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

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NORTHERN MARIANAS HOUSING CORPORATION

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PUBLIC NOTICE

EMERGENCY AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION'S CDBG-DR HOMEBUYER ACTIVITIES POLICIES & PROCEDURES AND THE CDBG-DR HOMEOWNER REHABILITATION & RECONSTRUCTION POLICIES & PROCEDURES

EMERGENCY ADOPTION AND IMMEDIATE EFFECT: The Northern Marianas Housing Corporation (NMHC) finds that:

(1) the attached Amendments to its CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures, shall be adopted immediately on an emergency basis because the public interest so requires, for the reasons stated below. 1 CMC § 9104(b), (c) and 1 CMC § 9105(b)(2)); and

(2) the same proposed Amendments to its CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures shall be adopted, after a proper notice and comment period, as permanent regulations pursuant to the Administrative Procedure Act, 1 CMC § 9104(a).

AUTHORITY: These proposed regulations are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 2 CMC § 4433(t).

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

(1) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days' notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of not longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.

(2) No regulation adopted is valid unless adopted in substantial compliance with this section. 1 CMC § 9104(b), (c).

THE TERMS AND SUBSTANCE: The Amendments to the CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures affect the regulations relating to replacing Borrower with Grantee and Homebuyer to Homeowner throughout the Policies and Procedures; §100-100.3-735 to include guidance regarding the required homeowner's insurance; §100-100.3 Part 800 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.3-815 to §100-100.3-870; §100-100.4-201 to clarify grant amount in special circumstances; §100-100.4-215 to rename section from Property Eligibility to Security, Restrictive Covenant, Homeowner Requirements and include guidance on restrictive covenant, written agreement, homeowner's insurance and requests for relief; §100-100.4 Part 500 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800 to rename from Assumption to Miscellaneous Circumstances Affecting Grant Agreement and to provide guidance on Assumption on a Grant.

THE SUBJECTS AND ISSUES INVOLVED: The Amendments modify the regulations set forth for aligning processes for effective program administration of the CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures.

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Northern Marianas Housing Corporation "NMHC" has followed the procedures of 1 CMC § 9104(b) to adopt these Proposed Regulations on an emergency basis for 120 days.

REASONS FOR EMERGENCY ADOPTION: The Northern Marianas Housing Corporation (NMHC) finds that the public interest requires adoption of these Amendments to the CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures on an emergency basis, for the following reason(s):

1. These amendments are needed for aligning processes for effective program administration of the CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures.
2. Promulgating these amendments immediately is necessary to directly benefit the Commonwealth's residents by removing administrative barriers that have delayed the delivery of critical disaster recovery housing assistance. Without immediately implementing the revised regulations, eligible families may continue to experience delays in receiving assistance for homeownership, housing rehabilitation, and reconstruction, prolonging recovery from past disasters and limiting access to safe, decent, and affordable housing. The amendments provide clear standards for resolving fraud, waste, and abuse matters, allowing NMHC to efficiently process pending cases while safeguarding public funds and ensuring fairness to applicants. Immediate adoption of these regulations will promote the timely expenditure of federal disaster recovery funds, accelerate housing recovery efforts, strengthen public confidence in program integrity, and ensure that disaster-impacted households obtain the housing assistance necessary for long-term stability and resilience.

DIRECTIONS FOR FILING AND PUBLICATION: The Amendments to NMHC's CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures shall be published in the Commonwealth Register in the sections on emergency and proposed regulations (*see* 1 CMC § 9102(a)(1)) and posted in

convenient places in the Civic Center and in local government offices in each senatorial district. (1 CMC § 9104(a)(1)).

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

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

TO PROVIDE COMMENTS: No comments are required for these emergency rules and regulations. However, the related Notice of Proposed Amendments to the CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures will specify comment procedures. Please see the notice regarding these emergency Amendments to the CDBG-DR Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures being presented as proposed regulations, in the June 2026, Commonwealth Register.

The attached emergency regulations were approved by the Northern Marianas Housing Corporation (NMHC) on June 5, 2026.

Submitted by: _____ 06/10/2026
Merced "Marcie" M. Tomokane — Date
Chairwoman
NMHC Board of Directors

Received by: _____ 6/10/2026
Jean Paul B. Reyes — Date
Special Assistant for Administration

Concurred by: _____ 6/10/26
David M. Apatang — Date
Governor

Filed and
Recorded by: _____ 6.12.2026
Esther R.M. San Nicolas — Date
Commonwealth Registrar

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3), the proposed Amendments to the NMHC CDBG-DR Homebuyer Activities Policies & Procedures the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 12 day of June, 2026.

EDWARD MANIBUSAN
Attorney General

SUBCHAPTER 100-100.3
CDBG-DR HOMEBUYER ACTIVITIES POLICIES AND PROCEDURES

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Part 001 - General Provisions

§ 100-100.3-001 Introduction

(a) As a result of the 2018 storms, namely Typhoon Mangkhut and Super Typhoon Yutu, the Commonwealth of the Northern Mariana Islands (CNMI) received an allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funds which will be administered by the Northern Marianas Housing Corporation (NMHC). NMHC has developed the Homebuyer Program patterned after HUD's HOME program to cover the eligible costs to construct a new home, acquire a home, or to acquire and renovate a home. The governor of the CNMI has placed housing as the highest recovery priority. The total allocation amount under this Program is $59,009,534.

(b) At the time of Typhoon Mangkhut and Super Typhoon Yutu, the CNMI was still and most recently recovering from Typhoon Soudelor that hit the islands in 2015. The Soudelor event received only FEMA assistance and did not receive HUD CDBG-DR funds so recovery efforts have been slow and on-going.

(c) A shortage of available homes for sale or vacant house lots was in existence prior to the typhoons mentioned above. Overall damage to the housing stock compounded the shortage of affordable housing stock. Further, in July of 2017, there were still 2,614 homestead applicants on the waiting list per the Department of Public Lands, demonstrating the continuing need for affordable housing.

(d) The CDBG-DR Homebuyer Program provides an opportunity for first-time homebuyers to build resilient homes or to purchase existing homes in lower risk areas and to add to the housing stock of typhoon-proof homes.

(e) Funds will be made available for eligible projects and to eligible beneficiaries through the following forms of financial assistance or subsidy:
   (1) Grants for acquisition (land or home) or for new construction of home. Must be applicant's primary residence
   (2) Downpayment assistance
   (3) Closing cost assistance

(f) Due to the limited availability of CDBG-DR funds allocated to the Commonwealth of the Northern Mariana Islands (CNMI) from the U.S. Department of Housing and Urban Development (HUD), financial assistance will be limited to qualified extremely low, very low-, low-, and moderate-income homebuyers. No less than eighty percent (80%) of CDBG-DR funds will be used to assist families with income levels at or below 80 percent of the area median income while the remaining twenty percent (20%) of the funds will be used to assist families with income levels at or below 120 percent of the area median income. Eligible households over 80% AMI will meet the national objective of urgent need. These families' income eligibility is based on their annual income. Annual income for this purpose is the gross amount of income anticipated by all adults in a family during the 12 months following the

effective date of the determination. The determination of income and allowances as a criterion to qualify these homebuyers shall be guided by 24 CFR Part 5 (Part 5 annual income).

(g) NMHC, on behalf of the CNMI, has been tasked with the responsibility and administration of the CDBG-DR Homebuyer Program. Support services will also be provided by NMHC's Fiscal Division (FD) with respect to CDBG-DR related disbursement of funds and collection of payments, accounting, and maintenance of financial records. NMHC's CDBG-DR Project Manager, in-house engineer/architect, and hired A&E firms with respect to reasonableness of cost estimates, dwelling unit inspections, and other related matters. Overall, the NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of the CDBG-DR Homebuyer Program in accordance with federal and local statutory and regulatory requirements.

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

(1) Provide for the efficient and effective administration of the CDBG-DR Program wherein eligible beneficiaries can avail the financial assistance provided for the construction of their principal residence, acquisition of their principal residence, or acquisition and repair of their principal residence;

(2) Foster positive working relationships among NMHC, homebuyers assisted with CDBG-DR monies, and Minority and Women-Owned Businesses (MBE/WBE); as well as prospective developers;

(3) Enforce the 2018 International Building Code (IBC) enacted by law and any updates approved by regulations by the CNMI Department of Public Works; and HUD-prescribed residential building standards; and

(4) Preserve and improve the general housing stock of the CNMI. There was an existing housing shortage prior to the storms and the housing/homebuyer market has been stressed and exacerbated by the storms.

(i) These policies and procedures shall govern; however, in situations in which these policies and procedures are silent, NMHC's general standard grants policies/procedures to address these situations in the administration of the CDBG-DR Homebuyer Program will apply.

§ 100-100.3-005 Public Announcement

(a) Publicity.

- Upon notification from HUD of the approval of the grant agreement, NMHC shall publish such approval within thirty calendar days from the date of the approval. General information of the CDBG-DR Homebuyer Program shall be published in the print media of the widest local circulation and other suitable means available (social media, CDBG-

DR website, etc.). CDBG-DR Homebuyer Program information shall also be posted on public and private bulletin boards where announcements are commonly posted. Grant applications may be submitted on or after a specified date to be stated in the public notice.

(1) Note: When it is determined that CDBG-DR funds have been exhausted, the application intake may be closed until funding is once again available. Those applicants who did not submit their grant applications when funds were available may do so once NMHC is notified by HUD of the availability of funds and after such notice is published.

(2) As of the date of this posting, the program is closed. Not all of the current pool of accepted applicants will be able to be served by the program with the current funding available. Care will be taken to ensure that the appropriate number of low and moderate applicants are served based on the Action Plan.

(3) LMI Applicants who were denied assistance under the prior loan program based on high debt-to-income ratios, and who may be otherwise eligible, shall be PRIORITIZED under the grant program over the current pool of eligible applicants currently being served, and before the program is re-opened to the public and after determined to meet the following criteria or conditions:

a. Continued interest and eligibility for program assistance;
b. Determination of Ability to Maintain Housing as prescribed under § 100-100.3.-201 (e); and
c. Receive assistance based in the order of applicants' time stamped application.

(b) Contents. Program announcements shall inform interested applicants on how and where they may obtain an application and additional information on the type of CDBG-DR Homebuyer Program activity being administered in the CNMI. Such announcements shall further contain the following information:

(1) Brief overview of the Homebuyer program;

(2) General list of eligible activities available;

(3) Amount of funds available;

(4) General eligibility requirements to qualify for financial assistance;

(5) Homebuyer selection process;

(6) Fair Housing logo and Equal Opportunity language;

(7) Opening date for acceptance of applications;

(c) Affirmative Marketing. To ensure that all persons are effectively and adequately informed about the CDBG-DR Homebuyer Program and the availability of funds, brochures or program information notices shall be provided and distributed or posted in the following locations and shall contain the information described in subsection (b). Brochures and/or program information notices shall be made available at the following public and private areas:

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

Part 100 - Application

§ 100-100.3-101 Formal Application

Upon initial determination of eligibility after completion of the pre-qualification process, which involves household income and citizenship verification, applicants may obtain a Uniform Residential Grant Application form along with a checklist of required documents in order to complete the application submission. Those applicants who are initially determined eligible shall be notified to provide additional documents to further process their applications. Proper completion of the formal application and submission of supplemental information shall be in accordance with CDBG-DR Homebuyer Program and NMHC grant processing procedures. Grant which applications shall be completed and signed by applicant(s) requesting assistance and such signature(s) shall certify to the truth of all statements contained therein.

Title 18, Section I 00 I, et seq. of the United States Code, the general false statement statute, outlaws making materially false statements, intentional or negligent misrepresentations in matters within the jurisdiction of a federal agency or department, such as federal disaster relief funding. Civil or criminal penalties, including but not limited to fine, imprisonment or both, as well as repayment of any assistance provided, may be pursued. Under Section 100I, a statement is a crime if it is false, regardless of whether it is made under oath. Failure to disclose accurate and complete information may affect eligibility requirements. Some of the information submitted by applicants will be validated through third-party sources during the eligibility process.

The following is incorporated into all application and grant documents:

Warning: *Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729. Under penalties of perjury, I/we certify that the information presented above is true and accurate to the best of my/our knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my ineligibility to participate in this program or any other*

programs that will accept this document. Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY if he/she knowingly and willfully makes a false statement to any department of the United States Government.

§ 100-100.3-105 Supplemental Information

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

(1) Prior year's income tax return and/or W-2 Tax Form;

(2) Recent check stubs for the past two months prior to applying for CDBG-DR program financial assistance of all household members that are 18 years old or older;

(3) Other forms of documentation of income (i.e., Social Security payments, SSI, retirement income, etc.), if any;

(4) Interested applicants must provide proof of ownership such as fee simple title to the property. Ownership may also include leases of 40 years or more provided that the applicant must have at least a minimum of thirty (30) years leasehold interest remaining on the property to be improved.

(5) If property has been identified, proof of land ownership or lease agreement for principal residence to be used as collateral for the grant. Non-indigenous residents cannot own land and must provide a lease agreement.

If no land ownership or lease agreement is available, lot number and lot description must be provided for parcel that the applicant is planning to purchase;

(6) Property map for principal residence;

(7) Preliminary Title Report (PTR) showing clear title to property; and

(8) Savings and checking account(s) information, if any.

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

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

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

Part 200 - Eligibility

§ 100-100.3-201 Eligibility Requirements

(a) Must be a U.S. Citizen or Permanent Resident.

(b) Must be a first-time homebuyer. A **first-time homebuyer** is an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property or new home construction completion. This includes a spouse (if meets the above test, they are considered **first-time homebuyers**).

(c) Must be a resident of the CNMI at the time of application or have been a resident of the CNMI at the time of the qualifying event.

(d) Household Income.

(1) Homebuyer(s) must qualify as a low-income household as defined in Section 3(b)(2) of the Housing Act of 1937. Income eligibility is determined based on 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 § 100-100.3201(a)(2)). However, household income of adults 18 years old or older exceeding 80% of the median income for the area but not greater than 120% will also be eligible for assistance.

To qualify for the First Time Homebuyer Program, applicants must meet prescribed income limits as published annually by HUD. Priority is given to applicants at 80% or less of median income based on household size. The program will also serve those households in the 81% to 120% range. The most current income limits can be found at:
https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn

(2) NMHC shall use HUD's Section 8 of Part 5 Technical Guidelines as the basis in calculating annual gross household income. NMHC will verify their income using at least two months of source documentation such as wage statements, interest

statements, and SSI documents to determine if program applicants are income eligible.

(3) CDBG-DR Homebuyer Program Underwriting Guidelines and Subsidy Layering is further outlined herein under Part 1200, § 100-100.3-1201.

(e) Determination of Ability to Maintain Housing. NMHC shall evaluate the gross monthly income of both applicant and co-applicant (homebuyers) combined, to determine the amount available for housing costs. This would include insurance, utilities, and typical maintenance costs. This will ensure that the new homeowner will be able to afford the home over the affordability period.

(f) Property Ownership. Interested applicants must provide proof of ownership such as fee simple title to the property. Ownership also includes leases of 40 years or more provided that the applicant must have at least a minimum of thirty (30) years leasehold interest remaining on the property to be improved. If the applicant does not yet own the property, a parcel description must be provided to facilitate the completion of the required tiered environmental review.

(g) Principal Residence and Annual Recertification.

(1) Homebuyers/Applicants approved to receive financial assistance must occupy the property as their principal/primary residence immediately upon completion of all CDBG-DR Homebuyer funded activities. An annual recertification for principal residency notice and form shall be sent to homebuyers/grantees 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 grant documents between the homeowner and NMHC shall also incorporate this requirement;

(iii) Temporary subleases are not allowed.

(2) Annual recertifications shall be required for all CDBG-DR homebuyer-assisted grantees. 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 Grant Specialist shall verify the grantee(s) principal residence and, as necessary, to take photos and document the status of the residential unit.

