box 500514

Saipan, MP 96950

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Email address: jspalacios@nmhc.gov.net

Comments, data, views, or arguments are due within thirty (30) calendar days from the date of publication of this notice. 1 CMC § 9104(a)(2). If you have any questions, you may reach NMHC at telephone nos. 234-6866/234-9447, 234-7689.

Submitted by



Aubry M. Hocog
Chairperson

Date: 03/12/18

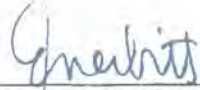
Received by



Ms. Shirley Camacho-Ogumoro
Special Assistant for Administration

Date: 3/28/18

Filed and Recorded by



Ms. Esther SN Nesbitt
Commonwealth Register

Date: 3-28-18

I certify, pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3), that I have reviewed and approved these regulations as to form and legal sufficiency



Mr. Edward Manibusan
Attorney General

Date: 3/26/18



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PUT I MANMAPROPONI NA AMENDASION SIHA PARA I HOMEOWNERSHIP INVESTMENT PARTNERSHIPS (HOME) PROGRAM POLICIES YAN MANERAN I AKTIBIDÁT HOMEOWNER SIHA YAN HOMEOWNER REHABILITATION GI NORTHERN MARIANAS HOUSING CORPORATION

I AKSION NI MA'INTENSIONA NA PARA U MA'ADÁPTA I MANMAPROPONI NA AMENDASION SIHA PARA I NMHC PERSONNEL MANUAL: I Kuetpun Direktot siha gi Northern Marianas Housing Corporation maproponi i tinattiyi na amendasion siha para i NMHC's Homeownership Investment Partnership (HOME) Program Policies yan Maneran i Aktibidát Homebuyer yan Homeowner Rehabilitation sigun para i Áktun Administrative Procedure, I CMC § 9104(a). Kumu ma' adápta, esti na regulasion siha para u ifektibu gi hálum dies (10) dihas ni mafetcha dispues di publikasion i Nutisian i Adáptasion gi hálum i Rehistran Commonwealth dispues di compliance yan i CMC §§ 9102 yan 9104 (a), yan 9105(b)

ÁTURIDÁT: Esti na amendasion siha manmácho'gui gi pápa' i aturidát i Kuepun Direktot siha, ginin iyon-ñiha Chairperson, para u mácho'gui i areklamentu yan regulasion siha sigun para i 2 CMC § 4433 (i), ni malista i risponsibilidát i Kuepu siha gi NMHC

I TEMA YAN SUSTÁNSIAN I PALÁBRA SIHA: Esti i maproponi na regulasion siha ma' aligao para u amenda i presentu na Homeownership Investment Partnerships (HOME) Program Policies yan Maneran i Aktibidát Homebuyer yan Homeowner Rehabilitation. I rason i amendasion para u riflekta i tunulaika yan /pat mananuebu na fetcha siha para i CNMI Housing market kumu inaplika para i nuebu na konstruksion, finahan yan /pat fina' maulik, yan rehabilitation i single family housing units, kuntu kumu, para fitmi na mananuebu na fetcha siha para seksiona siha kumu maximum loan limits, tema, restriksion i affordability, konstruksion yan nisisidát kuntraktor siha, yan klarifikasion para nisisidát i lead-based pain na seksion.

SITASION I ASOSIÁT YAN/PAT I MANINA'FEKTA NA STATUTES, AREKLAMENTU YAN REGULASION SIHA: I maproponi na amendasion siha manmafotma para u amenda i Homeownership Investment Partnership (HOME) Program Policies yan Maneran i Aktibidát Homebuyer yan Homeowner Rehabilitation kumu ifektibu gi Titulu II gi Gonzalez/Áktun i National Affordable Housing desdi 1990, yan 24 CR pátti 92

DIREKSION SIHA PARA U MAPO'LU YAN PUPBLIKASION: Esti i Maproponi na Amendasion para i Homeownership Investment Partnerships (HOME) Program Policies yan Maneran i Aktibidát Homebuyer siha yan Homeowner Rehabilitation debi na u mapupblika gi hálum i Rehistran Commonwealth gi hálum seksion i maproponi yan nuebu na ma' adápta na regulasion siha (I CMC § 9102(a)(1) yan u mapega gi hálum i mangkumbinienti na lugát gi hálum i Civic Center yan i hálum ufisinan gubietnamentu siha gi kada distritun senadot, parehu English yan i dos na lingguáhi Chamorro yan Refaluwasch. (I CMC § 9104(a)(1))

