

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4484. Guarantee and Security of the Funds.

(a) The loan agreement shall be fully, absolutely, and unconditionally backed each year by the interest earnings accruing to the General Fund pursuant to N.M.I. Const. art. XI, § 6(d) and by the moneys received from public lands subject to N.M.I. Const. art. XI, § 5(g). The provisions of this section shall constitute a contractual obligation of the Commonwealth government. The Attorney General is authorized to execute this guarantee on behalf of the Commonwealth as part of the loan agreement.

(b) The Secretary of Finance is authorized and directed to pay to MPLT when due, out of the moneys pledged pursuant to subsection (a) of this section, all obligations of the Commonwealth government incurred as a result of the borrowing authorized by this article. Any such payments may be made without further appropriation or fiscal year limitation, any provision of law to the contrary notwithstanding.

(c) If repayments of principal on the MPLT-NMHC loan authorized by this article are not made when due, or if any capital of MPLT covered by the loan agreement is called by a bank, MPLT may recover any amounts due by taking those amounts as an offset or credit against any sum of money that MPLT might otherwise owe to the Commonwealth government, whether pursuant to N.M.I. Const. art. XI or for any other reason. Such amounts are hereby appropriated to MPLT for as long as MPLT's capital is in use by NMHC or the participants in NMHC's home loan programs, including all renewals of the loan agreement, and in an amount equal to MPLT's capital participation plus accrued and unpaid interest.

(d) The right of offset created by this article shall take precedence over all earmarked payments made by MPLT to the General Fund such as those set forth at 4 CMC § 1803(d) for health services and to the Northern Marianas College. Should the capital of MPLT be called as a result of the default of a borrower participating in a program administered by NMHC with funds secured by the loan from MPLT to NMHC, the loss of the capital shall be viewed as a loss of income to be transmitted to the General Fund, and the Commonwealth government shall have no expectation or right in the amount of the offset.

(e) MPLT shall not exercise its rights of offset or credit under this section without first notifying the Secretary of Finance that an amount is due pursuant to subsection (b) of this section. In the event the Secretary of Finance shall refuse or fail all or any part of such amount due within 30 days of demand, MPLT may then exercise its right of credit or offset by notifying the secretary in writing of the amount or amounts of credit or offset taken and the nature of the payment or funds withheld.

(f) NMHC shall be relieved of liability to MPLT in the amount of any payment made to MPLT pursuant to subsection (b) of this section, or the amount of any offset taken pursuant to subsections (c) through (e) of this section.

(g) The Secretary of Finance shall have a cause of action against NMHC for the recovery of any payment made, or any credit or offset suffered, pursuant to

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the mandates of this section, including any remedy or relief appropriate to further such recovery.

(h) No forbearance by MPLT in the exercise of any right under this article or the loan agreement shall be construed as a waiver and no waiver shall be effective except as expressly stated in writing. No waiver by MPLT of any right or remedy under this article or the loan agreement with respect to one incident or set of circumstances shall be construed as including a waiver of any other right or remedy or with respect to any other incident or circumstances. Neither shall MPLT be estopped from asserting any right or remedy under this article or the loan agreement by virtue of any act, forbearance, or other conduct upon which the a movant claims reliance.

Source: PL 10-29, § 5.