(h) Grant Cancellation. NMHC reserves the right to cancel any grant if in its opinion the homebuyer(s)/applicant(s) have not substantially complied with all the terms and conditions of the grant agreement and restrictive covenant.

Part 300 - Affordability Restrictions

§ 100-100.3-301 Long Term Affordability

The Federal Register notice requires that new construction of housing (not impacted by the qualifying disaster) remain affordable for a specific period of time.
NMHC will impose the following affordability periods:

	Minimum Length of the Affordability Period
Homebuyer with Reconstruction/Rehabilitation/New Construction	15 years
New Construction	15 years

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

(b) The affordability restrictions shall continue according to the original terms if, during the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those whom, the former owner has or had family or business ties, obtains an ownership interest in the project or property. If a home purchased with CDBG-DR assistance is sold during the affordability period, recapture provisions apply to ensure the continued provision of affordable homeownership. Grant payoffs do not end the affordability period.

(c) Grantees may submit a written request to temporarily defer the affordability period for up to sixty (60) months. Requests may be considered for the following reasons:
- Military-related leave;
- Medical leave requiring extended off-island medical treatment and care; and/or
- Higher education when an accredited institution requires relocation.

In cases where extended leave is necessary and another family member continues to occupy the assisted property, the deferral may still be granted, provided that occupancy requirements are met and supporting documentation is submitted for review.

All requests must be documented and submitted in writing for evaluation and approval by the Corporate Director.

§ 100-100.3-305 Right of First Refusal

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

§ 100-100.3-310 Resale

[Reserved]

§ 100-100.3-315 Recapture

(a) Recapture. NMHC will ensure that it recoups all or a portion of the CDBG-DR grant assistance provided to the homebuyer(s) if the housing unit ceases to be the principal residence of the homebuyer(s) for the duration of the period of affordability. All subsidy amounts (in the form of grants) that directly benefited the property owner (i.e., through grants, down payment and/or closing cost assistance,) are also subject to recapture. Recapture is capped at what is available out of net proceeds for agreements after January 2021. Net proceeds are defined as the sales price less superior non CDBG-DR debt (if any) fewer closing costs. NMHC will utilize the following recapture options:

(1) Recapture entire amount. NMHC may recapture the entire amount of the grant and/or subsidy from the homebuyer(s) if the sale of the property occurs within halfway into the given affordability period. For example, a homebuyer was approved for a $50,000 CDBG-DR grant to construct a home. The affordability period is therefore, fifteen (15) years. On the fourth year, the grantee sells the house for $60,000. Since the grantee failed to comply with the minimum five years of the fifteen-year affordability period, the recaptured amount is $50,000.

(2) Reduction During Affordability Period. NMHC may reduce the grant amount and/or subsidy to be recaptured on a pro rata basis for the period the homebuyer(s) has/have owned and occupied the housing unit measured against the required affordability period; however, ~~homebuyer~~homeowner(s) must occupy the housing unit at a minimum of five years or at least halfway into the affordability period, whichever is greater, in order to qualify for this recapture option. For example, if the CDBG-DR subsidy is $60,000 with 15-year affordability and the owner sells

the property in the 8th year of ownership the recapture amount will equal $28,000. ($60,000/15 years affordability period x 7 years remaining = $28,000 recapture.)

(3) Buyer's recovery of initial investment. The homebuyer(s) investment (down payment and capital improvements made by the owner since purchase) may be repaid in full before any CDBG-DR funds are recaptured, provided that the homebuyer(s) occupied the housing unit at a minimum of fifteen (15) years before the sale of the property and the homebuyer's household income level is at or below 50% of the area median income in order to qualify for this recapture option.

(4) Shared appreciation. In the case where net proceeds exceed the amount necessary to repay both the homebuyer(s)' investment and the CDBG-DR assistance, the excess proceeds may be shared proportionately (i.e., percentage of investment provided) by both parties.

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

(c) Circumstances Under Which Recapture Will Apply. Recapture restrictions must be used in cases where grants were provided to the homebuyer(s) in order to subsidize the purchase of the property to cover the down payment or closing costs.

(d) Legal Instrument to Enforce Recapture. NMHC must use deed restrictions, land covenants, or other similar legal documents to enforce these recapture restrictions. These requirements will also be included in grant agreements.

Part 400 - Homebuyer Costs

§ 100-100.3-401 Eligible Costs

(a) Hard costs include:
(1) Acquisition of land and existing structures;
(2) Site preparation or improvement, including demolition;
(3) Securing buildings; and
(4) Construction materials and labor.

(b) Soft costs include:
(1) Credit reports;
(2) Preliminary Title Reports and Title insurance;
(3) Recordation fees;
(4) Legal & accounting fees;
(5) Appraisals;

(6) Architectural/engineering fees, including specifications and job progress inspections;
(7) Environmental investigations, which shall be addressed in the commitment letter as a condition before any Homebuyer activity is to be committed or funded;
(8) Homebuyer counseling provided to purchasers of CDBG-DR-assisted housing;
(9) Management fees; and
(10) Direct project costs incurred by the PJ.

(c) Grant closing fees and related costs:
NMHC shall charge $9,950.00 (more or less, depending on current costs) to the applicant for certain grant closing fees and other related costs such as but not limited to the following:

a.	$100.00	----	Preliminary Title Report (PTR)
b.	$600.00	----	Appraisal Report
c.	$250.00	----	Recordation of Covenant
d.	$2,000.00	----	First Annual Premium for Hazard Insurance
e.	$5000.00	----	Initial Utility Connection*
f.	$2,000.00	----	Title Policy
	$9,950.00 Total		

*Provided that circumstances, such as the lack of CUC infrastructure (power and water) on-site, additional costs may be incurred subject to CUC's assessment for Line Extension Chargeable to the Customer and Water Application-Installation-Approval & Cost Assessment.

Grant closing fees and associated hard and soft costs is part of the total approved grant amount.

CUC utility connection: Homebuyer(s) are responsible for ensuring that there are no outstanding issues with CUC and resolving any such issues. Any costs not related to initially connecting to CUC utilities are not granted closing fees and related costs and none of the approved grant amount will be used to resolve such issues.

(d) If the homebuyer(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 homebuyer client(s).

(e) NMHC hired construction managers will inspect the home to determine if work is still needed in order to comply with the Green Building and other required construction standards.

Part 500 - Notification to Applicants

§ 100-100.3-501 Notification of Eligibility or Ineligibility

(a) Eligible Applicants. NMHC shall send written notifications to all applicants determined eligible for financial assistance. Such notification shall be mailed no later than five (5) working days after the determination and shall contain a listing of additional information to be submitted for completion of the grant file. Eligible applicant(s) shall be given thirty calendar days to submit the additional information requested. Applicant(s) that do not submit all pending information before the thirty (30) calendar day deadline, shall have their applications file placed in the inactive files. Extensions may be granted.

(b) Ineligible Homebuyers/Applicants. All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five working days after the determination of ineligibility and shall include a description/reason for such determination. Please see § 100-100.3-605 for Appeals Process.

Part 600 - Grant Processing

§ 100-100.3-601 Selection

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

(b) Potential homebuyers displaced by the storms and can show (completed application form along with all necessary documents) their incomes do not exceed 80% of AMI will be prioritized. No less than 80% of the funding will be reserved for those applicants at or below 80% AMI.

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

(d) Applicants who were initially determined to be ineligible for the loan program will receive reconsideration for the grant program before the program is re-opened to the general public.

§ 100-100.3-605 Administration; Approval; Appeals Process

(a) Program Administration.

(1) The CDBG-DR Housing Administrator shall be responsible for the CDBG-DR Homebuyer program implementation and management of related tasks. The CDBG-DR Housing Administrator shall supervise division staff in grant origination,

underwriting and closings under the CDBG-DR Homebuyer program. The Duplication of Benefits (DOB) analysis will also be conducted by the CDBG-DR Housing Administrator to determine net financial assistance to be provided to the homebuyer applicant.

(2) The CDBG-DR Grant Supervisor shall review each submitted application, ensure all supporting documentation is in place and make any necessary recommendations to the Housing Administrator prior to the Housing Administrator making the final decision on the grant application.

(b) Grant Review and Approval

(1) Under the direction of the CDBG-DR Housing Administrator, a CDBG-DR Grant Supervisor and/or a Grant Specialist shall review and verify all applicants' income, assets, liabilities, title reports, and any other requested reports and documentation. Upon completion of the review process, the Grant Specialist shall prepare a grant write-up containing his/her recommendations.

(2) The CDBG-DR Grant Supervisor shall review the grant write-up for concurrence before submitting the same to the Housing Administrator for a final decision. Final approval or denial of any CDBG-DR grant or grant shall be made by the Housing Administrator except as follows:

(i) If the Housing Administrator is off-island or on extended leave at the time the grant or grant is submitted to him/her for a final decision, then the Acting Housing Administrator may make the final decision to approve or deny the CDBG-DR grant; or

(3) For purpose of these policies, off-island or extended leave shall be defined as an absence or leave that extends for more than three working days after the grant or grant is submitted to the Corporate Director for his or her final decision.

(4) A written notice of the final decision shall be provided to the applicant.

(5) Once the applicant has been approved, as soon as a property or site has been identified, the Grant Specialist is notified so that the tiered environmental review can be completed.

(c) Grant/Denial Appeals Process.

(1) Applicants denied assistance under the CDBG-DR Homebuyer program may appeal the final decision to the NMHC Corporate Director by submitting their appeal in writing to the Housing Administrator within ten (10) working days of the written notice of the final decision.

(2) Any appeal submitted must indicate the basis for the appeal and include any supporting documents. Upon receipt of an appeal, the Housing Administrator shall submit the same to the Corporate Director for review and action.

(3) Possible Outcomes:
  (i) Upheld Denial: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.
  (ii) Reversal of Denial: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.
  (iii) Further Action: If the appeal is complex, a hearing or meeting may be scheduled.

(4) Hearing (if requested/applicable)
  (i) Scheduling: If the applicant requests a hearing, the agency should schedule it within 30 days or as soon as possible.
  (ii) Location: The hearing can be held in person or virtually, depending on the circumstances.
  (iii) Representation: The applicant may be allowed to bring a representative, such as a lawyer, advocate, or family member, to assist with the hearing.
  (iv) Presentation of Evidence: Both the applicant and the agency can present evidence or make arguments related to the denial.
  (v) Neutral Hearing Officer: The Corporate Director or a neutral party should preside over the hearing to ensure fairness.

(5) Decision on Appeal
  (i) Issuance of Decision: After the hearing or review, the Corporate Director should issue a written decision, which should include:
    1. A summary of the hearing or review process.
    2. The findings of fact.
    3. The rationale for the decision.
    4. Information on next steps, if applicable (such as the right for judicial review).
  (ii) If a Hearing Officer presides over the appeal, the Hearing Officer will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties the ability to submit exceptions to the Hearing Officer's recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).
  (iii) Timeframe: The decision should be made within a reasonable time after the hearing or review was conducted.
  (iv) Under 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

§ 100-100.3-610 Homebuyer/New Construction Counseling Session

(a) All applicants for grant assistance must attend a Homebuyer/New Construction Education and Counseling Session that will be provided by NMHC. NMHC employees providing housing counseling will be HUD certified housing counselors, and NMHC will have applied directly to HUD and received approval, or NMHC will have applied to a HUD-approved intermediary and received approval by the entity to be its affiliate. NMHC shall notify the applicant(s) of the date, time, and location of the session. The education and counseling session shall be scheduled after the grant has been preliminarily approved and may be conducted before or on

the day that NMHC issues the commitment letter to the applicant(s). The counseling session shall include a discussion of the terms and conditions of the grant, educate the new homeowner(s) of their financial responsibilities, the importance of budgeting, making timely payments, foreclosure prevention, as well as home maintenance and repair measures. Acceptable delivery method for housing counseling may be in-person, phone, or internet. Duration of the housing counseling is four (4) hours. Upon completion of the housing counseling, the ~~borrower~~grantee(s) will receive a counseling certificate and this counseling certificate is valid for 2 years. Funding for housing counseling will come from project-related soft costs.

(b) NMHC shall inform applicant(s) at the time of their submission of their application of the required homebuyer/new construction counseling session and again in written form when NMHC notifies the applicant(s) of NMHC's preliminary approval of their grant request. Failure to attend the required Homebuyer/New Construction Education and Counseling Session may be grounds for denial or cancellation of assistance.

§ 100-100.3-615 Commitment Letter

Once the grant application has been approved by the Housing Administrator, the responsible grant specialist shall prepare the Commitment Letter for the Housing Administrator's signature. The Commitment Letter is a binding agreement between NMHC and the grantee(s) wherein it discloses the terms and conditions of the grant including that the housing is the principal residence of an income qualified homeowner; the amount of the grant, the rehabilitation work to be performed; the completion date; and the property standards that must be met.

(a) After the Commitment Letter has been signed and dated by the Housing Administrator, the responsible program specialist shall schedule the applicant(s) to come in and sign and date the document should they agree with the terms and conditions.
(b) NMHC must reexamine the household's income eligibility if the determination was made more than six (6) months before signing the Commitment Letter.
(c) NMHC must set up the activity in DRGR following execution of the grant agreement and commitment of CDBG-DR funds.

Part 700 - Terms and Conditions of Grant

§ 100-100.3-701 Maximum Homebuyer Programs Grant Amount

(a) The amount of CDBG-DR Homebuyer grant funds that may be used for a new construction, purchase, or for an acquisition and repair shall be based on the funding required, not to exceed the program cap.

(b) For NMHC-owned properties, NMHC may sell the property directly to the CDBG-DR Homebuyer-approved applicant(s) but only after the property has been publicly auctioned at least once and resulted in an unsuccessful bid.

§ 100-100.3-705 Minimum and Maximum CDBG-DR Homebuyer Program Grant Amount

(a) The minimum grant amount shall not be less than $1,000.00.
(b) The maximum grant amount shall not exceed the prevailing funding cap set by NMHC based on local prevailing costs for construction (New Construction housing projects) and appraised value determined by certified independent appraisal companies.
  (i) New construction project costs presented by contractors may exceed maximum grant and NMHC may approve such costs provided that are deemed justified and cost reasonable and supported by independent cost estimates.
  (ii) NMHC, through the assistance of a private A&E Firm, may update independent cost estimates periodically and as may be needed or required.

The maximum grant amount shall not exceed $250,000.00.
Provided that circumstances, where additional costs may be incurred, will be reviewed against cost reasonableness guidelines and to meet reasonable accommodations and accessibility requirements.

§ 100-100.3-710 Determination of Unit Size and Occupancy Standards

(a) **Fair Housing**. The Fair Housing Act ("Act") (42 U.S.C. §§ 3601-19) prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability. Discrimination includes a failure to make a change, exception, or adjustment to a policy, practice, procedure, or service when such accommodation may be necessary for an individual with a disability to enjoy and use housing. In addition to the requirements under the Act, there may be additional requirements for recipients of federal assistance from HUD.
(b) **Housing Unit Suitability**. Homes acquired, purchased, or newly constructed with CDBG-DR funds under this program, at a minimum, shall be decent, safe, and sanitary.
(c) **Determination of Unit Size**. Limited funding notwithstanding, NMHC shall ensure that the following occupancy standards are observed.
  (1) **Occupancy Standards**. Occupancy standards are rules about the number of people that can live in a bedroom or at a property. These standards are usually based on the number of bedrooms at a property, but they can also take into account the total amount of livable square footage. Oftentimes, a combination of both makes the final call about how many people can live there. HUD occupancy standards are the rules set up by the Department of Housing and Development. These federal occupancy standards are part of the Fair Housing Act Amendment, and they are the overarching rules for occupancy.
  (2) **Unit Bedroom Size**. NMHC has set the following Occupancy Standards for family and unit size:
    (i) All bedrooms with one person should have at least 70 square feet.
    (ii) Shared bedrooms must have at least 50 square feet per person.
    (iii) Kitchens and other non-habitable rooms cannot be used as a bedroom.