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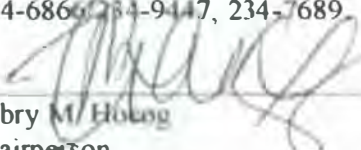
PAGE 040601

PARA U MAPRIBENIYI UPIÑON SIHA: I intirisao na petsona siha siña muna 'hálum tinigi' upiñon siha put i manmaproponi na amendasion siha guatu gi as Jesse S Palacios, Corporate Director, NMHC gi sigienti na address, fax, pat email address, yan i ráyan suhetu "Maproponi na Amendasion siha para i NMHC Homeownership Investment Partnerships (HOME) Program Policies yan Maneran i Aktibidat Homebuyer yan Homeowner Rehabilitation "

NORTHERN MARIANAS HOUSING CORPORATION
P O BOX 500514
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Fax 234-9021
Email address: jspalacios@nmhc.gov.net

I upiñon, infotmasion yan kuntestasion siha debi na u fanhálum gi hálum trenta (30) dihas ginin i fetchan publikasion esti na nutisia. Kumu guaha maseha háfa na kuestion-mu, siña un hágan i NMHC gi numerun tilifon gi 234-6866, 234-9447, 234-7689.

Nina' halum as:


Aubry M. Holog
Chairperson

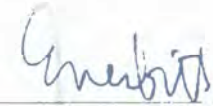
Fetcha 03/12/18

Rinisibi as:


Shirley P. Camacho-Ogumoro
Ispisiat Na Ayudanti Para I Atministrasion

Fetcha 3/28/18

Pine'lu yan
Ninota as:


Esther SN Neshitt
Rechistran Commonwealth

Fetcha 3.28.18

Hu sitifikáo, sigun para i 1 CMC § 2153(e) yan 1 CMC § 9104(a)(3), na hu ribisa yan aprueba esti siha na regulasion kumu para u fotma yan ligat na sufisienti


EDWARD MANIBUSAN
Abugadu Henerat

Fetcha: 3/26/18



NORTHERN MARIANAS HOUSING CORPORATION

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REEL POMMWOL LIIWEL NGÁLI PROGRÓOMAL HOMEOWNERSHIP INVESTMENT PARTNERSHIP (HOME) AAR POLICY ME MWÓGHUT NGÁLI MWÓGHUTUGHUTÚL HOMEOWNER REHABILITATION REEL NORTHERN MARIANAS HOUSING CORPORATION

Arongorong reel Mángemángil Mwóghut: Board-il Directors me Northern Marianas Housing Corporation re pommw reel liiwel ikka e amwirimwiritiw ngáli aar NMHC Homeownership Investment Partnership (HOME) Progróomal Policies me Mwóghutughut ngáli Homebuyer Activities me Homeowner Rehabilitation sáangi Mwóghutughutúl Procedure Act. 1 CMC § 9104(a) Ngáre re adóptááli, ebwe bwunguló mwóghut kkal llól seigh (10) ráal mwiril aal akkatééwow arongorongol reel Arongorongol Adóptaal me llól Commonwealth Register mwiril aal angúungú ngáli 1 CMC §§ 9102, 9104(a), me 9105(b)

Bwángil: Liiwel kkal aa akkatééwow faal bwángil Board-il Directors, me layúr Chairperson, bwe ebwe akkatééwow allégh me mwóghut sáangi 2 CMC § 4433(i), iye e ischiitiw bwe lemelemil Board-il NMHC.

Kkapsal me Weewel: Pommwol liiwel kkal ebwe siiweli liiwel ikka e lo reel Homeownership Investment Partnership (HOME) Program Policies me Mwóghut ngáli Mwóghutughutúl Homebuyer me Homeowner Rehabilitation. Bwulul liiwel kkal nge ebwe attabwecy siiwel me/ngáre milikka re fféerú sfaáliy ngáli CNMI Housing market bwe e súllú ngáli kkayú ikka e ffé. méel me/ngáre aghatchúl, me rehabilitation-il single family housing units, ebwal toolong, milikka re fféerú sfaáliy ngáli tálil bwe maximum loan limits, kkapsal, lomvotal méel, kkayúl me contractor requirements, me ebwe ffat ngáli metághil lead-based tálil requirement

Tekkit reel milikka e Schuu me/ngáre Statutes, Allégh me Mwóghut ikka ebwe Affekktááil: Pommwol liiwel kkal nge ebwe fféer sfaál bwele ebwe siiweli milikka fasúl lo bwe Homeownership Investment Partnerships (HOME) Program Policies me Procedures ngáli Mwóghutughutúl Homebuyer me Homeowner Rehabilitation iye e affekktááli Title II reel Cranston-Gonzalez/National Affordable Housing Act-il 1990, me 24 CR peigh 92

