

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4462. Findings and Purposes.

(a) The legislature finds that:

(1) The United States Department of Housing and Urban Development (HUD), through its Federal Housing Administration (FHA), is willing to insure residential housing mortgages on real property in the Commonwealth if questions of restrictions of alienation of land contained in N.M.I. Const. art. XII and of marketability of title to interests in real property can be resolved;

(2) Improvement in living standards of the people of the Commonwealth is directly related to the availability of modern typhoon-proof housing;

(3) A significant shortage of such modern housing exists in the Commonwealth;

(4) Many families in the Commonwealth, particularly those with limited incomes or finances, are not assisted under existing federal mortgage insurance or guarantee programs, and such families constitute the greatest potential market for improved housing;

(5) New residential construction is extremely inhibited because of unwillingness of mortgage lenders to make residential mortgage loans in the Commonwealth, for which there is currently no secondary market;

(6) Federal insurance or guarantees on residential housing mortgages, such as the mortgage insurance provided by HUD/FHA, would serve the needs of all Commonwealth residents, including those of moderate income, and would permit such federally-insured mortgages to be sold in the secondary market or to be financed through the issuance of federally tax-exempt or taxable obligations by the Commonwealth or an agency thereof, thus enhancing their acceptability to mortgage lenders and investors;

(7) Restrictions of alienation of land contained in N.M.I. Const. art. XII have raised the question of whether title to a permanent and long-term interest in real property within the Commonwealth can be transferred by means of foreclosure on a mortgaged property; and

(8) Title insurance or other form of title assurance, such as a Torrens system of land registration should be made more readily available to evidence marketable title to interests in real property in the Commonwealth so as to facilitate such residential mortgage lending, insurance and guarantee programs.

(b) It is the purpose of this chapter to:

(1) Make possible the implementation of such federal mortgage insurance or guarantee programs for residential housing mortgages in the Commonwealth;

(2) Improve the standard of living in the Commonwealth by encouraging the construction of new residential housing;

(3) Insure that the interest rates which will be available for mortgage loans to Commonwealth borrowers will be comparable to those available to other

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borrowers in the mainland United States, where the loans are similarly guaranteed;

(4) Resolve the question of salability of title to an interest in real property securing a federally-insured mortgage after foreclosure by authorizing the Northern Mariana Housing Corporation (NMHC) to guarantee that as a Commonwealth government agency it will purchase title to such an interest in real property under certain conditions, and to pledge the Commonwealth's full faith and credit for such purposes;

(5) Resolve questions of marketability of title to interests in real property by encouraging the private sector to offer title insurance or other forms of title assurance as evidence of title to such interests in real property in the Commonwealth;

(6) If private title assurance is not available, to establish a Commonwealth government-sponsored title assurance program or a Torrens system of land registration in connection with title to interests in real property in the Commonwealth; and

(7) Obtain information regarding the long-term advantages and disadvantages of perfecting the new land registration system of the Commonwealth as a full Torrens system.

Source: PL 5-8, § 2; amended by PL 20-87 § 6 (Feb. 5, 2019).

Commission Comment: [Historical comments removed.]

In codifying PL 20-87 § 6, which mandated a global amendment to Chapter 4, the Commission replaced any reference to "Mariana Islands Housing Authority" with "Northern Mariana Housing Corporation" and replaced any reference to "MIHA" with "NMHC" within this section.