(iv) Every unit should have an overall occupant limitation based on its overall size:
(i) 1-2 occupants: must have at least 120 square feet living room.
(ii) 3-5 occupants: must have at least 120 square feet living room and 80 square feet dining room.
(iii) 6 or more occupants: must have at least 150 square feet living room and 100 square feet dining room.

No. of Family Members	No. of Bedrooms
1-2	2
3-4	2
5-6	3
7-8	4
9 and above	5

(v) Exceptions. In certain unique conditions and situations, NMHC, on a case-by-case basis, may grant exceptions when warranted and after thorough review of grant applications.

§ 100-100.3-735 After-Construction Property Value, After-Rehabilitation Property Value, or Property Value at Initial Purchase (if Acquisition Only).

§ 100-100.3-740 Security, Restrictive Covenant, Homeowner Requirements

(a) To ensure affordability for CDBG-DR funds invested, NMHC shall place a restrictive covenant on the property. The restrictive covenant shall be maintained for no less than the term of the affordability period.

(b) NMHC will execute a written agreement with the homebuyer that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, the purchase price, date by which housing must be acquired, address or legal description of the property, and duration of the agreement. Additionally, the purchase price, date by which housing must be acquired, address or legal description of the property must be indicated in the applicable written agreement.

(c) During the term of the grant, homebuyer shall ~~also~~ be required to maintain, at their own expense, adequate property insurance on the mortgaged property. This insurance must provide coverage for fire, earthquake, typhoon, and where applicable, flood damage ~~(if applicable)~~. The policy shall insure the property for its full ~~covering the~~ replacement value, and the homeowner must ensure that the coverage remains active and in good standing throughout the entire grant period. ~~of all properties at a minimum equal to the grant amount. Financial hardships will be reviewed on a case-by-case basis.~~

Requests for relief from this insurance requirement due to financial hardship will be reviewed on a case-by-case basis. Homeowners seeking such consideration must submit

documentation demonstrating their financial circumstances. Any waiver or modification of the insurance requirement shall be granted solely at the discretion of the NMHC.

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

Part 800 – Fraud, Waste and Abuse

§ 100-100.3-801 Eligibility Certification

Homeowner certifies that he/she has provided complete, accurate, and current information regarding household income, residency, occupancy, and any other documentation required to demonstrate Homeowner's eligibility to receive CDBG Disaster Recovery funds.

Any activity carried out with CDBG-DR funds involving the construction, acquisition, or acquisition w/renovation is considered to benefit LMI or UN persons only to the extent such housing will, upon completion, be occupied by such persons.

The Homeowner hereby affirmatively certifies that their material representations which have been relied upon by NMHC as essential to its determination of the eligibility of the Homeowners to receive the grant funds have been truthfully, satisfactorily and adequately provided to NMHC.

The Homeowner agrees and attests to the fact that if any of the representations made are intentionally or willfully false or fraudulent, NMHC may immediately declare the Homeowner in default of ~~this~~ his/her Grant Agreement, allowing for remedies as provided for under ~~this~~ that grant agreement and the law.

§ 100-100.3-805 Default

Any one or more of the following events shall constitute an event of default under ~~this~~ the grant agreement:

a. Failure to perform any covenant or promise under ~~this~~ the Grant Agreement, or making any representation or warranty in ~~this~~ the Grant Agreement, or in the application for the grant, or in any report, certificate, financial statement or other instrument furnished in connection with the property, which is false or misleading in any material respect.
b. Seizure or foreclosure of the property or assets of the Homeowner pursuant to process of law or be respect of legal self-help, unless said seizure or foreclosure is stayed or bonded within thirty (30) days after the occurrent of same; or
c. If any other event of default has occurred and remains uncured under any other agreement entered into between NMHC and the Homeowner.

§ 100-100.3-810 Remedies Upon Default

Upon the existence of any event of default, NMHC, after giving notice and reasonable opportunity to cure the default may, in its sole discretion, do any of the following, alone or in combination:

a. Terminate ~~this~~ the Grant Agreement;
b. Withhold grant funds not yet paid at the time of default during such time as an event or events of default remain uncured;
c. File an action at law against the Homeowner to obtain a judgment against the Homeowner to recover the full amount of all grant funds paid; or
d. Pursue any other remedies against the Homeowner including any civil and criminal remedies allowed by law.

~~NMHC'S~~ NMHC's rights under Default shall survive termination of the Grant Agreement. Failure to insist on the prompt performance by Homeowner of Homeowner obligations pursuant to ~~this~~ the Grant Agreement is not a waiver by the NMHC of any of its rights hereunder.

Suspected Fraud, Waste and Abuse cases shall be handled in accordance with the Northern Marianas Housing Corporation's Fraud, Waste and Abuse Policy, as amended.

§ 100-100.3-815 Disposition of Fraud Cases

Upon completion of the review and investigation process, NMHC shall determine the appropriate administrative action based on the facts, evidence obtained, and the stage of assistance provided under the applicable housing program. Administrative remedies may include repayment obligations, conversion of assistance, termination of participation, recapture of funds, referral to law enforcement, and any other action permitted under federal regulations, program requirements, and applicable laws.

The following case scenarios may apply:

A. No Confirmation of Fraud

If the investigation determines that there is insufficient evidence to substantiate fraud, waste, or abuse, the case shall be closed with no adverse administrative action taken against the applicant or participant. NMHC may retain documentation of the investigation and findings for monitoring and compliance purposes.

B. Confirmation of Fraud – Closed Loan – No Housing Unit Constructed – Property Purchased

If fraud is confirmed after loan closing and no housing unit has been constructed, but program funds were used to acquire real property, NMHC may require the applicant or participant to reimburse the Corporation for:

- The cost of the property acquisition;
- All closing costs and related transaction expenses;
- Any administrative or program-related costs incurred by NMHC; and
- Any additional costs allowable under applicable program regulations and agreements.

NMHC may also pursue recapture, collection efforts, legal remedies, or referral to appropriate authorities.

C. Confirmation of Fraud – Closed Loan – No Property Purchased

If fraud is confirmed after loan closing and no property was acquired or housing unit constructed, NMHC may require repayment of:

- Closing costs;
- Administrative expenses;
- Fees paid on behalf of the applicant or participant; and
- Any disbursed program funds associated with the transaction.

Additional administrative or legal actions may also be taken, as appropriate.

D. Confirmation of Fraud – Closed Loan – Housing Unit Constructed – Loan Conversion

If fraud is confirmed after construction or rehabilitation of a housing unit has been completed, and the assistance was originally provided in the form of a grant or grant-convertible loan, NMHC may:

- Convert the assistance to a repayment loan;
- Require full or partial repayment of funds provided;
- Record or enforce liens or other security instruments against the property;
- Terminate continued participation in the program; and/or
- Pursue any additional remedies available under federal regulations, written agreements, or applicable law.

Repayment terms, interest, affordability requirements, and enforcement actions shall be determined by NMHC in accordance with program policies, HUD requirements, and applicable funding regulations.

In all cases involving confirmed fraud, NMHC reserves the right to refer the matter to the appropriate federal, Commonwealth, or local authorities for civil, administrative, or criminal enforcement actions.

§ 100-100.3-820 Grant to Loan Conversion

When instances of fraud, waste, or abuse are identified and substantiated in accordance with established review and compliance procedures, the Agency is required to recapture all improperly expended grant funds and remit those amounts to the U.S. Department of Housing and Urban Development (HUD). In such cases, a grant-to-loan conversion is implemented as a mechanism to facilitate repayment.

Through this process, the original grant agreement—along with all other associated terms and conditions—are terminated and replaced with new loan agreements. The converted loan

establishes defined repayment terms, including the total amount owed and a fixed repayment period, thereby ensuring the Agency's compliance with federal requirements while providing a structured path for the applicant to satisfy the debt.

§ 100-100.3-825 Eligible Repayment Costs

The Agency determines the "Eligible Repayment Costs" that are converted from grant to loan terms based on the types of expenses originally covered by the grant agreement.

These costs are categorized as Hard Costs, Soft Costs and Grant Closing Fees and related costs outlined in § 100-100.3-401(a)(b)(c).

§ 100-100.3-830 Repayment Terms

Repayment Per od

The maximum repayment term shall not exceed 360 months, unless the repayment term is amended or revised and approved by the Corporate Director to accommodate requests for relief from borrowers who have been determined not able to repay their obligations, with the amended or revised repayment terms not to exceed an additional 60 months. A balloon payment is required for any unpaid principal, interest, fees, etc. remaining at the end of the repayment term.

Interest Rate Chart

Household Income Categories	Interest Rate
Extremely Low-Income (30%)	1%
Very Low-Income (50%)	2%
Low-Income (80%)	3%
120% of Median Income	4%

Interest Rate Determination

The interest rate applied to each grant-to-loan conversion may vary based on the applicant's annual gross household income.

NMHC shall use HUD's Section 8 of Part 5 Technical Guidelines as the basis in calculating annual gross household income.

NMHC will verify income of all household members using at least 3 months of source documentation such as wage statements, interest statements, and SSI documents.

The area median income for the CNMI was established by HUD for the CDBG-DR program and is revised on an annual basis. NMHC shall comply with any revisions that the U.S. Congress enacts. The most current income limits can be found at:
https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn.

Late Charges

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

Prepayment of Loan

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

Security

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

- NMHC will execute a written agreement with the applicant that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, the purchase price, date by which housing must be acquired, address or legal description of the property, and duration of the agreement. Additionally, the purchase price, date by which housing must be acquired, address or legal description of the property must be indicated in the applicable written agreement.

- During the term of the loan, the applicant shall also be required to maintain, at their expense, property insurance on the mortgaged property for fire, earthquake, typhoon, and flood damage (if applicable) covering the replacement value of all properties at a minimum equal to the loan amount. Financial hardships will be reviewed on a case-by-case basis.

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

Principle Residence and Annual Recertification

Shall apply in accordance to §100-100.3-201(g)(1)(2)(3).

§ 100-100.3-835 Affordability Restrictions

Long Term Affordability

Shall apply in accordance to §100-100.3-301.

§ 100-100.3-840 Right of First Refusal

Shall apply in accordance with §100-100.3-305.

§ 100-100.3-845 Recapture

Shall apply in accordance with §100-100.3-315.

§ 100-100.3-850 Distressed Applicants

Distressed applicants are those who are having a difficult time meeting their monthly loan payments due to external circumstances beyond their control.

These circumstances include:

- Reduction-in-force;
- Reduction in pay;
- Family medical emergency (including death of an immediate family member: siblings, child(ren), spouse, and in-laws); parents;
- Medical condition (including career-ending injury) that causes the applicant to discontinue employment. The borrower's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification to certify the borrower's medical condition; or
- Natural disaster.

§ 100-100.3-855 Types of Assistance

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

- Reduction-in-force. Monthly loan payments may be deferred for a period of up to twelve months. Late charges would not accrue. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Reduction in pay. Monthly loan payments may be deferred for a period of up to twelve months. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Family medical emergency. Monthly loan payments may be deferred for a period of up to twenty-four (24) months. Late charges would not accrue. The current term may be extended and reamortized with an additional sixty (60) months.

- Medical condition that causes borrower to discontinue employment - Principal amount may be forgiven incrementally (based on term).

- Natural Disaster. Monthly loan payments may be deferred for a period of up to six (6) months in the event of a natural disaster, such as fire, typhoon, earthquake, flood, and local or pandemic spread of disease. Final decisions regarding requested deferments shall be

made by the Corporate Director. Late charges shall not accrue during deferment. Borrowers may be eligible for a deferment upon written request accompanied by acceptable evidence of negative impact caused by the natural disaster. Further, in order to qualify for a deferment, the Borrower's loan and hazard insurance must be up to date.

- Other Hardships. Any other claimed financial hardship outside of the aforementioned five listed hardships shall be brought to the Corporate Director for review and decision.

- Denial of assistance may be appealed to the NMHC Board.

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

- Penalty Waiver. Accrued penalty fees for delinquent borrowers may be waived to assist them in making their accounts current.

- Loan Assumption
  i. Death of a homeowner/borrower: Upon the death of the borrower which occurs within the affordability period, the entire unpaid balance of the loan shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the loan by the heirs of the borrower if a final decree in the probate of the borrower identifies the heirs and approves distribution to them of the improved property and the loan, and if the heirs themselves would qualify as a new applicant for the loan.

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

§ 100-100.3-860 Foreclosure

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

- Foreclosure. NMHC may use its right of first refusal, as set forth in the loan documents, written agreement with the homeowner, and restrictive deed or land covenant, to purchase

the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. Foreclosure triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant.

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

  i. Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

If NMHC forecloses on its own loan, NMHC cannot spend any additional CDBG-DR funds to acquire the property.

§ 100-100.3-865 Mitigation to Foreclosure

Items Needed to Cancel Foreclosure and Reinstate Account To cancel foreclosure and reinstate account, the Borrower shall:

(a) In accordance with 2 CMC § 4536(a), pay the entire amount then due under the terms of the mortgage other than such portion of principal as would not then be due had no default occurred, and reasonable attorney's fees actually incurred.

(b) Pay delinquent account current inclusive of one month advance payment.

(c) Have the homeowner(s) submit a written proposal on how he/she will maintain the account in good standing.

(d) Submit paid in full receipt of homebuyer(s)' insurance coverage for fire and earthquake.

(e) Submit 2-3 recent check stubs and/or verification of benefits

§ 100-100.3-870 Loan Satisfaction and Lien Release

Upon full repayment of a loan established through grant-to-loan conversion, the Agency shall take all necessary steps to formally acknowledge satisfaction of the debt, release any secured interest in the property, and ensure compliance with all applicable federal requirements, including those of the U.S. Department of Housing and Urban Development.

The Agency shall ensure that all actions related to loan payoff and lien release are completed in a timely, accurate, and documented manner to protect both the applicant and the Agency's legal and financial interests.

Part 900 - Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.3-901 Assumption of a Grant

(1) Death of a homebuyer/~~borrower~~grantee: Upon the death of the ~~borrower~~ grantee, which occurs within the affordability period, the entire unpaid balance of the grant shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the grant by the heirs of the ~~borrower~~ grantee if a final decree in the probate of the ~~borrower~~ grantee identifies the heirs and approves distribution to them of the improved property and the grant, and if the heirs themselves would qualify as a new applicant for the grant.

(2) At the sole discretion of the NMHC Board, the grant may be assumed by a legal heir of a deceased ~~borrower~~grantee(s) of the CDBG-DR-assisted unit. This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all CDBG-DR Program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and will be subject to credit, income, and asset verification.

(3) Default for Violation of Grant Agreement and/or Restrictive Covenant. In situations where a default is imminent, the Corporate Director may allow a ~~borrower~~ grantee to have a CDBG-DR eligible immediate relative (i.e., mother, father, brother, sister, son, daughter) assume the grant, all for the purpose of preserving the affordability period.

(a) Default. NMHC may use its right of first refusal, as set forth in the grant documents, written agreement with ~~homebuyer~~homeowner, and restrictive deed or land covenant, to reclaim the housing to preserve affordability. Default triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant.

(b) Recapture in the Event of Default. If the CDBG-DR assisted property is subject to recapture terms, NMHC has three options:

(i) Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

(iii) Recapture Option 3: NMHC will allow the homeowner in default to repay the entire amount of the CDBG-DR investment and own the property free and clear. In this event, the affordability period will be terminated.

Part 1000 – Ethics

§ 100-100.3-1001 Conflict of Interest

(a) Under no circumstances shall any immediate family members (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild); brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person, elected or appointed officials of the CNMI government, NMHC's Board of Directors, its officers, agents, and employees may participate in any CDBG-DR assisted projects or units including the procurement of materials, or have an interest in any contracted services, or be a beneficiary in any proceeds. Other provisions in 24 C.F.R. § 92.356 shall apply. Conflict of interest applies to covered persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with CDBG-DR funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities. Covered persons may not obtain a financial interest or financial benefit from a CDBG-DR activity, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-DR assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(b) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions above on a case-by-case basis when it determines that the exception will serve to further the purposes of the CDBG-DR Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:
   (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
   (2) An opinion of the participating jurisdiction's or state recipient's attorney that the interest for which the exception is sought would not violate state or local law.