Afal reel Ammwelil me Akkatééwowul: Pommwol liiwel ngáli Homeownership Investment Partnership (HOME) Program Policies me Procedures ngáli Homebuyer Activities me Homeowner Rehabilitation ebwe akkatééwow me llól Commonwealth Register llól tálil wóol pommw me ffél mwóghut ikka ra adóptááli (1 CMC § 9102(a)(1)) me ebwe appaschetá llól civic center me bwal llól bwulasiyol gobetnameento llól senatorial district, fengál reel English me mwáliyaasch (1 CMC § 9104(a)(1))

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Tinian Field Office
PAGE 040603
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Fóós: Schóó kka re mwuschel isiisilong ischiil mángemáng wóol pommwol liiwel kkal rebwe isch ngáli Jesse S Palacios, Corporate Director, NMHC, ngáli féléfél kka e amwirimwiritiw, fax ngáre email address, ebwe lo wóol subject line bwe “Pommwol Liiwel ngáli NMHC Homeownership Investment Partnership (HOME) Program Policies me Procedures ngáli Homebuyer Activities me Homeowner Rehabilitation.”

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Fóós, data, views, ngáre angiingi ebwe toolong llól eliigh (30) ráal mwiril aal akkatééwow arongorong yeel 1 CMC § 9104(a)(2). Ngáre eyoor yóomw aiyégh, emmwel ubwe fafailó NMHC reel tilifon yeel 234-6866/234-9447, 234-7689.

Isáliyalong


Aubry M. Mucog
Chairperson

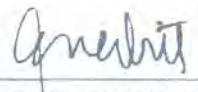
Ráal 03/12/18

Bwughiyal


Ms. Shirley Camacho-Ojumoro
Special Assistant ngáli Administration

Ráal 3/28/18

Ammwelil:


Ms. Esther SN. Nesbitt
Commonwealth Register

Ráal 3.28.18

Peigh 2

COMMONWEALTH REGISTER

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COMMONWEALTH REGISTER

VOLUME 40

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MAY 28, 2018

PAGE 040721

I alúghúlúgh, sáangi 1 CMC § 2153(e) me 1 CMC § 9104(a)(3), bwe ya takkal amwuri fischiiy
me átirow mwóghut kkal bwe aa lléghló reel fféerul me legal sufficiency



Mr Edward Manibusan
Soulemelemil Allégh Lapalap

Ráál 3/26/18

PROPOSED AMENDMENTS

REGULATION TITLE: Northern Mariana Islands Administrative Code
Title 100 (Northern Marianas Housing Corporation)
Chapter 100-100 (HOME Program Regulations)
Subchapter 100-100.1 (Policies and Procedures for Homebuyer Activities) and
Subchapter 100-100.2 (Policies and Procedures for Homeowner Rehabilitation)

Section 1. Amendments to the Policies and Procedures for Homebuyer Activities.

The following sections of Subchapter 100-100.1 (Policies and Procedures for Homebuyer Activities) are hereby amended to read as follows:

a. Section 100-100.1-201:

“§ 100-100.1-201 Eligibility Requirements

(a) Household Income.

(1) 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 (see § 100-100.1201(a)(2)). 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.

(2) Table 1

| PACIFIC ISLANDS | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 15% of Median Income | 6,400 | 7,350 | 8,250 | 9,150 | 9,900 | 10,650 | 11,350 | 12,100 |
| 30% of Median Income | 12,850 | 14,700 | 16,550 | 18,350 | 19,850 | 21,300 | 22,800 | 24,250 |
| 50% of Median Income | 21,400 | 24,450 | 27,500 | 30,550 | 33,000 | 35,450 | 37,900 | 40,350 |

| | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| 80% of Median Income | 34,250 | 39,150 | 44,050 | 48,900 | 52,850 | 56,750 | 60,650 | 64,550 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|

