

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

§ 4623. Power of Sale; Reinstatement.

(a) Except as provided in subsection (b), the trustor shall have one right of reinstatement.

(b) The trustor in default of a Rural Housing Service (RHS) home loan, which is paid in full by the NMHC and RHS has assigned the loan and the Deed of Trust in favor of NMHC in accordance with the Memorandum of Agreement between RHS and NMHC, shall be given the chance to negotiate a payment solution with NMHC to cure the default. NMHC shall set aside the default and afford the trustor to cure the default by restructuring the payment obligation to a reasonably affordable monthly payment and also waive the penalties and fees as a result of the loan delinquency; and as further provided below:

(1) NMHC shall provide notice by telephone, email, or by mail to the trustor through domestic return-receipt mail, informing the trustor the chance to negotiate a new loan and payment structure.

(i) If NMHC does not receive a response from the trustor within 60 days after the notice in accordance with subsection (b)(1), NMHC may proceed with the sale of the property.

(ii) If the trustor responds, then NMHC and the trustor shall have 60 days, unless otherwise provided, to execute a new loan and payment agreement.

(A) If a payment agreement cannot be executed due to trustor's unemployment status, NMHC shall provide the trustor six months to obtain employment.

(B) At any period within the six-month timeframe that the trustor obtains employment, NMHC and the trustor shall execute a new loan and payment agreement within 60 days of the trustor's date of employment.

(C) The new loan and payment agreement shall include a mortgage protection insurance, if available in the CNMI, and homeowners' insurance. The annual premiums for the mortgage protection insurance and homeowners' insurance shall be incorporated and made a part of the new monthly loan payment agreement. The monthly premiums of the mortgage protection insurance and the homeowners' insurance received as part of the new monthly payment shall be remitted by NMHC to the appropriate insurance provider.

(2) If the trustor is confirmed as deceased before the date of enactment of PL 20-72, then NMHC or anyone who has an interest in trustor's estate may probate the estate and the estate's assets and liabilities shall be distributed in accordance with the final distribution order. The probate shall be completed within six months of the date of enactment of PL 20-72, or may be extended, good cause showing.

(3) If the trustor is deceased after the date of enactment of PL 20-72, then NMHC or anyone who has an interest in trustor's estate may probate the

TITLE 2: NATURAL RESOURCES
DIVISION 4: LAND RESOURCES

estate and the estate's assets and liabilities shall be distributed in accordance with the final distribution order. The probate shall be completed within six months of the date of enactment of PL 20-72, or may be extended, good cause showing.

(c) At any time prior to the date of sale, the trustor or any other person having a subordinate lien or encumbrance on the property may pay to the trustee the entire installment amounts then due under the terms of the note and deed of trust up to the date of sale and other costs, such amounts being due and payable as though no acceleration, if any, of the principal due had occurred.

(d) This payment shall cure the default, the sale of proceedings shall be discontinued and the obligations of the trustor under the deed of trust shall then be reinstated and remain in full force and effect as though no default had occurred; provided, however, that the right of reinstatement shall have no effect on the right of the trustee or beneficiary in the future to accelerate the debt due to the trustor's further or future default.

Source: DL 5-42, § 10; amended by PL 20-72 § 2 (Oct. 12, 2018), modified.

Commission Comment: The Commission re-numbered the subsections in (b)(1) pursuant to 1 CMC § 3806(a). The Commission changed "6" to "six" in (b)(1)(ii)(A); changed "home owners" to "homeowners" in (b)(1)(ii)(C); and changed "estates" to "estate's" in (b)(2) and (b)(3) pursuant to 1 CMC § 3806(g). The Commission changed "this Act" to "PL 20-72" in (b)(2) and (b)(3) pursuant to 1 CMC § 3806(d).