(c) Factors to be considered for exceptions. In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements mentioned above, HUD will consider the cumulative effects of the following factors, where applicable:
   (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

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

Part 1100 - Performing New Construction Work

§ 100-100.3-1101 Performing New Construction Work

(a) NMHC Independent Cost Estimate: NMHC or its procured construction manager will establish an estimated cost for construction and/or rehabilitation of the property to be acquired. This cost estimate will be used to validate that the winning bid is acceptable as being "eligible, necessary, and reasonable."

(b) 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, at a minimum, the following information: bid price, cost breakdown of materials and labor charges, and schedule for completion of work.

(c) Selection of Contractor/Contract Award: The homebuyer(s) shall have the right to select whichever contractor to perform the construction work, provided that NMHC has assessed the sources and uses of funds and determined that the costs are reasonable, provided that the contractor's quotation does not exceed the approved grant amount and provided that the contractor is an NMHC-approved contractor. Should it exceed the grant amount, the homeowner shall choose to either deposit the difference or negotiate with contractor in reducing the contract amount. Should the grantee not be able to deposit the difference or the contractor unwilling to lower the contract amount, then the grantee shall select his/her/their next choice. The homebuyer(s) shall submit a contractor selection notice notifying NMHC of his/her/their selection. NMHC may, at its own discretion, select the appropriate contractor for the applicant if the homebuyer project is deeply subsidized using additional CDBG-DR funds. Deeply subsidized means additional funding assistance on top of the underwritten funding assistance.

(d) 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, and 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-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; and

(11) A provision for liquidated damages must be included in the construction contract which shall be negotiated between the homebuyer(s) and the contractor.

(12) Description of the work to be performed so that inspections can be conducted and, for rehabilitation, so that housing will meet NMHC's rehabilitation standards.

(e) Contractor Notification and Pre-Construction Requirements: Once NMHC is in receipt of the ~~borrower~~grantee(s)/homebuyer(s) contractor selection notice. NMHC shall notify the contractor of the homebuyer(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 and erosion control permit (if applicable)
(3) Construction contract
(4) Performance and payment bonds
(5) Certified Plans and specification approved by DPW

(6) Private inspector's contract (if applicable)
(7) Notice that an environmental review and clearance has been conducted, and Authorization to Use Grant Funds has been received.
(8) Verification that any mitigation measures identified in the course of the environmental review have been incorporated into the plans and specification approved by DPW.
(9) Builder's Risk Policy
(10) Workmen's Compensation Policy
(11) IWDS Permit
(12) Division of Fish and Wildlife Permit
(13) Zoning Permit

(e) Project Duration: Construction must start within 12 months of NMHC's execution of the CDBG-DR written agreement with the homebuyer(s).

(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 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, and grantee/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:
(i) 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.

(ii) Payment request number 2 shall not be more than 25% of the contract amount.

(iii) Payment request number 3 shall not be more than 25% of the contract amount.

(iv) Payment request number 4 shall not be more than 25% of the contract amount.

(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, proof of Green Standards implementation, pictures of project interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable and house keys with duplicates.

(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:

(i) The grantee/homebuyer must notify contractor in written form of the proposed changes and provide NMHC a copy of the notification.

(ii) 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 plan 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 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 for liquidated damages during this period.

(4) Once the contractor has obtained the DPW's approval of the plans and specifications, then it shall provide NMHC with the same copy. The contractor shall proceed in carrying out the change order and completing the project.

(f) 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) Inspector: Upon completion, the building is subject to inspection by the Building Safety Office of the Department of Public Works (DPW) prior to the issuance of an occupancy permit or other permits as provided in the Building Safety Code codified in 3 CMC § 7101 et seq. 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 § 100-100.2-240.

(h) Minimum Property Standards (MPS): For new construction of housing and acquisition rehabilitation of housing, the 2018 International Building Code enacted by law and any updates approved by regulation by the Department of Public Works Building Safety Office and zoning laws (if applicable for Tinian and Rota), International Energy Conservation Code, NMHC written design standards for single family housing new/rehabilitation, and accessibility requirements (where applicable) must be adhered to.

(1) Further adherence to CDBG-DR acquisition and repair standards, which details the methods, materials, and other requirements that the housing must meet upon completion, including each of the following:

(i) Health and Safety [24 CFR 92.251(b)(1)(i)]
(ii) Major systems that were rehabilitated or replaced as part of the rehabilitation [24 CFR 92.251(b)(1)(ii)]
(iii) Lead-based paint [24 CFR 92.251(b)(1)(iii)]
(iv) Disaster mitigation, if applicable [24 CFR 92.251(b)(1)(vi)]
(v) State and local codes, ordinances and zoning requirements [24 CFR 92.251(b)(1)(vii)]
(vi) Minimum deficiencies that must be corrected based on inspectable items and areas in HUD's Uniform Physical Condition Standards [24 CFR 92.251(b)(1)(viii)]
(vii) HUD Green Building Standards or Green Building Retrofit Checklist, as required by Federal Register Notice.

(i) 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 CDBG-DR funds solely for acquisition, the property must also meet the minimum property standards mentioned above or HUD's Uniform Physical Condition Standards (UPCS). The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws.

(j) Project Completion:

(1) Project shall be completed prior to the termination of the CDBG-DR Grant Agreement with HUD.

(2) Project completion information shall be entered in the Disaster Recovery Grant Reporting (DRGR) System within 120 days of the final project draw.

(k) Record Retention:

(1) NMHC shall retain CDBG-DR homebuyer project records for five (5) years after project completion. [24 CFR 92.508(c)(2)]

(2) NMHC shall retain documents imposing recapture provisions for five (5) years after the period of affordability terminates. [24 CFR 92.508(c)(2)]

(3) NMHC shall retain CDBG-DR homebuyer project written agreement records for five (5) years after the agreement terminates. [24 CFR 92.508(c)(4)]

Part 1200 - Homebuyer Underwriting

§ 100-100.3-1201 Guidelines and Referenced Sections

In order to determine the specific amount of CDBG-DR assistance needed to ensure that the unit is affordable and sustainable over the long-term, NMHC's CDBG-DR Homebuyer Program design reflects and incorporates underwriting standards that the HOME regulations at § 92.254(f) has set forth; and further examines the following for each homebuyer:

(a) Program Eligibility and income;
(b) Monthly expenses;
(c) Assets or cash reserve, as applicable; and
(d) Appropriateness of the amount of assistance

In addition to the underwriting provisions of these regulations, the following applies to Homebuyer activities:

(a) Determining income eligibility.

(1) The NMHC CDBG-DR Homebuyer Program methodology for determining income-eligibility, income as a component of underwriting, income verification and required source documentations, treatment and the calculation of assets are derived from the HUD *Part 5 Technical Guidelines* as herein stated

(i) To receive CDBG-DR assistance, households must have incomes at or below 80 percent of the area median household income, adjusted for household size, and determined annually by HUD. Households with incomes at or below 120 percent of the area median household income, adjusted for household size, are also eligible for assistance.

(ii) CDBG-DR Homebuyer Program regulations require that income of all family members be included in the determination of income for the purpose of eligibility. The HOME regulations at 24 CFR 92.203 (d) require that a PJ must project a household's income for the next 12 months. Chapter Two of the Part 5 Technical Guide reviews this in detail. The NMHC CDBG-DR

Homebuyer Program shall also use the same methodology of projecting income for the purpose of underwriting.

(iii) The Part 5 definition of annual income provides specific guidance pertaining to whose income in a household must be included in that calculation. Chapter Three reviews this in detail.

(iv) Gross amount. NMHC uses the monthly gross amounts, before any deductions have been taken, for those types of income counted. Adjusted income is not required for CDBG-DR-funded homebuyer or for owner-occupied rehabilitation as per the Part 5 Technical Guide.

(v) The CDBG-DR Homebuyer program requires that the grantee determine income eligibility of CDBG-DR applicants by examining source documents, such as wage statements or interest statements, as evidence of annual income. NMHC requires additional supporting information to confirm eligibility and for purposes of underwriting. This is specified in §100-100.3-105, Supplemental Information. Review of documents and third-party verification is further reviewed in detail in Chapter Two of the Part 5 Technical Guide.

(vi) What to include as an Asset. There is no asset limitation for participation in the CDBG-DR Homebuyer Program. Eligible families are not required to "spend down" assets before they can participate in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition.

(vii) In general terms, an asset is a cash or non-cash item that can be converted to cash. Income that is earned, such as interest on a savings or checking account, is counted or factored into annual income. Chapter Three of the Part 5 Technical Guide explains in detail the treatment of assets and considers what is to be included as an asset, as well as explaining actual income from assets.

(vii) Recurring monthly expenses, or those that are considered fixed monthly living expenses such as utilities and transportation costs are the type of expenses should be considered in the underwriting process and must be carefully budgeted and monitored by the homebuyer. The housing counseling shall address these types of essential expenses so that it does not decrease residual income and affect the homebuyer's ability to sustain the property.

(b) The affordability restrictions that will be imposed on the property, a grant will only be extended to applicant(s) who will make their assisted unit their primary residence (see § 100-100.3-201(d)).

§ 100-100.3-1205 Subsidy Layering

(a) NMHC may provide eligible homebuyers with additional locally funded assistance to cover additional housing cost that is deemed to have exceeded the maximum CDBG-DR assistance limit.

(b) Homebuyer(s) that are approved for any additional, or supplemental assistance whether it be a CDBG-DR grant or with NMHC's local funds, shall be required to choose from NMHC's house design and layouts. Such house layout and unit size is dependent on the household size, the original approved CDBG-DR assistance, as well as the total estimated costs to construct a new principal residence.

§ 100-100.3-1210 Acronyms Reference Section

[For Homebuyer Policies and Procedures]

(a) AIA—American Institute of Architects

(b) AMI—Area Median Income

(c) CD—Corporate Director

(d) CFR—Code of Federal Regulations

(e) CNMI—Commonwealth of the Northern Mariana Islands

(f) CPSC—Consumer Product Safety Commission

(g) DCD—Deputy Corporate Director

(h) DEQ—Department of Environmental Quality

(i) DPW—Department of Public Works

(j) EA—Environmental Assessment

(k) GFE—Good Faith Estimate

(l) HOME Program—U.S. HUD Homeownership Investment Partnerships Program

(m) HQS—Housing Quality Standards

(n) NAHA—National Affordable Housing Act

(o) NEPA—National Environmental Policy Act

(p) NMHC—Northern Marianas Housing Corporation

(q) NTP—Notice to Proceed

(r) PITI—Principal, Interest, Taxes, and Insurance

(s) PJ—Participating Jurisdiction

(t) PTI—Payment-to-Income Ratio

(u) PTR—Preliminary Title Report

(v) RER—Rehab Environmental Review

(w) RESPA—Real Estate Settlement Procedures Act

(x) SCRA—Service members Civil Relief Act

(y) SSI—Supplemental Security Income [Social Security]

(z) TCD—Time Certificates of Deposits

(aa) TILA—Truth in Lending Act

(bb) U.S. HUD—United States Department of Housing and Urban Development

(cc) USDA RD—United States Department of Agriculture Rural Development

(dd) USPAP—Uniform Standard of Professional Appraisal Practice

(ee) VOE—Verification of Employment

APPENDIX A.1: Crosscutting Requirements

1.1 Crosscutting Requirements

1.2 Fair Housing

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

Projects must also assess how planning decisions may affect members of protected classes, racially and ethnically concentrated areas, as well as concentrated areas of poverty; will promote the availability of affordable housing in low-poverty, non-minority areas where appropriate; and will respond to natural hazard-related impacts. Program staff will use demographic, geographic, and social vulnerability analyses to determine any positive or negative impacts to protected classes. Should a project present negative impacts, project scope or design will be reassessed to mitigate such impacts.

1.3 Environmental Review

Early environmental coordination must be completed to ensure effective implementation of all CDBG-DR Programs. CDBG-DR funding is contingent upon compliance with both local and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders. In general, NMHC serves as the lead agency for the purposes of NEPA.

HUD's Environmental Review process allows grantees to serve as the "Responsible Entity" to assume environmental review responsibilities under NEPA. As the grantee, NMHC serves as the Responsible Entity (through authorization from the Governor) as it relates to environmental review responsibilities under NEPA. Within NMHC, Environmental Review Staff will be responsible for performing environmental reviews and compiling the Environmental Review Records (ERR). Reviews are conducted either directly or using qualified environmental service contractors. NMHC's Corporate Director, as the Certifying Officer, is responsible with certifying that NMHC's environmental reviews follow NEPA and HUD environmental regulations.

Federal Register Notice FR-6182-N-01 authorizes recipients of CDBG-DR funds under the Appropriations Act to adopt any environmental review, approval, or permit performed by a Federal agency for the same project to satisfy responsibilities with respect to environmental review, approval, or permit. NMHC will notify HUD in writing of its decision to adopt another agency's environmental review. NMHC will also retain a copy of the review in its environmental records. Further information concerning the environmental review process is set forth in the Environmental

Policies and Procedures. Further information concerning the specific HUD requirements for the adoption of other Federal agency environmental reviews can be found in the HUD Memorandum dated March 4, 2013, *Adoption of FEMA and Other Federal Environmental Reviews Processing for Hurricane Sandy Supplemental Appropriation (H.R. 152) Activities.* Additional information on the environmental review process in general is set forth in Section § 100-100.4-335, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

1.4 Labor Standards

The Davis-Bacon and Related Acts (DBRA) applies to all federally funded or assisted construction contracts in excess of $2,000. This may apply to projects that are fully or partially funded with CDBG-DR, including FEMA or FHWA match programs. In matched projects, only the scope of the CDBG-DR portion of the project are subject to crosscutting requirements DBRA requires all workers employed by contractors or subcontractors on CDBG-DR programs, be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with DBRA, as amended. DBRA also requires that workers on federally-assisted projects are paid not less than weekly.

Wage information for labor under CDBG-DR programs will be tracked in detail by both NMHC and relevant Implementing Partners and subrecipients throughout the life of the Program. Compliance for this requirement may be tracked in the following ways:

(1) Additional NMHC Program staff hired to track wages and verify contractor and agency compliance
(2) External contractor hired by NMHC to track DBRA compliance
(3) Enhanced TA provided to Implementing Partners to track DBRA compliance

Davis Bacon applies to the rehabilitation of residential property only if the property contains eight (8) or more units under common ownership, on same or contiguous lots, or with common financing, Residential property that contains seven (7) or fewer units is exempt. Although the statute refers to the rehabilitation of residential property, this exemption has been interpreted to include the new construction of residential property containing seven (7) or fewer units. Typically, single-family homeowner properties are excluded under this exemption.

For prime contracts in excess of $100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, NMHC must follow the reporting requirements per HUD and U.S. Department of Labor (DOL) regulations. This requirement also extends to NMHC subrecipients, Implementing Partners, and contractors.

The Fair Labor Standards Act of 1938 (FLSA), as amended, establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-DR funds finance only a portion of the project.

1.5 Limited English Proficiency

Federal Executive Order 13166 requires NMHC and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. Compliance with this requirement is detailed in NMHC's Language Action Plan (LAP) and will be coordinated and tracked by the Monitoring and Compliance division at VIHFA. Depending on the program, NMHC, Implementing Partners, sub-recipients, and subcontractors will share the following expectations to comply with this Executive Order:

(1) Document Translation: All documents defined as "vital documents" will be translated into Chamorro or Carolinian by NMHC, Implementing Partners, and sub-recipients. A "vital document" is defined as a document that includes information regarding eligibility requirements, applications and instructions, program eligibility determinations, and appeals procedures. NMHC may aid to ensure this requirement is met.

(2) Where required, seek feedback from the community the project serves (advocacy groups serve vital role).