| <u>PACIFIC ISLANDS INCOME LIMITS 2017</u> | <u>1 Person</u> | <u>2 Person</u> | <u>3 Person</u> | <u>4 Person</u> | <u>5 Person</u> | <u>6 Person</u> | <u>7 Person</u> | <u>8 Person</u> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>15% of Median Income</u> | <u>5,900</u> | <u>6,725</u> | <u>7,575</u> | <u>8,400</u> | <u>9,075</u> | <u>9,750</u> | <u>10,425</u> | <u>11,100</u> |
| <u>30% of Median Income</u> | <u>11,800</u> | <u>13,450</u> | <u>15,150</u> | <u>16,800</u> | <u>18,150</u> | <u>19,500</u> | <u>20,850</u> | <u>22,200</u> |
| <u>50% of Median Income</u> | <u>19,600</u> | <u>22,400</u> | <u>25,200</u> | <u>28,000</u> | <u>30,250</u> | <u>32,500</u> | <u>34,750</u> | <u>37,000</u> |
| <u>80% of Median Income</u> | <u>31,400</u> | <u>35,850</u> | <u>40,350</u> | <u>44,800</u> | <u>48,400</u> | <u>52,000</u> | <u>55,600</u> | <u>59,150</u> |

(b)-(c) [no change]

(d) Principal Residence and Annual Recertification.

(1) 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 and recertified on an annual basis through an affidavit signed by the borrower(s). In addition, homebuyers/borrowers must submit copies of utility and/or telephone billing which reflect their names and addresses. An exception to this requirement is granted to those homebuyers/borrowers that do not have utility connection or telephone service prior to application or at the time of annual recertification but are continually residing at the property as their principal residence. In this case, a completed, signed, and notarized affidavit should suffice. An annual recertification for principal residency notice and form shall be sent to homebuyers/borrowers to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the mortgaged property and housing.~~

The following stipulations apply for a principal residence:

- (i) A deed restriction or covenant running with the land shall incorporate this requirement;
 - (ii) The loan documents between the homeowner and NMHC shall also incorporate this requirement;
 - (iii) Temporary subleases are not allowed; and
 - ~~(iv) Loan default and subsequent foreclosure negates the principal residence limitation.~~
- (2) Annual recertifications shall be required for all HOME Homebuyer-assisted borrowers ~~regardless of the type of assistance provided~~. This is conducted in order for homeowners to maintain compliance with the affordability restrictions.
- (3) Annual recertifications through field visits may be conducted if the required completed form has not been provided; or if the account status is pending probate, or the account has been accelerated to the collection attorney for foreclosure proceedings. The Loan Specialist shall verify the borrower(s) principal residence and, as necessary, to take photos and document the status of the residential unit. ~~on a case-by-case basis where the loan specialist shall verify the borrower(s) principal residence and, as necessary, to take photos and document the status of the residential unit.~~
- (e) [no change]"

b. Section 100-100.1-301:

"§ 100-100.1-301 Long Term Affordability

(a)-(c) [no change]

(d) 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~~ the transfer in lieu of foreclosure to preserve affordability.

(e) [no change]"

c. Section 100-100.1-701

"§ 100-100.1-701 Maximum Homebuyer Programs Loan Amount

(a) ~~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 or the most current HUD approved area median purchase price. If using HOME funds for new construction, the property must meet all applicable Federal or local codes and zoning ordinances. The maximum HOME funds for a new construction, purchase, or for an acquisition and repair shall be based on the lowest responsible bid submitted by the applicant(s), and such bid shall not exceed \$85,595.00 or the most current HUD approved area median purchase price as determined through a local market analysis that is~~

conducted annually. If using HOME funds for new construction, the property must meet all applicable Federal or local codes and zoning ordinances.

(b) [no change]"

d. Section 100-100.1-735

"§ 100-100.1-735 After-Construction Property Value

The projected "after-construction" value of each homebuyer property to be assisted, must not exceed ~~\$85,595.00~~, or 95% of the current HUD prescribed area median purchase price for the type of housing unit being assisted (single-family unit). 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 analysis, pursuant to the methodology as outlined in 24 CFR 92.254(2)(iii), 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."

e. Section 100-100.1-801

"§ 100-100.1-801 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:

(a)-(f) [no change]

(g) Natural disaster

(h) ~~Temporary Relocation."~~

f. Section 100-100.1-901

"§ 100-100.1-901 Types of Assistance

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

(1)-(6) [no change]

~~(7)(i) Temporary relocation. If the borrower must relocate for employment purposes due to the lack of jobs to support the household; educational purposes; or to seek medical treatment, the resale or recapture provisions may be suspended for a period of five 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.~~

~~(ii) 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...~~

~~(d) 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.~~

~~(e) 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.~~

~~(f) 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.

(g) — 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.

(h) — 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.

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.