Language maps provided in the Language Action Plan will be used to determine the project's location and subsequent language context and if proactive LEP outreach will be required. These maps will be included as part of the Project Assessment Form used by NMHC to review the eligibility, priority level, and impacts of a potential project.

1.6 Minority and/or Women-Owned Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned and Women-Owned Business Enterprises (M/WBEs). Following procurement guidelines under 2 CFR 200.321, NMHC must make efforts to ensure that all subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance encourage participation in contracts and other economic opportunities by small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms whenever possible. NMHC will accept a MWBE certification from another state, local or regional, DPW, SBA HUB Zone, SBA 8-A certification (economically disadvantaged and 51% locally-owned), and other eligible certification processes. Documentation and goals regarding M/WBE percentages and reporting will be determined in the contracting agreements.

1.7 Section 3 Economic Opportunities

Section 3 is triggered when the award of CDBG-DR funds for new construction and rehabilitation projects if the construction contract is $200,000 or more.

Section 3 of the Housing and Urban Development Act of 1968 is to "ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low and very low income individuals, especially recipients of government assistance for housing and to businesses which provide economic opportunities to low and very low income individuals."

The Section 3 program requires that recipients of HUD CDBG-DR funds, to the greatest extent feasible, provide (a) employment and training, and (b) contracting opportunities for low- or very-low-income residents in connection with construction projects in their neighborhoods.

It requires any "Section 3" project (construction contract of $200,000 or more) to report in three categories of labor hours:

- Total project labor hours
- Section 3 labor hours (any position where wages are at or below the threshold for a 1-person household at 80% AMI).
- Section 3 targeted worker (Section 3 worker living in proximity to the project site)

It also specifically encourages economic opportunities for households who are recipients of government assistance for housing. NMHC and all administering entities will follow and require relevant contractors to follow Section 3 requirements in contracting.

Section 3 applies to the CNMI, as recipient of HUD funding, as well as to subrecipients or Implementing Partners/Sub-recipients receiving HUD funding exceeding $200,000. Whenever any portion of HUD funding is invested into projects involving housing construction, demolition or rehabilitation, commercial/private improvements for economic development, or other public construction (e.g., roads, sewers, community centers, and public facilities), the requirements of Section 3 apply.

In conjunction with construction activity, Section 3 applies to projects that are fully or partially funded with CDBG-DR assistance, including projects that are financed in conjunction with territory, local, or private matching or leveraged funds, provided that the Section 3 monetary threshold requirements are met. In particular:

- In conjunction with construction activities, Section 3 applies to contractors or subcontractors that receive contracts more than $200,000 for Section 3-covered projects/activities. Once it is determined that Section 3 applies to a project, the requirements apply to all contracts for construction work arising in connection with that project exceeding $200,000, including those not funded with CDBG-DR assistance. Contractors or subcontractors are required to comply with the Section 3 regulations in the same manner as the Commonwealth; and
- "Section 3-covered contract" includes professional service contracts, provided that the work to be performed is generated by the expenditure of funds in furtherance of Section 3 covered work (e.g., housing construction, housing rehabilitation, and other public construction), arising relating to construction projects. Professional service contracts that may constitute Section 3-covered contracts include construction contract oversight,

engineering, architectural, environmental and property evaluation, construction progress and draw inspections, and prevailing wage labor compliance.

The regulations pertain to total labor hours required to complete Section 3-covered projects and activities. If the expenditure of funding for an otherwise covered project and activity does not result in new employment, contracting, or training opportunities, Section 3 reporting will still be required.

When NMHC awards CDBG-DR funds to other governmental departments, nonprofit organizations, subrecipients or other funded entities, NMHC will require they document how reasonable attempts were made to reach numerical goals set forth at 24 CFR Part 75. (25% total hours for Section 3 workers, 5% total labor hours for targeted Section 3 workers). NMHC will inform its Implementing Partners and other funded entities of the requirements of Section 3, including the language required to be inserted into all construction-related contracts, assist them and their contractors with achieving compliance, and monitor their performance with respect to the Section 3 objectives and requirements.

Implementing Partners/Sub-recipients will receive training on this requirement and methods of compliance, technical assistance from Program staff, and continual monitoring from NMHC. Currently, a Section 3 Plan is under development, the details of which will be included in an update to this manual.

1.8 System for Award Management (SAMs)

SAM is the federal System for Award Management and is a requirement for doing business with the U.S. government. All vendors are required to register in SAM in order to be awarded contracts under the CDBG-DR program. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration annually to maintain an active status.

1.9 Uniform Relocation and Real Property Acquisition Act (49 CFR 24)

The Uniform Relocation Assistance and Real Property Acquisition Act (URA) is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The phrase "program or project" is defined in 49 CFR Part 24 as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

The objectives of the URA are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects;
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement;

- To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means;
- To help improve the housing conditions of displaced persons living in substandard housing; and,
- To encourage and expedite acquisition by agreement and without coercion.

49 CFR 24.101(c)(1) provides that the subpart B requirements also apply to the acquisition of permanent and/or temporary easements necessary for the project. However, 49 CFR 24.101(c)(2) provides an exception for the acquisition of temporary easements which exclusively benefit the property owner.

Demonstrable Hardship - A demonstrable hardship is a substantial change in an applicant's financial situation that will prohibit or severely affect their ability to provide a minimal standard of living or the basic necessities of life including food, housing, clothing and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. A demonstrable hardship must be occurring after the named storms. The demonstrable hardship must be of a severe, involuntary and unexpected nature. It must not be one that is generally shared by other applicants affected by the named storms. Examples of demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case. If an applicant believes that they are in the state of demonstrable hardship and that the demonstrable hardship causes them to not comply with any of the program policies, they may present their existence of a demonstrable hardship to their case worker (housing or grant specialist) and the Program will evaluate on a case-by-case basis after review of all of the circumstances. Applicants claiming a Demonstrable Hardship shall be required to provide evidence of such claimed Demonstrable Hardship to the case worker.

Not Suitable for Rehabilitation – properties where the cost of rehabilitation exceeds the after rehab appraisal and there is not a compelling historical or community justification to save the property.

APPENDIX A.2: HOMEBUYER APPLICATION CHECKLIST

NORTHERN MARIANAS HOUSING CORPORATION
Community Development Block Grant – Disaster Recovery (CDBG-DR) Division
P.O. BOX 500514, Saipan, MP 96950-0514
Email: cnmi-cdbg-dr@nmhcgov.net
Website: http://www.cnmi-cdbgdr.com

Tels: (670) 233-9447
233-9448
233-9449
233-9450
Fax: (670) 233-9452

CDBG-DR PROGRAM GRANT APPLICATION CHECKLIST

Applicant(s):_____ **Date:**_____ **Submission Date:**_____

In order to complete your application for assistance, we need the following items below:

- [ ] Uniform Residential Loan Application
- [ ] Certification of Household Size Form
- [ ] Use of Funds Certification (both Applicant and Co-Applicant must sign)
- [ ] Certification of Storm Tie-Back (both Applicant and Co-Applicant must sign)
- [ ] Duplication of Benefits Affidavit and Subrogation Agreement (both Applicant and Co-Applicant must sign)
- [ ] Division of Tax & Revenue- Certificate of Compliance (for both Applicant and Co-Applicant)
- [ ] FEMA Applicant Information Request form (both Applicant and Co-Applicant must sign)
- [ ] Photo I.D. -Driver's License, MOS, Passport (for applicants only) and Birth Certificates (for each member of the household)
- [ ] Eligibility Release Form (each adult member of the household must sign date and initial)
- [ ] Statement of Unemployment (each adult member of the household who is unemployed must complete this form)
- [ ] Social Security -Consent to Release Information (must be completed by each household member)
- [ ] Verification of Employment (employee's employer must complete this form)
- [ ] Check/Pay stubs (4 most current)
- [ ] 1040 Tax Form for previous two (2) years (20___ and 20___)
- [ ] Verification of Child Support Payments, if applicable
- [ ] Checking Account Statement (6 most recent statements)
- [ ] Savings Account Statement (most recent statement)
- [ ] Assets – Retirement 401 (a)/(k), Supplemental Life, etc. (most recent statement with each cash value)
- [ ] Divorce Decree, Judgment(s), etc., if applicable
- [ ] Certificate of Title, Deed, or Residential Homestead Permit, etc. with Property Map (if applicable)
- [ ] Documentation for any Federal assistance such as WIC, MEDICAD, MEDICARE, LIHEAP, NAP, CHILDCARE ASSISTANCE, etc.
- [ ] Utility Bill (most current)
- [ ] Affidavit

Due to the fact that many families are in the same position you are and the high demand for our services, we ask that you notify us one (1) day prior to your appointment if are unable to attend. If you are unable to submit ALL the necessary photocopied documents to your appointment, your eligibility assistance may be delayed.

Please read carefully:
As head of the household, I declare that members of my household have no ownership, in full or in part, of any assets other than those identified above, the value of which have been disclosed. Please sign below:

_____ _____
APPLICANT/DATE CO-APPLICANT/DATE

_____
DR LOAN SPECIALIST/DATE

"NMHC is an equal employment and fair housing public agency"

Tinian Field Office
Tel: (670)433-9213
Fax: (670)433-3690

CDBG-DR Office
Tel: (670)233-9447/9448/9449

Rota Field Office
Tel: (670)532-9410
Fax: (670)532-9441

SUBCHAPTER 100-100.4
CDBG-DR HOMEOWNER REHABILITATION AND RECONSTRUCTION POLICIES AND PROCEDURES

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Part 001 - General Provisions

§ 100-100.4-001 Introduction

As a result of the 2018 storms, namely Typhoon Mangkhut and Super Typhoon Yutu, the Commonwealth of the Northern Mariana Islands (CNMI) received an allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funds which will be administered by the Northern Marianas Housing Corporation (NMHC). NMHC has developed the Homeowner Rehabilitation and Reconstruction Program to cover the eligible costs to rehabilitate or reconstruct storm-related damaged properties in order to restore them back to decent, safe, and sanitary conditions. The governor of the CNMI has placed housing as the highest recovery priority. The total allocation amount at this time under this Program is $39,407,033.

Due to the limited availability of CDBG-DR funds allocated to the CNMI from the U.S. Department of Housing and Urban Development (HUD), financial assistance will be prioritized for the elderly or disabled extremely low-income families and then to low- to very low-income homeowners subject to HUD income limits which are published annually (https://www.huduser.gov/portal/datasets/il.html). NMHC has recognized these target groups to assist under the CDBG-DR program. Funds will be made available for eligible homeowner rehabilitation and reconstruction activities through grants to assist in the rehabilitation and reconstruction of their principal place of residence. The Program is designed to create a habitable living environment for homeowners with the most serious and significant damaged homes, and to serve as many impacted households as possible. As such, the Program requires the use of standard building materials, which may not restore some damaged homes to pre-storm conditions if luxury materials were damaged in the storm. To ensure the funding will assist the maximum number of households, rehabilitation and/or reconstruction work and materials will be limited to those items necessary to make the home livable and compliant with referenced building codes and HUD requirements.

Homeowner rehabilitation activities include those items identified at the initial inspection which are necessary in bringing the home in compliance with the 2018 International Building Code enacted by law and any updates approved by regulation by the CNMI Department of Public Works Building Safety Office and zoning laws (if applicable for Tinian and Rota), International Energy Conservation Code as adopted by the CNMI government, NMHC written design standards for single family housing new/rehabilitation, and accessibility requirements (where applicable) including the reduction of lead-based paint hazards and the remediation of other home health hazards.

The NMHC, on behalf of the CNMI, has been designated as the responsible entity in implementing and carrying out the objectives of the program. The Housing Division under the CDBG-DR Program Division, will be responsible for the day-to-day operations of the Homeowner Rehabilitation and Reconstruction Program. Services include program outreach to potential eligible homeowners, application intake, program eligibility verification (both for the household and property), Duplication of Benefits review, Verification of Benefits analysis, award calculation, and

documentation execution, scope development and construction oversight. Support services will be provided by NMHC's Mortgage and Credit Division and Fiscal Division with respect to maintenance of financial records. Overall, the NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of this program in accordance with statutory and regulatory requirements. Through these policies and procedures and by imposing NMHC and HUD-prescribed residential rehabilitation standards, NMHC will preserve and improve the quality of the housing stock of the CNMI that incurred damage during Typhoon Mangkhut and Super Typhoon Yutu.

§ 100-100.4-002 Public Announcement

(a) Publicity.

(1) Upon notification from HUD of the approval of the grant agreement, NMHC shall publish such approval within thirty (30) calendar days from the date of the approval. General information of the Homeowner Rehabilitation and Reconstruction Program shall be published in the print media of the widest local circulation, on the NMHC website, and other suitable means available. The program information shall also be posted in public and private bulletin boards where announcements are commonly posted. Grant applications may be submitted on or after a specified date to be stated in the public notice.

(2) With the conversion of the Homeowner Rehabilitation and Reconstruction Program from a loan to a grant program, NMHC will review the applications of all those determined to be ineligible due to high debt-to-income ratios when the program was structured as a loan program. It is believed that many of those who did not satisfy underwriting requirements will now be eligible for assistance.

(3) Once the revised group of applicants has been identified, if additional funds remain, NMHC will conduct additional outreach. That outreach will focus on low- and moderate-income areas where there were storm impacts, and low rates of application to ensure that those most in need of assistance are aware of the new program guidelines and requirements.

(b) Contents. Program announcements shall inform interested applicants on how and where they may obtain an application and additional information on the types of homeowner program activities being administered in the CNMI. Such announcements shall further contain the following information:

(1) Brief overview of the Homeowner Rehabilitation and Reconstruction Program;
(2) General list of eligible activities available;
(3) Amount of funding available;
(4) General eligibility requirements to qualify for financial assistance;
(5) Homeowner selection process;
(6) Fair Housing logo and Equal Opportunity language; and
(7) Opening date for acceptance of applications.

(c) Affirmative Marketing. To ensure that all persons are effectively and adequately informed about the rehabilitation and reconstruction program and the availability of funds, especially to those least likely to apply without regard to race, color, national origin, sex, religion, familial status, and disability, a marketing strategy such as brochures or information notices shall be provided and distributed or posted in the following locations and shall contain the information described in subsection (b). NMHC shall maintain records of actions taken to affirmatively market the program, and maintain records to assess the results of those actions. Brochures and/or program information notices shall be made available at the following public and private areas:

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

Part 100 - Purpose and Requirements

§ 100-100.4-101 Purpose of the Program

The purpose of the program is to provide assistance in the form of grants to extremely low, very low and low-income families for the rehabilitation or reconstruction of their principal residence. The rehabilitation goal is to repair or reconstruct storm damaged homes, increasing the economic life of the existing dwelling, providing energy efficiency, and ensuring a safe, decent, and healthy living environment for assisted families.

If funding remains after serving all the low to moderate income households, then the program will consider applicants with household incomes 81% or greater AMI.

The **rehabilitation component** will be available to serve homeowners whose homes received Major or Severe damage but do not meet the definition of destroyed or substantially damaged. NMHC will use the services of A&E firms to provide construction management which includes conducting damage assessments, design services, developing scopes of work and costs estimates, progress inspections, and contractor assessments. The construction managers will work closely with the Housing Division staff, contractors, and homeowners throughout the rehabilitation or reconstruction process.

The **reconstruction component** will be available to serve homeowners whose homes were destroyed or substantially damaged. Applicants that have already demolished their storm-damaged homes must also provide documentation evidencing the pre-storm structure type, total square footage, and that the damage to the home was caused by the storm. Applicants

must also provide notices of condemnation, substantial damage notifications, or other notices requiring the property be demolished.

§100-100.4-102 Ineligible Activities

The following activities are *ineligible* and CDBG-DR grant funds *cannot* be used for any portion:

- Assistance for homeowners whose home was in a flood hazard zone and previously received federal flood disaster assistance and failed to maintain the required flood insurance;
- Assistance for homeowners for (a) whose property sustained damage in the typhoons and was located in a floodplain at the time of the disaster, **and** (b) the owner did not maintain flood insurance on the damaged property, even if the property owner was not required to obtain and maintain such flood insurance (see Section 4.4 below);
- Forced mortgage payoffs;
- SBA home/business loan payoffs;
- Funding for units occupied by any households except the owner household (no rental or lease properties are allowed);
- Funding for second homes; or
- Compensation payments.

§ 100-100.4-103 General Requirements

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

(a) Qualify as Low Moderate-Income family as defined by HUD including applicants who are above the 80% AMI. Eligible households over 80% AMI will meet the national objective of urgent need;

(b) The dwelling must be the applicant's primary residence prior to the storms and prior to applying for rehabilitation or reconstruction assistance;

(c) Must occupy and continue to occupy residence after the completion of such repairs for five (5) years and for reconstruction for a period of ten (10) years;

(d) Own the property under an approved form of ownership as set forth in 24 CFR § 92.254(c), and as specified below:

(1) Has fee simple title to the property;
(2) Maintains a 10-year leasehold interest in the property;
(3) Maintains an equivalent form of ownership approved by HUD.
(4) Undergo duplication of benefits analysis.

(e) Applicants not meeting any one of the above, do not qualify for assistance under this program.

Title 18, Section I 00 I, et seq. of the United States Code, the general false statement statute, outlaws making materially false statements, intentional or negligent misrepresentations in matters within the jurisdiction of a federal agency or department, such as federal disaster relief funding. Civil or criminal penalties, including but not limited to fine, imprisonment or both, as well as repayment of any assistance provided, may be pursued. Under Section 1001, a statement is a crime if it is false, regardless of whether it is made under oath. Failure to disclose accurate and complete information may affect eligibility requirements. Some of the information submitted by applicants will be validated through third-party sources during the eligibility process.

The following is incorporated into all application and grant documents:

Warning: *Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729. Under penalties of perjury, I/we certify that the information presented above is true and accurate to the best of my/our knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my ineligibility to participate in this program or any other programs that will accept this document. Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY if he/she knowingly and willfully makes a false statement to any department of the United States Government.*

Part 200 - Grant Specifications

§ 100-100.4-201 Grant Amount

(a) The maximum grant amount for a Rehabilitation project is capped at $200,000.00, excluding possible optional relocation costs. In special circumstances, ~~a Review Panel, impaneled by the Corporate Director, may authorize a greater amount.~~a higher amount may be authorized when additional costs have been reviewed for cost reasonableness.

(b) Reconstruction projects may exceed the rehabilitation projects' maximum of $200,000 that are deemed justified and cost reasonable and supported by independent cost estimates. The maximum for a Reconstruction project is $250,000.00, excluding possible optional relocation costs. In special circumstances, a higher amount may be authorized when additional costs have been reviewed for cost reasonableness.~~a Review Panel, impaneled by the Corporate Director, may authorize a greater amount.~~

(c) NMHC, through the assistance of a private A&E Firm, may update independent cost estimates currently capped at $200,000 for rehabilitation projects periodically and as may be needed.

§ 100-100.4-202 Unit Size Determination and Occupancy Standards

(a) **Fair Housing**. The Fair Housing Act ("Act") (42 U.S.C. §§ 3601-19) prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability. Discrimination includes a failure to make a change, exception, or adjustment to a policy, practice, procedure, or service when such accommodation may be necessary for an individual with a disability to enjoy and use housing. In addition to the requirements under the Act, there may be additional requirements for recipients of federal assistance from HUD.

(b) **Housing Unit Suitability**. Homes acquired, purchased, or newly constructed with CDBG-DR funds under this program, at a minimum, shall be decent, safe, and sanitary.

(c) **Determination of Unit Size**. Limited funding notwithstanding, NMHC shall ensure that the following occupancy standards are observed.

(1) **Occupancy Standards**. Occupancy standards are rules about the number of people that can live in a bedroom or at a property. These standards are usually based on the number of bedrooms at a property, but they can also take into account the total amount of livable square footage. Oftentimes, a combination of both makes the final call about how many people can live there. HUD occupancy standards are the rules set up by the Department of Housing and Development. These federal occupancy standards are part of the Fair Housing Act Amendment, and they are the overarching rules for occupancy.

(2) **Unit Bedroom Size**. NMHC has set the following Occupancy Standards for family and unit size:

(i) All bedrooms with one person should have at least 70 square feet.

(ii) Shared bedrooms must have at least 50 square feet per person.

(iii) Kitchens and other non-habitable rooms cannot be used as a bedroom.

(iv) Every unit should have an overall occupant limitation based on its overall size:

(i) 1-2 occupants: must have at least 120 square feet living room.

(ii) 3-5 occupants: must have at least 120 square feet living room and 80 square feet dining room.

(iii) 6 or more occupants: must have at least 150 square feet living room and 100 square feet dining room.

No. of Family Members	No. of Bedrooms
1-2	2
3-4	2
5-6	3
7-8	4
9 and above	5

(v) **Exceptions**. In certain unique conditions and situations, NMHC, on a case-by-case basis, may grant exceptions when warranted and after thorough review of grant applications.

§ 100-100.4-205 Target Group

Because of the limited funding allocated to the CNMI, NMHC has recognized the need to prioritize the level of assistance to qualified families. In the event that there are more applicants than available funds, NMHC shall establish and maintain an applicant waiting list. All applicants being assisted, as well as those placed on the waiting list shall be processed on a first come, first serve basis, based in the priority needs as described below:

NMHC will categorize the target groups based on income levels as follows:

(a) 0% to 80% AMI- 1st priority:

(b) 81 or greater AMI- 2nd priority:

§ 100-100.4-210 Income Eligibility

NMHC shall use the HUD CPD Income Eligibility Calculator when determining income eligibility. NMHC shall also refer to the Technical Guide for Determining Income and Allowances for the CDBG-DR Program, Third Edition in verifying the household's assets and income which can be found in the HUD website. The NMHC shall adopt the guide and make use of the 1040 income and asset calculation worksheets including any and all forms required in determining an applicant's annual and adjusted income. Information provided by the applicant shall be accompanied with proper documentations (i.e., check stubs, bank statements, 1040 tax forms, etc.). The anticipated gross annual household income and assets for the next twelve (12) months is used in determining if an applicant(s) is/are eligible to participate in the program. NMHC shall calculate the weekly average income and assets and multiply it by 52 weeks. If the total household income falls within the 80% area median income as indicated in § 100-100.4-220(b), the applicant(s) is/are eligible to participate in the program. Households whose incomes are 80% or greater of the area median income are also eligible once LMI households have been served.

§ 100-100.4-215 ~~Property Eligibility~~Security, Restrictive Covenant, Homeowner Requirements

(a) Property Ownership: Interested applicant(s) must provide proof of fee simple ownership or must have at least a 10-year leasehold interest in the property to be improved. The applicant must be present and have interest on the property on or before the presidential disaster declaration date for Typhoon Mangkhut or Super Typhoon Yutu. Ownership acquired post-storm is acceptable, provided that evidence of occupancy in the storm-damaged home prior to, during, and after the storm can be verified. The assisted unit must be located in the CNMI, more specifically, on Saipan, Rota, or Tinian.

(b) In the event of the death of an applicant that has been determined as eligible but prior to grant execution, their heirs who are able to document they were occupants of the residence at the time of the disaster and can prove current ownership through heirship will be eligible to apply for Program assistance.

If an owner occupant of a property damaged by Typhoon Mangkhut and/or Super Typhoon Yutu has passed away, their heirs may apply for Program assistance, provided they are able to submit evidence the damaged property was also the heir's primary residence at the time of one of the storms.

Heirs who were not occupants at the time of either disaster event are not eligible for Program assistance.

(c) Conformance to Property Standards: All assisted properties that are rehabilitated with CDBG-DR assisted funds must meet the program's established rehabilitation standards (see APPENDIX A.2). The Rehabilitation Standards are the program's guidelines of acceptable construction methods and materials to be used when performing rehabilitation and the quality standards that the property must meet when all rehabilitation work is completed.

NMHC's CDBG-DR Written Rehabilitation Standards shall detail the methods, materials and requirements that the housing must meet upon completion of rehab, including all of the following:

(1) Health and Safety - identifying all life-threatening deficiencies that must be addressed immediately if the housing is occupied [24 CFR 92.251(b)(1)(i)];
(2) Major systems – requiring that, upon project completion, each major system, as defined in 24 CFR 92.251(b)(1)(ii), had a remaining useful life of a minimum of 1 year, or for a longer period as specified by the NMHC, or the major system was rehabilitated or replaced as part of the rehabilitation [24 CFR 92.251(b)(1)(ii)];
(3) Lead-based paint [24 CFR 92.251(b)(1)(iii)];
(4) Disaster mitigation (if applicable) – requiring the property meet the disaster mitigation requirements [24 CFR 92.251(b)(1)(vi)];
(5) State and local codes, ordinances and zoning requirements [24 CFR 92.251(b)(1)(vii)];
(6) Minimum deficiencies that must be corrected based on inspectable items and areas in HUD's Uniform Physical Condition Standards [24 CFR 92.251(b)(1)(viii)].

After rehabilitation or reconstruction is complete, NMHC shall make the rehabilitation standards available to the Department of Public Works (DPW) inspectors and the inspectors shall use them as a guide to certify that completed work was done accordingly. This certification will become part of the applicant record.

(d) Local/State, National, or International Codes: Upon completion of rehabilitation or reconstruction work, the CDBG-DR assisted owner-occupied rehabilitation property must meet the 2018 International Building Code (2018) enacted by law and updates approved by regulation by the CNMI Department of Public Works Building Safety Office, zoning laws, and International Energy Conservation Code as adopted by the CNMI government. The property must also meet the Green Building and Energy Efficiency Standards as outline in the attached documents, consistent with the Federal Register Notice requirements.

(e) Upon completion of rehabilitation work, the CDBG-DR assisted owner-occupied rehabilitation property must meet accessibility requirements, where applicable~~;~~.

(f) To ensure affordability for CDBG-DR funds invested, NMHC shall place a restrictive covenant on the property. The restrictive covenant shall be maintained for no less than the term of the affordability period.

(g) NMHC will execute a written agreement with the grantee/home owner that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, address or legal description of the property, and duration of the agreement. Additionally, address or legal description of the property must be indicated in the applicable written agreement.

~~(e)~~(h) During the term of the grant, the homeowner shall be required to maintain, at their own expense, adequate property insurance on the mortgaged property. This insurance must provide coverage for fire, earthquake, typhoon, and, where applicable, flood damage. The policy shall insure the property for its full replacement value, and the homeowner must ensure that the coverage remains active and in good standing throughout the entire grant period.

Requests for relief from this insurance requirement due to financial hardship will be reviewed on a case-by-case basis. Homeowners seeking such consideration must submit documentation demonstrating their financial circumstances. Any waiver or modification of the insurance requirement shall be granted solely at the discretion of the NMHC.~~The homeowner must also maintain, at their own expense, property insurance on the property covering fire, earthquake, and typhoon. An insurance waiver may be granted, in whole or in part, to homeowners who show financial hardship.~~

~~(f)~~(i) Principal Residence and Annual Recertification:

(1) CDBG-DR 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 CDBG-DR-funded project, and throughout the NMHC affordability period. In order to maintain compliance with the affordability restrictions, grantee(s) shall be recertified annually for principal residency throughout their grantee affordability period. An annual recertification for principal residency notices and form shall be sent to homeowners/grantees to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the 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) A written agreement between the homeowner and NMHC shall also incorporate this requirement;

(iii) Temporary subleases are not allowed.

(2) Annual recertifications are conducted in order for homeowners to maintain compliance with the affordability restrictions. For individuals who have received assistance through the Reconstruction of their residence, the annual certification process will also include, as part of the annual review, verification of the non-occupancy of any other structure located on the same property.

(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 Grant Specialist shall verify the grantee(s) principal residence and, as necessary, to take photos and document the status of the residential unit.

(4) Affordability periods during which the homeowner must maintain the home as his/her primary residence are as follows:
   a. Rehabilitation 5 years
   b. Reconstruction 10 years

(5) Extended Terms: Should a financial hardship beyond the homeowner's control exists, a request for a waiver of the repayment provisions of the affordability requirement can be considered. The grantee(s) must provide NMHC with documentation justifying their inability to meet the affordability term while at the same time providing an adequate standard of living for his/her/their family. 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 grantee's physician must complete the homebuyer/homeowner program disability eligibility verification to certify the grantee's medical condition;
   (5) Temporary relocation (provided that at least one of the original household members is still residing in the assisted unit); or
   (6) Natural disaster.

§ 100-100.4-235 Use of Grant Funds

(a) (1) The grant funds will be used to assist existing homeowners to repair, rehabilitate, or reconstruct owner-occupied housing units affected by the storms for the primary purpose of correcting dwelling deficiencies ensuring a safe and healthy living condition, and preserving and extending the physical life of the dwelling. All corrections shall conform to the 2018 International Building Code enacted by law and any updates approved by regulation by the

CNMI Department of Public Works Building Safety Office, zoning laws, International Energy Conservation Code as adopted by the CNMI government, and also ensure that it meets the NMHC HOME/CDBG-DR Rehabilitation Standards as adopted by the NMHC Board.
(2) Special purpose homeowner repairs such as weatherization, emergency repairs, and accessibility may only be undertaken within a more comprehensive scope of work that brings the housing unit up to standard.

(b) (1) Rehabilitation - This includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a new foundation. Rehabilitation may include adding rooms outside the existing walls of a structure.
(2) Adding a housing unit is considered new construction and is not eligible.

(c) Reconstruction - In most instances, applicant(s) requesting assistance under this program live in substandard homes which are often unsafe and unsanitary. Many of which are termite infested and dilapidated to the point where a complete tearing down of the unit would be most appropriate. These types of structures would most likely endanger the households during storms and other calamities. Reconstruction refers to rebuilding a structure on the same lot where the housing unit is standing at the time of the storms. CDBG-DR funds may be used to build a new foundation or repair an existing foundation. Reconstruction may take place on the same foundation that the existing structure was on. Reconstruction may take place anywhere on the lot. During reconstruction, the number of rooms per unit may change, but the number of residential units may not.

(d) Luxury items and improvements are not eligible, including but not limited to: barbecue pits, bathhouses, exterior hot tubs, saunas, whirlpool baths, swimming pools, satellite dishes, tennis courts, and granite counter tops. Any additions or alterations to provide for commercial use are not eligible.

§ 100-100.4-240 Eligible Costs

CDBG-DR funds can be used to cover the hard rehabilitation costs necessary to meet required rehabilitation standards and associated "soft costs." CDBG-DR funds may be used to pay for property improvements that are considered standard for the area. However, non-essential luxury or cosmetic improvements to the property are not permitted.

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

(2) Soft costs include the following:
- (i) Financing fees;
- (ii) Preliminary title report (PTR) and lender's title policy, if applicable;
- (iii) Recordation fees, transaction taxes;
- (iv) Legal and accounting fees;
- (v) Appraisals;
- (vi) Architectural/engineering fees, including specifications and job progress inspections;
- ~~(vii)~~ Project costs incurred by the grantee that are directly related to a specific project.
- (vii)

~~(b)~~

~~(1)~~(3) NMHC shall set aside $7,950.00 (more or less, depending on current costs) per project from the program budget to assist each qualified rehab or recon grantee to pay for the following grant closing fees and other related costs. This form of assistance shall not be in any way, a part of the rehab grant amount extended to the client. Grantees 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 grantee should NMHC determine that grantee(s) are not in compliance with NMHC affordability restrictions.

(1)	$5,000.00	Utility connection*;
(2)	$2,000.00	First annual premium for hazard insurance;
(3)	$250.00	Recordation of covenant;
(4)	$100.00	Preliminary title report (PTR);
(5)	$600.00	Appraisal (if applicable)
	$7,950.00	Total

*Grantee must ensure that there are no outstanding issues with the utility company.

~~(2)~~(4) 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).