(a) — 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.~~

~~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]"~~

~~(78) [no change]~~

~~(89) Other Hardships. Any other claimed financial hardship outside of the aforementioned eight seven listed hardships shall be brought to the Board for review and decision.~~

~~(b)-(c) [no change]"~~

g. Section 100-100.1-1101

"§ 100-100.1-1101 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 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:~~

~~(i) — Bid price, cost breakdown of materials, and labor charges;~~

~~(ii) — Schedule for completion of work; and~~

~~(iii) — Copy of valid business/contractor license.~~

~~Contractor Cost Estimates: The homebuyer(s)/applicant(s) shall be responsible in obtaining a minimum of three (3) written construction cost estimates from at least three (3) NMHC approved contractors, and each cost estimate submitted must include, as a minimum, the following information: bid price, cost breakdown of materials and labor charges, and schedule for completion of work. If for any~~

reason that a construction cost estimate is unattainable, then a justification letter from the borrower and/or contractor may be accepted in lieu of this requirement.

(b) Selection of Contractor/Contract Award. Upon NMHC's receipt of three 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. The homebuyer(s) shall have the right to select whichever contractor to perform the construction work, provided that the contractor's quotation and after-construction estimated value does not exceed the approved 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 homebuyer(s) shall submit a Contractor Selection Notice notifying NMHC of his/her/their selection.

(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 days after making the selection. Construction Contract: The Construction Contract is a binding agreement strictly between the homebuyer(s) and the contractor whereby the contractor will provide the construction or repair work for a specified and agreed upon price. As NMHC's role is to finance the construction of the project, it is not a party to the construction contract. However, at any time the contractual provisions are not followed, NMHC shall have the right to withhold any progress payment 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, and payment schedule for each incremental billing;
4. Calendar days to complete the work (includes Saturdays, Sundays, & holidays);
5. Contractor will provide the Performance Bond and Labor and Material Payment Bond up to the contract amount, as well as a Builder's Risk Policy for the project;
6. The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws.
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

11. A provision for liquidated damages must be included in the Construction Contract which shall be negotiated between the borrower(s)/homebuyer(s) and the contractor.

(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:

- (i) Name of contractor and project owner(s);
- (ii) Lot/Tract No. of project;
- (iii) Description of all work to be performed;
- (iv) U.S. dollar amount/cost of project;
- (v) Progress payment schedule; and
- (vi) Time of performance.

Contractor Notification & Pre-Construction Requirements: Once NMHC is in receipt of the borrower(s)/homebuyer(s) Contractor Selection Notice, NMHC shall notify the contractor of the borrower(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 and Payment Bonds
5. Plans & Specification approved by DPW
6. Private Inspector's Contract (if applicable)

(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.

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 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, borrower/homebuyer'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 25% 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 15% 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, and DEQ Certificate of Use (Sewage Disposal System), if applicable.

3. Change Order Procedures:

From time to time, the homebuyer(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. The borrower/homebuyer 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 homebuyer(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 homebuyer shall not charge the contractor liquidated damages during this period.

4. 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.

(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. 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.

(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 investment 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. 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. Applicant(s) may have a private inspector, (i.e., a qualified Licensed Engineer or a qualified Licensed Architect), conduct inspection with the costs with such inspection to be handled in accordance with Section 100-100.2-240.

(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. Applicant(s) may have a private inspector, (i.e., a qualified licensed engineer or a qualified licensed architect), conduct inspection with the costs with such inspection to be handled in accordance with Part 400. 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). The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws.

~~(i) — Minimum Property Standards (MPS)~~

~~(A) — 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).~~

~~(B) — The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws."~~

Section 2. Amendments to the Policies and Procedures for Homeowner Rehabilitation.

The following sections of Subchapter 100-100.2 (Policies and Procedures for Homeowner Rehabilitation) are hereby amended as follows:

a. Section 100-100.2-201

"§ 100-100.2-201 Loan Amount

(a) Minimum and Maximum Loans: The minimum loan amount allowable under this program is one thousand dollars to a maximum of ~~forty thousand dollars~~ 80% of the most current HUD-approved area median purchase price.

(b) [no change] "

b. Section 100-100.2-205

"§ 100-100.2-205 Target Group.

(a) [no change]

(b)(1)(i) [no change]

(b)(1)(ii) A combination of non-interest loan and grant assistance may be provided to very low income non-elderly or non-disabled applicants whose income fall between 0%-20% provided that the first half of the assistance ~~(or the first~~

~~(\$20,000)~~ will be in the form of a non-interest bearing loan and the next half ~~(or remaining \$20,000)~~ will be in the form of a grant.

(b)(2),(3), and (4) [no change]"

c. **Section 100-100.2-215**

"§ 100-100.2-215 Property Eligibility

(a)-(d) [no change]

(e) Principal Residence and Annual Recertification:

(1) ~~Upon submission of a completed HOME rehab loan application, applicants shall also include a signed and notarized affidavit of proof of residency. HOME rehab applicants approved to receive financial assistance must own the property and occupy the property as their principal residence at the time of application, 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 borrower(s). In addition, homeowners/borrowers must submit copies of utility and/or telephone billing which reflect their names and addresses. An exception to this requirement is granted to those homeowners/borrowers that do not have utility connection or telephone service prior to application or at the time of annual recertification but are continually residing at the property as their principal residence. In this case, a completed, signed, and notarized affidavit should suffice. In order to maintain compliance with the affordability restrictions, borrower(s) shall be recertified annually for principal residency throughout their affordability period. An annual recertification for principal residency notice and form shall be sent to homeowners/borrowers to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the mortgaged property and housing.~~ The following stipulations apply for a principal residence:

(i) [no change]

(ii) [no change]

~~(iii) Temporary subleases are not allowed; and~~

~~(iv) Loan default and subsequent foreclosure negates the principal residence limitation.~~

(2) ~~Annual recertifications shall be required for all HOME-assisted borrowers regardless of the type of assistance provided. This is conducted in order for homeowners to maintain compliance with the affordability restrictions.~~

(3) ~~Annual recertifications through field visits shall be conducted if required documents are not provided and the loan specialist shall verify the borrower(s) principal residence and, as necessary, to take photos and document the status of the residential unit.~~ may be conducted if the required completed form has not been provided; or if the account status is pending probate, or the account has been accelerated to the collection attorney for foreclosure proceedings. The Loan Specialist shall verify the borrower(s) principal residence and, as necessary, to take photos and document the status of the residential unit.

(f) [no change]"

d. Section 100-100.2-220

“§ 100-100.2-220 Interest Rate and Type of Assistance

(a) The interest rate charged on the outstanding principal balance for each target group is determined by the 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 HOME Limits | Islands Income | Interest Rate | Type of Assistance |
|---------------|---------------------|----------------|---------------|---|
| First | 0%-15% | | 0% | 100% Grant [†] |
| | 0%-20% | | 0% | Non-Interest Loan & Grant ^{††} |
| Second | 20.1%-30% | | 1% | Interest Bearing Loan |
| Third | 30.1%-50% | | 2% | Interest Bearing Loan |
| Fourth | 50.1%-80% | | 3% | Interest Bearing Loan |

[†]—Applies only to qualified elderly or disabled household applicant(s).

^{††}—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~~ 50 percent, or half, of the maximum rehab loan amount; which is set at 80% of the most current HUD-approved area median purchase price. The first ~~\$20,000.00~~ half 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 2014 | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| 15% of Median Income | 6,400 | 7,350 | 8,250 | 9,150 | 9,900 | 10,650 | 11,350 | 12,100 |
| 30% of Median Income | 12,850 | 14,700 | 16,550 | 18,350 | 19,850 | 21,300 | 22,800 | 24,250 |

| | | | | | | | | |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| 50% of Median Income | 21,400 | 24,450 | 27,500 | 30,550 | 33,000 | 35,450 | 37,900 | 40,350 |
| 80% of Median Income | 34,250 | 39,150 | 44,050 | 48,900 | 52,850 | 56,750 | 60,650 | 64,550 |

| <u>PACIFIC ISLANDS INCOME LIMITS 2017</u> | <u>1 Person</u> | <u>2 Person</u> | <u>3 Person</u> | <u>4 Person</u> | <u>5 Person</u> | <u>6 Person</u> | <u>7 Person</u> | <u>8 Person</u> |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>15% of Median Income</u> | <u>5,900</u> | <u>6,725</u> | <u>7,575</u> | <u>8,400</u> | <u>9,075</u> | <u>9,750</u> | <u>10,425</u> | <u>11,100</u> |
| <u>30% of Median Income</u> | <u>11,800</u> | <u>13,450</u> | <u>15,150</u> | <u>16,800</u> | <u>18,150</u> | <u>19,500</u> | <u>20,850</u> | <u>22,200</u> |
| <u>50% of Median Income</u> | <u>19,600</u> | <u>22,400</u> | <u>25,200</u> | <u>28,000</u> | <u>30,250</u> | <u>32,500</u> | <u>34,750</u> | <u>37,000</u> |
| <u>80% of Median Income</u> | <u>31,400</u> | <u>35,850</u> | <u>40,350</u> | <u>44,800</u> | <u>48,400</u> | <u>52,000</u> | <u>55,600</u> | <u>59,150</u> |

e. Section 100-100.2-225

“§ 100-100.2-225 Loan Terms and Repayment

(a) [no change]