Part 300 - Grant Application Process

§ 100-100.4-301 Confidentiality

As is NMHC's practice, all applicant information is kept confidential and shall be made available only to the applicant, the applicant's authorized representative; HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the participating jurisdiction, state recipients, and subrecipients, in order to make audits, examinations, excerpts, and transcripts; and authorized NMHC personnel.

§ 100-100.4-305 Discrimination Prohibited

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

§ 100-100.4-310 Pre-Qualification Interview

(a) Before an applicant can be given a formal application, the interviewing program specialist must conduct a pre-qualification interview to initially determine an applicant's eligibility for assistance. A Homeowner Rehabilitation and Reconstruction Program Pre-Qualification Interview Worksheet shall be completed by the interviewing program specialist.

(b) The information collected from the applicant during these processes subject to verification. As a result, applicants whose threshold eligibility elements cannot be verified may later be determined ineligible for the program.

(c) The following documentation is required to determine eligibility (see File Checklist):
- (1) Completed application
- (2) Valid current ID (applicant and co-applicant)
- (3) Proof of citizenship
- (4) Documentation of principal residency – date of storm
- (5) Proof of ownership
- (6) Income documentation
- (7) Tie to disaster documentation
- (8) Documentation for duplication of benefits determination (FEMA, SBA, private insurance, charity)
- (9) Current mortgage statement
- (10) Receipts or other documentation of repairs made by applicant with funds provided
- (11) Power of attorney (if applicable)
- (12) Communication designee (if applicable)
- (13) Homestead permit and/or deed (if applicable)

§ 100-100.4-315 Eligibility Notification

Once the applicant(s) has been pre-qualified and have been later determined eligible for the program, NMHC shall officially notify the applicant(s) in writing of their eligibility. Such notification shall be mailed no later than five (5) working days after the determination and shall contain a listing of additional information to be submitted for completion of the applicant's file. Eligible applicant(s) shall be given thirty (30) calendar days to submit the additional information requested. Applicant(s) who do not submit all pending information before the thirty (30) calendar day deadline, shall have their application(s) file placed in the inactive files.

§ 100-100.4-320 Ineligible Applicants

All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five (5) working days after the determination of ineligibility and shall include a description/reason of such determination. Those found ineligible may appeal such determination to the Corporate Director within ten (10) working days from the date of receipt of the ineligibility notice. The Corporate Director will then review the appeal and render a decision within thirty (30) days from the date of receipt of the appeal letter. Ineligible applicants may further appeal the Corporate Director's decision pursuant to 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

§ 100-100.4-325 Initial Inspection of Residence

Initial inspections shall be conducted by NMHC's A&E firm contractor(s) or project manager and in coordination with the program specialists or an NMHC representative to identify and verify deficiencies noted by eligible homeowners/applicants. NMHC personnel conducting the inspections shall note deficiencies in written form and shall document (i.e., obtain pictures) the condition of the unit. Such inspections shall also verify the eligibility and be the basis in estimating the costs of the rehabilitation activities requested and in developing the scope of work for the rehabilitation project. The applicant and the inspection personnel (A&E firm), as well as the responsible program specialist, shall work cooperatively to develop the scope of work for the project. The rehab scope of work needs to adequately describe the work to be performed so the housing will meet NMHC's written rehabilitation standards at completion. The scope of work must be an eligible activity as described in § 100-100.4-235. The A&E firm providing the scope of work will also provide NMHC with an estimated cost of repairs that will serve as the independent cost estimate against which construction bids will be evaluated. The scope of work shall be provided to three (3) NMHC-approved contractors by the grantee(s) who shall prepare a cost breakdown estimate for the project. The estimates shall then be submitted along with the applicant(s) choice of contractor for the project upon submission of his/her/their grant application. If the applicant(s)'s choice of contractor is not on NMHC's approved contractor listing, the contractor shall be vetted prior to award of the contract. With regard to reconstruction projects, NMHC may provide pre-approved house plans to the applicant that best fit the footprint of the destroyed home. NMHC may, at its own discretion, select the appropriate contractor for the applicant if the rehab project is deeply subsidized using additional CDBG-DR funds. Deeply subsidized means additional funding assistance on top of the underwritten funding assistance.

§ 100-100.4-330 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.

(1) 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.

(b) For those homes deemed to have been completed before January 1, 1978, they must be checked for lead in one of two ways, or both:

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

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

(d) For those homes that were completed before January 1, 1978, the following forms must be completed by the contractor:

(1) Lead Hazard Evaluation Notice;
(2) Notice of Lead Hazard Reduction;
(3) Relocation Screening Sheet for Projects with Lead Hazard Reduction Activities;
(4) Protection of Occupants' Belongings and Worksite Preparation for Projects with Lead Hazard Reduction Activities; and
(5) Property Owner/Rehab Contractor Contract Addendum Reduction of Lead Paint Hazards

(e) The following are required activities to address lead-based paint;

(1) NMHC-issued Notifications
  (i) Lead Hazard Information Pamphlet—Occupants, owners, and purchasers must receive the EPA/HUD/Consumer Product Safety Commission (CPSC) lead hazard information pamphlet, or an EPA-approved equivalent.
  (ii) Notice of Lead Hazard Evaluation or Presumption—Occupants, owners, and purchasers must be notified of the results of any lead hazard evaluation work or the presumption of lead-based paint or lead hazards.
(2) Notice of Lead Hazard Reduction Activity—Occupants, owners, and purchasers must be notified of the results of any lead hazard reduction work.
(3) Lead Hazard Evaluation—Evaluation methods include visual assessments, paint testing, and risk assessments.

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

§ 100-100.4-335 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58)

(a) CDBG-DR rehabilitation activities to be undertaken by NMHC are subject to the environmental review requirements at 24 C.F.R. Part 58. NMHC is the responsible entity and is responsible for ensuring that the environmental review process is satisfied before CDBG-DR funds are committed to specific project site.

(b) Rehabilitation of homeowner housing may be categorically excluded per 24 C.F.R. §58.35(a)(3) when the following conditions are met:
(1) The building is for residential use and has one to four units;
(2) The density will not increase beyond four units; and
(3) The land use will not change.

(c) Reconstruction of a single-family unit in a new location on the same lot is classified as new construction for the purposes of environmental review. Reconstruction of homeowner housing may be categorically excluded per 24 C.F.R. § 58.35(4)(i) when it is an individual action (reconstruction only) on a one to four family dwelling and there are no more than 4 dwelling units on any one site.

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

(1) Complete the Rehab Environmental Review (RER) (which includes the Notice of Intent to Request Release of Funds for Tiered Projects and Programs, submitting a RROF to HUD, and obtaining the ATUGF from HUD), in accordance with 24 CFR 58; and,
(2) Complete the Tier 2 Site Specific Review - RER Appendix A when an individual grant application is received before approving any site-specific grant for each structure, document and implement the mitigation of impacts as necessary, and keep all supporting documents in the Environmental Review Record as evidence of compliance.

§ 100-100.4-340 Rehabilitation or Reconstruction Grant Application

(a) Applicants determined eligible for assistance will be provided a Rehabilitation or Reconstruction Grant Application. A checklist of all required documentation for submission is attached to the grant application. Preliminary requirements include:

(1) Certificate of title/deed/homestead permit/lease agreement;

(2) Property map and sketch of direction to property;
(3) Program eligibility release form
(4) 1040 tax form for the previous tax year;
(5) Latest two (2) months of pay stubs;
(6) Verification of employment;
(7) Current loan statement or loan payment record;
(8) Most recent savings account statement (TCD, bonds, form passbook, money market accounts);
(9) The last six (6) months checking account statement available;
(10) Profit sharing plan (bank or duty-free employees);
(11) Most recent retirement plan statement;
(12) Current certification of child care expenses;
(13) Current Certificate of Compliance from Division of Revenue and Taxation;
(14) Judgments (if any); divorce statement and/or probate decree;
(15) Verification of medical expenses (transportation and medication);
(16) Verification of full-time student status;
(17) Business income tax forms for three (3) previous years, if applicable;
(18) Verification of Social Security or SSDI benefits;
(19) Verification of pension and annuities;
(20) Verification of Veterans Affairs benefits;
(21) Most current financial statements, if applicable.

(b) A duplication of benefits verification will also be performed to determine actual grant assistance.

§ 100-100.4-345 Application Intake and Processing

§ 100-100.4-350 Verification of Income

As part of determining income eligibility (to determine income eligibility, NMHC needs to consider the income of ALL household members), the applicant(s) shall provide NMHC with an executed Program Eligibility Release Form to conduct a third-party verification, if needed.

§ 100-100.4-355 Administration, Approval, Appeals Process

(a) Program Administration

(1) The Housing Administrator is tasked in implementing and managing of related tasks. The Housing Administrator shall supervise program specialists in grant origination, underwriting and closings under the Homeowner Rehabilitation and Reconstruction Program. The Duplication of Benefits (DOB) analysis will also be conducted by the CDBG-DR Housing Administrator to determine net financial assistance to be provided to the Homeowner.

(2) Under the direction of the CDBG-DR Housing Administrator, a CDBG-DR Grant Supervisor and/or a Grant Specialist shall review and verify all applicants' income, assets, liabilities, title reports, and any other requested reports and documentation. Upon completion of the review process, the Grant Specialist shall prepare a grant write-up containing his/her recommendations.

(3) The Grant Supervisor shall review each submitted application, ensure all supportive documentation is in place and complete, and concur or make any necessary recommendations to the Housing Administrator prior to the Housing Administrator making the final decision on the grant application.

(b) Grant Review & Approval

Under the direction of the Housing Administrator, a grant specialist shall review and verify all applicants' income, title reports, and any other requested reports and documentation. Upon completion of the review process, the grant specialist shall prepare the grant document.

(1) The Grant Supervisor shall review the grant application for concurrence before submitting the same to the Housing Administrator for a final decision. Final approval or denial of any grant shall be made by the Housing Administrator except as follows:

(i) If the Housing Administrator is off-island or on extended leave at the time the grant is submitted to him/her for a final decision, then the Acting Housing Administrator may make the final decision to approve or deny the grant; or

(2) For purposes of these policies, off-island or extended leave shall be defined as an absence or leave that extends for more than three (3) working days after the grant is submitted to the Housing Administrator for his or her final decision.

(3) A written notice of the final decision shall be provided to the applicant and a copy/report of the decision shall be provided to the NMHC Corporate Director for informational purposes.

(c) Grant Denial Appeals Process

(1) Applicants denied assistance under this program may appeal the final decision to the NMHC Corporate Director by submitting their appeal in writing to the Housing Administrator within ten (10) calendar days of the written notice of the final decision.

(2) Any appeal submitted must indicate the basis for the appeal and include any supporting documents. Upon receipt of an appeal, the Housing Administrator shall submit the same to the Corporate Director for review and action.

(3) Possible Outcomes:

a Upheld Denial: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.

b Reversal of Denial: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.

c Further Action: If the appeal is complex, a hearing or meeting may be scheduled.

(4) Hearing (if requested/applicable)

a Scheduling: If the applicant requests a hearing, the agency should schedule it within 30 days or as soon as possible.

b Location: The hearing can be held in person or virtually, depending on the circumstances.

c Representation: The applicant may be allowed to bring a representative, such as a lawyer, advocate, or family member, to assist with the hearing.

d Presentation of Evidence: Both the applicant and the agency can present evidence or make arguments related to the denial.

e Neutral Hearing Officer: The Corporate Director or a neutral party should preside over the hearing to ensure fairness.

(5) Decision on Appeal

a Issuance of Decision: After the hearing or review, the Corporate Director should issue a written decision, which should include:

i A summary of the hearing or review process.

ii The findings of fact.

iii The rationale for the decision.

iv Information on next steps, if applicable (such as the right for judicial review).

b If a Hearing Officer presides over the appeal, the Hearing Officer will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties the ability to submit exceptions to the Hearing Officer's recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).

c Timeframe: The decision should be made within a reasonable time after the hearing or review was conducted.

d Under 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

§ 100-100.4-360 Homeowner Counseling Session

All applicants for grant assistance must attend a Homeownership/Homebuyer Education and Counseling Session that will be provided by NMHC. On or before August 1, 2021, NMHC employees providing housing counseling will be HUD certified housing counselors, and NMHC will have applied directly to HUD and received approval, or NMHC will have applied to a HUD-approved intermediary and received approval by the entity to be its affiliate. NMHC shall notify the applicant(s) of the date, time, and location of the session. The education and counseling session shall be scheduled after the grant has been preliminarily approved and may be conducted before or on the day that NMHC issues the commitment letter to the applicant(s). The counseling session

shall include a discussion of the terms and conditions of the grant, educate the homeowner(s) of their financial responsibilities, the importance of budgeting, making timely payments, foreclosure prevention, as well as home maintenance and repair measures. Acceptable delivery method for housing counseling may be in-person, phone, or internet. Duration of the housing counseling is four (4) hours. Upon completion of the housing counseling, the grant recipients will receive a counseling certificate and this counseling certificate is valid for 2 years. Funding for housing counseling will come from project-related soft costs.

NMHC shall inform applicant(s) at the time of their submission of their application of the required homeowner counseling session and again in written form when NMHC notifies the applicant(s) of NMHC's preliminary approval of their grant request. Failure to attend the required Homeownership/Homebuyer Education and Counseling Session may be grounds for denial or cancellation of assistance.

§ 100-100.4-365 Commitment Letter

Once the grant application has been approved by the Housing Administrator, the responsible grant specialist shall prepare the Commitment Letter for the Housing Administrator's signature. The Commitment Letter is a binding agreement between NMHC and the grantee(s) wherein it discloses the terms and conditions of the grant including that the housing is the principal residence of an income qualified homeowner; the amount of the grant, the rehabilitation work to be performed; the completion date; and the property standards that must be met.

(a) After the Commitment Letter has been signed and dated by the Housing Administrator, the responsible program specialist shall schedule the applicant(s) to come in and also sign and date the document should they agree with the terms and conditions.

(b) NMHC must reexamine the household's income eligibility if the determination was made more than six (6) months before signing the Commitment Letter.

(c) NMHC must set up the activity in DRGR following execution of the grant agreement and commitment of CDBG-DR funds.

§ 100-100.4-370 Preliminary Title Report (PTR)

(a) The responsible program specialist shall order a preliminary title report (PTR) on behalf of the applicant(s). The purpose in obtaining a title report is to ascertain ownership of the proposed property is verified and there are no liens that will cloud the title.

(b) A title search and review of recorded ownership information is conducted to verify that the property to be assisted with CDBG-DR funds is held in one of the eligible forms of ownership.

(c) The responsible program specialist shall obtain the preliminary title report (PTR) by submitting an email request to the local title companies. The project will be granted on a first come, first served basis to the company agreeing to the rate set by NMHC.

(a)

Part 400 - Rehabilitation

§ 100-100.4-401 Performing Rehabilitation Work

(a) NMHC's Architecture and Engineering firm will be responsible for the development of the scope of work and determination of an estimated cost of repairs in advance of procuring bids for construction.

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

(c) Selection of Contractor. The homeowner(s) shall have the right to select a contractor to perform the rehabilitation work, provided that the contractor's quotation and after rehab value does not exceed the independent cost estimate provided by the A/E firm plus or minus 10%. The contractor must be an NMHC-approved contractor or if not an approved contractor, then NMHC must vet the contractor prior to award of the project. Should it exceed the grant amount, the homeowner shall negotiate with the contractor in reducing the contract amount. If the contractor is not willing to lower the contract amount, then the grantee shall select his/her/their next choice. Once the homeowner and contractor agree to the project and cost, the homeowner shall submit a contractor selection notice notifying NMHC of his/her/their selection.

(d) 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 or reconstruction 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, NMHC will monitor the construction process and, at any time the contractual provisions are not followed, NMHC shall meet with the homeowner and contractor to discuss the dispute and come to a mutual agreement. 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, and holidays);
(5) Contractor will provide the performance bond, 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 and that the rehab must start within 12 months of NMHC executing the commitment letter with the grantee;
(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; and
(12) Description of the work to be performed so that inspections can be conducted and, for rehabilitation, so that housing will meet NMHC's rehabilitation standards.