(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 years or two hundred forty months and shall be fully amortized to produce equal monthly payments. The repayment term of all non-interest bearing loans shall be thirty (30) years or three hundred sixty (360) 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 years or two hundred forty months and shall be fully amortized at either one percent, two percent, or three percent, to produce equal monthly payments. The interest rate is dependent on the applicant’s gross household income as specified~~

in The repayment term of all interest-bearing loans shall be thirty (30) years or three hundred sixty (360) months and shall be fully amortized at either one percent (1%), two percent (2%), or three percent (3%), to produce equal monthly payments. The interest rate is dependent on the applicant's gross household income as specified on § 100-100.2-220(a).

(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 re-amortized 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. Financial hardship includes, but is not limited to:

- (1) Reduction-In-Force;
- (2) Reduction in pay;
- (3) Family medical emergency (including death of an immediate family member: parents, siblings, child(ren), spouse, and in-laws);
- (4) Medical condition (including career-ending injury) that causes homeowner to discontinue employment. The borrower's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification to certify the borrower's medical condition;
- (5) Drastic increase in cost of living (e.g., utility rates, fuel);
- (6) Call of duty (deployment);
- (7) Temporary relocation.
- (8) Natural Disaster"

f. Section 100-100.2-240

"§ 100-100.2-240 Eligible Costs

- (a) [no change]
- (b) NMHC shall set aside \$1,508.50 (more or less, depending on current costs) of its administrative funds to assist each qualified rehab client whose total income is at or below 50% of the Area Median Income (AMI), to 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.

| | | |
|-----|----------|--|
| (1) | \$400.00 | Utility connection; |
| (2) | \$400.00 | First annual premium for hazard insurance; |
| (3) | \$450.00 | Appraisal report; |
| (4) | \$150.00 | Recordation of mortgage documents; |
| (5) | \$100.00 | Preliminary title report (PTR); |

| | | |
|-----|------------|------------------------------|
| (6) | \$8.50 | Credit report @ \$4.25 each. |
| | \$1,508.50 | Total |

If the homeowner(s) opt to have a private inspector perform unit inspection, the first/initial unit inspection fee may be covered by NMHC, subject to any conditions set by NMHC. Any cost associated with any subsequent inspection shall be the responsibility of the homeowner(s)."

g. Section 100-100.2-330

"§ 100-100.2-330 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 [Feb. 2, 1990] or the Building Safety Code of the Commonwealth of the Northern Mariana Islands [2 CMC §§ 7101-7181], 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. For Homeowner Rehabilitation Projects: Before any rehabilitation work is done, homeowners must provide documentation that shows that their homes were built either before or after January 1, 1978. Such documentation may include a copy of the building permit, if one can be provided; a notarized declaration/affidavit by the homeowner(s) or contractor attesting to the completion date of the home construction and the age of the dwelling unit/property.

Homebuyer Activities: For Homebuyer Purchase or Homebuyer Acquisition & Repair projects, the seller(s) of property must provide documentation that shows that the home(s) or dwelling unit(s) were built either before or after January 1, 1978. Such documentation may include a copy of the building permit, if one can be provided; a notarized declaration/affidavit by the homeowner(s) or contractor attesting to the completion date of the home construction and the age of the dwelling unit/property. For a Homebuyer New Construction project, LBP file documents shall include the building permit as well as a certification of completion from the contractor.

(b)-(e) [no change]

(f) — The Summary of Lead-Based Paint Requirements by Activity chart is also adopted and herein incorporated."

h. Section 100-100.2-401

"§ 100-100.2-401 Performing Rehabilitation Work

(a) Contractor Cost Estimates. The homeowner(s) shall be responsible in obtaining a minimum of three written rehabilitation cost estimates from at least three NMHC approved contractors, and each cost estimate submitted must include, as a minimum, the following information: bid price, cost breakdown of materials and labor charges, and schedule for completion of work.

If for any reason that a construction cost estimate is unattainable, then a justification letter from the borrower and/or contractor may be accepted in lieu of this requirement.

(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 and the after-rehab estimated value 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 to finance the construction of the project, it is not a party to the construction contract. However, at any time the contractual provisions are not followed, NMHC shall have the right to withhold any progress payment 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, labor and material payment bond up to the contract amount, as well as a builder's risk policy for the project.
- (6) The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws;
- (7) Issuance of the notice to proceed or the commencement of the project;
- (8) Contractor will provide a one 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;
- (11) A provision for liquidated damages must be included in the construction contract which shall be negotiated between the homeowner and contractor.

(d) [no change]

(e) Project Duration

- (1) [no change]
- (2) Payment schedule shall be as follows:
 - (i)-(iv) [no change]
 - (v) Payment request number 5 shall be the 15% 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, geotesting 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:
 - (i) Homeowner must notify contractor in written form of the proposed changes and provide NMHC a copy of the notification.

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.
 - (iii) 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.
 - (iv) 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.
 - (v) 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.
 - (vi) Inspections: NMHC shall have the right, during the rehabilitation work or improvement of the unit, 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 rehabilitation phase or increments of said dwelling shall not be deemed as a warranty by NMHC of the workmanship and material therein.

(vii) 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. Homeowner(s) may have a private inspector, (i.e., a qualified Licensed Engineer or a qualified Licensed Architect), conduct inspection with the costs with such inspection to be handled in accordance with Section 100-100.2-240.

(viii) Minimum Property Standards (MPS):

For new construction of housing and acquisition and/or 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. Homeowner(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).

The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws.”

i. Section § 100-100.2-501

“§ 100-100.2-501 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~~ relieves the borrower(s) from the affordability restrictions imposed on the property.”

j. Section 100-100.2-601

“§ 100-100.2-601 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:

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

(1) Affordability Restrictions

(i) 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 or upon loan payment in full. 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.

~~(ii) — 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.~~

(2) Affordability and Special Exceptions

(i)(A) [no change]

(i)(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.

(i)(BC)[no change]

(ii)(A) Existing client(s) who was/were assisted with a HOME grant or deferred loan but has/have yet to satisfy or complete the affordability period may, on a case-by-case basis and as determined by NMHC, qualify for an extension or additional rehab assistance. However, the additional assistance shall be in the form of an interest-bearing loan with an amount not to exceed \$40,000.00 with the repayment term of twenty years or two hundred forty months, and shall be fully amortized at a fixed annual rate of one percent. However, the additional assistance shall be in the form of an interest-bearing loan with an amount not to exceed the total maximum loan amount as prescribed under this policy with the repayment term of thirty (30) years or three hundred sixty (360) months, and shall be fully amortized at a fixed annual rate of one percent (1 %). Note: This assumes that the client(s) fall within the eligibility criteria, such as 15% income limits and applicable household size, 40% debt-to-income, and creditworthiness. Client(s) shall be required to re-apply for the additional rehab assistance to determine eligibility and loan amount.

(B) [no change]

(iii) [no change]

(b)-(e) [no change]"

k. Section 100-100.2-801

"§ 100-100.2-801 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, and/or submit a copy of the Death Certificate.

(1)-(4) [no change]

(b)-(c) [no change]"

I. Section 100-100.2-901

"§ 100-100.2-901 Financial Hardship Assistance

(a)-(f) [no change]

(g) Temporary Relocation—If the borrower must relocate for employment purposes due to the lack of jobs to support the household; educational purposes; or to seek medical treatment, the resale or recapture provisions may be suspended for a period of five years, up to half of the affordability period granted. A request for an extension may be granted upon approval by NMHC's Corporate Director.

(h) [no change]

(i) Other Hardships and Exceptions —Any other claimed financial hardship outside of the aforementioned eight listed hardships, as well as exceptions on a case-by-case basis, shall be brought to the Board for review and decision."

m. Section 100-100.2-1001

"§ 100-100.2-1001(b) Direct/Deferred Loans Assistance (Combination Loan)

(a) [no change]

(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 shall ~~also be recertified annually to verify eligibility for continued deferred assistance~~ continually be recertified annually for principal residency requirement; but all existing deferred Home loan borrowers shall cease to be recertified for financial and eligibility requirement purposes. This provision shall apply and be made effective after each borrower(s) has/have been recertified for his/her/their last annual recertification due date and completed prior to or on the official adoption date of this policies and procedures; and shall therefore be considered the last and final financial and eligibility recertification.

(2) ~~During the 11th 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 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 years from the effective date of the loan and mortgage documents. Loan and mortgage payments may be continually deferred during the fifteen-year period upon proper and annual recertification by NMHC of the borrower.~~

~~(7) If at any time during the fifteen 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 calendar days after the house and or property is sold, transferred, leased, or rented. See part 600 for guidance on enforcing recapture requirements.~~

~~(8) Annual re-certification for elderly borrowers shall be conducted solely to ensure that residence and occupancy requirements are being met.~~

~~(9) 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.~~