(e) Contractor Notification and Pre-Construction Requirements. Once NMHC is in receipt of the homeowner's contractor selection notice, NMHC shall notify the contractor of the homeowner's selection of their company. NMHC shall inform the contractor of the scheduled pre-construction conference and shall likewise inform the contractor of the required construction documents for submission as listed below.

(1) Building permit (if applicable);
(2) Zoning permit (if applicable);
(3) Earthmoving and erosion control permit (if applicable);
(4) Construction contract;
(5) Performance and payment bonds;
(6) Plans and specification approved by DPW;
(7) Private inspector's contract (if applicable).

(f) Project Duration –Rehabilitation projects should be completed within twelve (12) months following execution of the CDBG-DR Written Agreement. Reconstruction projects should be completed within twelve (12) months following execution of the CDBG-DR Written Agreement. Contract extensions may be granted in extenuating circumstances upon approval of NMHC.

(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 the contractor's payment. An original and a copy of the request 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, and/or homeowner's acceptance of the project. In addition, each billing submitted must include pictures of the progress of the project and a copy of the payment schedule.

(2) Payment schedule shall be as follows:
- (i) 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;
- (ii) Payment request number 2 shall not be more than 25% of the contract amount;
- (iii) Payment request number 3 shall not be more than 25% of the contract amount;
- (iv) Payment request number 4 shall not be more than 25% of the contract amount;
- (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 DPW's 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 inspection report, certificate of acceptance from the homeowners, geotesting results if applicable, proof of Green Standards implementation, pictures of the project's interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable and house keys with duplicates.

(3) Change Order Procedures. From time to time, homeowners 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.
- (ii) Upon receipt of the notification, the contractor must cease work at the project site and obtain NMHC's approval of the change order request. A/E firm or NMHC staff will review change order for cost reasonableness. Upon approval the contractor shall then provide NMHC with the 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 grant agreement will be revised to reflect the new amount. 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 homeowners 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 with justification, 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 at the homeowner's costs with such inspection to be handled in accordance with § 100-100.4-240.

(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 accessibility requirements (where applicable) must be adhered to. Homeowners, through their contractors, must ensure that they are familiar with these requirements. NMHC may rely on inspections performed by a qualified person.

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

Part 500 - Fraud, Waste and Abuse

§ 100-100.4-501 Eligibility Certification

Homeowner certifies that he/she has provided complete, accurate, and current information regarding household income, residency, occupancy, and any other documentation required to demonstrate Homeowner's eligibility to receive CDBG Disaster Recovery funds.

Any activity carried out with CDBG-DR funds involving residential rehabilitation is considered to benefit LMI persons only to the extent such housing will, upon completion, be occupied by such persons.

The Homeowner hereby affirmatively certifies that their material representations which have been relied upon by NMHC as essential to its determination of the eligibility of the Homeowners to receive the grant funds have been truthfully, satisfactorily and adequately provided to NMHC.

The Homeowner agrees and attests to the fact that if any of the representations made are intentionally or willfully false or fraudulent, NMHC may immediately declare the Homeowner in default of ~~this~~ his/her Grant Agreement, allowing for remedies as provided for under ~~this~~ that grant agreement and the law.

§ 100-100.4-505 Default

Any one or more of the following events shall constitute an event of default under ~~this~~ the grant agreement:

a. Failure to perform any covenant or promise under ~~this~~ the Grant Agreement, or making any representation or warranty in ~~this~~ the Grant Agreement, or in the application for the grant, or in any report, certificate, financial statement or other instrument furnished in connection with the property, which is false or misleading in any material respect.
b. Seizure or foreclosure of the property or assets of the Homeowner pursuant to process of law or be respect of legal self-help, unless said seizure or foreclosure is stayed or bonded within thirty (30) days after the occurrence of same; or
c. If any other event of default has occurred and remains uncured under any other agreement entered into between NMHC and the Homeowner.

§ 100-100.4-510 Remedies Upon Default

Upon the existence of any event of default, NMHC, after giving notice and reasonable opportunity to cure the default may, in its sole discretion, do any of the following, alone or in combination:

a. Terminate ~~this~~ the Grant Agreement;
b. Withhold grant funds not yet paid at the time of default during such time as an event or events of default remain uncured;
c. File an action at law against the Homeowner to obtain a judgment against the Homeowner to recover the full amount of all grant funds paid; or
d. Pursue any other remedies against the Homeowner including any civil and criminal remedies allowed by law.

NMHC's rights under Default shall survive termination of the Grant Agreement. Failure to insist on the prompt performance by Homeowner of Homeowner obligations pursuant to ~~this~~ the Grant Agreement is not a waiver by the NMHC of any of its rights hereunder.

Suspected Fraud, Waste and Abuse cases shall be handled in accordance with the Northern Marianas Housing Corporation's Fraud, Waste and Abuse Policy, as amended.

§ 100-100.4-515 Disposition of Fraud Cases

Upon completion of the review and investigation process, NMHC shall determine the appropriate administrative action based on the facts, evidence obtained, and the stage of assistance provided under the applicable housing program. Administrative remedies may include repayment

obligations, conversion of assistance, termination of participation, recapture of funds, referral to law enforcement, and any other action permitted under federal regulations, program requirements, and applicable laws.

The following case scenarios may apply:

A. No Confirmation of Fraud

If the investigation determines that there is insufficient evidence to substantiate fraud, waste, or abuse, the case shall be closed with no adverse administrative action taken against the applicant or participant. NMHC may retain documentation of the investigation and findings for monitoring and compliance purposes.

B. Confirmation of Fraud – Closed Loan – No Housing Unit Constructed – Property Purchased

If fraud is confirmed after loan closing and no housing unit has been constructed, but program funds were used to acquire real property, NMHC may require the applicant or participant to reimburse the Corporation for:

- The cost of the property acquisition;
- All closing costs and related transaction expenses;
- Any administrative or program-related costs incurred by NMHC; and
- Any additional costs allowable under applicable program regulations and agreements.

NMHC may also pursue recapture, collection efforts, legal remedies, or referral to appropriate authorities.

C. Confirmation of Fraud – Closed Loan – No Property Purchased

If fraud is confirmed after loan closing and no property was acquired or housing unit constructed, NMHC may require repayment of:

- Closing costs;
- Administrative expenses;
- Fees paid on behalf of the applicant or participant; and
- Any disbursed program funds associated with the transaction.

Additional administrative or legal actions may also be taken, as appropriate.

D. Confirmation of Fraud – Closed Loan – Housing Unit Constructed – Loan Conversion

If fraud is confirmed after construction or rehabilitation of a housing unit has been completed, and the assistance was originally provided in the form of a grant or grant-convertible loan, NMHC may:

- Convert the assistance to a repayment loan;
- Require full or partial repayment of funds provided;

- Record or enforce liens or other security instruments against the property;
- Terminate continued participation in the program; and/or
- Pursue any additional remedies available under federal regulations, written agreements, or applicable law.

Repayment terms, interest, affordability requirements, and enforcement actions shall be determined by NMHC in accordance with program policies, HUD requirements, and applicable funding regulations.

In all cases involving confirmed fraud, NMHC reserves the right to refer the matter to the appropriate federal, Commonwealth, or local authorities for civil, administrative, or criminal enforcement actions.

§ 100-100.4-520 Grant to Loan Conversion

When instances of fraud, waste, or abuse are identified and substantiated in accordance with established review and compliance procedures, the Agency is required to recapture all improperly expended grant funds and remit those amounts to the U.S. Department of Housing and Urban Development (HUD). In such cases, a grant-to-loan conversion is implemented as a mechanism to facilitate repayment.

Through this process, the original grant agreement—along with all other associated terms and conditions—are terminated and replaced with new loan agreements. The converted loan establishes defined repayment terms, including the total amount owed and a fixed repayment period, thereby ensuring the Agency's compliance with federal requirements while providing a structured path for the applicant to satisfy the debt.

§ 100-100.4-525 Eligible Repayment Costs

The Agency determines the "Eligible Repayment Costs" that are converted from grant to loan terms based on the types of expenses originally covered by the grant agreement.

These costs are categorized as Hard Costs, Soft Costs and Grant Closing Fees and related costs outlined in § 100-100.4-240(1)(2)(3) and Optional Relocation Costs such as temporary rental assistance, utilities (power, water, sewer), trash disposal fees, storage, moving in/out fees.

§ 100-100.4-530 Repayment Terms

Repayment Period

The maximum repayment term shall not exceed 360 months, unless the repayment term is amended or revised and approved by the Corporate Director to accommodate requests for relief from borrowers who have been determined not able to repay their obligations, with the amended or revised repayment terms not to exceed an additional 60 months. A balloon payment is required for any unpaid principal, interest, fees, etc. remaining at the end of the repayment term.

Interest Rate Chart

Household Income Categories	Interest Rate
Extremely Low-Income (30%)	1%
Very Low-Income (50%)	2%
Low-Income (80%)	3%
120% of Median Income	4%

Interest Rate Determination

The interest rate applied to each grant-to-loan conversion may vary based on the applicant's annual gross household income.

NMHC shall use HUD's Section 8 of Part 5 Technical Guidelines as the basis in calculating annual gross household income.

NMHC will verify income of all household members using at least 3 months of source documentation such as wage statements, interest statements, and SSI documents.

The area median income for the CNMI was established by HUD for the CDBG-DR program and is revised on an annual basis. NMHC shall comply with any revisions that the U.S. Congress enacts. The most current income limits can be found at:
https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn.

Late Charges

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

Prepayment of Loan

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

Security

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

- NMHC will execute a written agreement with the applicant that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, the purchase price, date by which housing must be acquired, address or legal description of the property, and duration of the agreement. Additionally, the purchase price,

date by which housing must be acquired, address or legal description of the property must be indicated in the applicable written agreement.

- During the term of the loan, the applicant shall also be required to maintain, at their expense, property insurance on the mortgaged property for fire, earthquake, typhoon, and flood damage (if applicable) covering the replacement value of all properties at a minimum equal to the loan amount. Financial hardships will be reviewed on a case-by-case basis.

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

Principle Residence and Annual Recertification

Shall apply in accordance to §100-100.4-215(g)(1)(2)(3).

§ 100-100.4-535 Affordability Restrictions

Long Term Affordability

Shall apply in accordance to §100-100.4-601.

§ 100-100.4-540 Right of First Refusal

Shall apply in accordance with §100-100.4-601(b).

§ 100-100.4-545 Recapture

Shall apply in accordance with §100-100.4-601(c).

§ 100-100.4-550 Distressed Applicants

Distressed applicants are those who are having a difficult time meeting their monthly loan payments due to external circumstances beyond their control.

These circumstances include:

- Reduction-in-force;
- Reduction in pay;
- Family medical emergency (including death of an immediate family member: siblings, child(ren), spouse, and in-laws); parents;
- Medical condition (including career-ending injury) that causes the applicant to discontinue employment. The borrower's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification to certify the borrower's medical condition; or
- Natural disaster.

§ 100-100.4-555 Types of Assistance

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

- Reduction-in-force. Monthly loan payments may be deferred for a period of up to twelve months. Late charges would not accrue. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Reduction in pay. Monthly loan payments may be deferred for a period of up to twelve months. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Family medical emergency. Monthly loan payments may be deferred for a period of up to twenty-four (24) months. Late charges would not accrue. The current term may be extended and reamortized with an additional sixty (60) months.

- Medical condition that causes borrower to discontinue employment - Principal amount may be forgiven incrementally (based on term).

- Natural Disaster. Monthly loan payments may be deferred for a period of up to six (6) months in the event of a natural disaster, such as fire, typhoon, earthquake, flood, and local or pandemic spread of disease. Final decisions regarding requested deferments shall be made by the Corporate Director. Late charges shall not accrue during deferment. Borrowers may be eligible for a deferment upon written request accompanied by acceptable evidence of negative impact caused by the natural disaster. Further, in order to qualify for a deferment, the Borrower's loan and hazard insurance must be up to date.

- Other Hardships. Any other claimed financial hardship outside of the aforementioned five listed hardships shall be brought to the Corporate Director for review and decision.

- Denial of assistance may be appealed to the NMHC Board.

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

- Penalty Waiver. Accrued penalty fees for delinquent borrowers may be waived to assist them in making their accounts current.

- Loan Assumption
  i. Death of a homeowner/borrower: Upon the death of the borrower which occurs within the affordability period, the entire unpaid balance of the loan shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the loan by the heirs of the borrower if a final decree in the probate of the borrower identifies the heirs and approves distribution to them of the improved

property and the loan, and if the heirs themselves would qualify as a new applicant for the loan.

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

§ 100-100.4-560 Foreclosure

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

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

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

  i. Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

If NMHC forecloses on its own loan, NMHC cannot spend any additional CDBG-DR funds to acquire the property.

§ 100-100.4-565 Mitigation to Foreclosure

Items Needed to Cancel Foreclosure and Reinstate Account To cancel foreclosure and reinstate account, the Borrower shall:

(a) In accordance with 2 CMC § 4536(a), pay the entire amount then due under the terms of the mortgage other than such portion of principal as would not then be due had no default occurred, and reasonable attorney's fees actually incurred.

(b) Pay delinquent account current inclusive of one month advance payment.

(c) Have the homeowner(s) submit a written proposal on how he/she will maintain the account in good standing.

(d) Submit paid in full receipt of homeowner(s)' insurance coverage for fire and earthquake.

(e) Submit 2-3 recent check stubs and/or verification of benefits

§ 100-100.4-570 Loan Satisfaction and Lien Release

Upon full repayment of a loan established through grant-to-loan conversion, the Agency shall take all necessary steps to formally acknowledge satisfaction of the debt, release any secured interest in the property, and ensure compliance with all applicable federal requirements, including those of the U.S. Department of Housing and Urban Development.

The Agency shall ensure that all actions related to loan payoff and lien release are completed in a timely, accurate, and documented manner to protect both the applicant and the Agency's legal and financial interests.

Part 600 - Affordability

§ 100-100.4-601 NMHC Affordability Restrictions

(a) Long Term Affordability: NMHC has elected to impose NMHC affordability requirements that require that assisted properties remain affordable for a specific period of time, depending on the nature of the activity funded:

Program	Minimum Length of the Affordability Period
Rehabilitation	5 years
Reconstruction	10 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 grant repayment

(2) Affordability and Special Exceptions

(i) 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 CDBG-DR assistance is sold during the NMHC affordability period, NMHC recapture provisions apply to ensure the continued provision of affordable homeownership.

(ii) Grantees may submit a written request to temporarily defer the affordability period for up to sixty (60) months. Requests may be considered for the following reasons:

- Military-related leave;
- Medical leave requiring extended off-island medical treatment and care; and/or
- Higher education when an accredited institution requires relocation.

In cases where extended leave is necessary and another family member continues to occupy the assisted property, the deferral may still be granted, provided that occupancy requirements are met and supporting documentation is submitted for review.

All requests must be documented and submitted in writing for evaluation and approval by the Corporate Director.

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

(c) Recapture. NMHC will ensure that it recoups all or a portion of the assistance provided to the homeowner(s) if the housing unit ceases to be the principal residence of the homeowner(s) for the duration of the period of affordability. Subsidy amounts (in the form of grants) that directly benefited the property owner are subject to recapture. Recapture is capped at what is available out of net proceeds for agreements. Net proceeds are defined as the sales price less superior non CDBG-DR debt (if any) less closing costs. NMHC shall utilize the following recapture options:

Reduction during NMHC Affordability Period. NMHC may reduce the grant amount to be recaptured on a pro rata basis for the period the homeowner(s) has/have owned and occupied the housing unit measured against the required NMHC affordability period; however, homeowner~~buyer~~(s) must occupy the housing unit at at least halfway into the affordability period, whichever is greater, in order to qualify for this recapture option. For example, if the CDBG-DR subsidy is $60,000 with 10-year affordability and the owner sells the property in the 8th year of ownership the recapture amount will equal $12,000. ($60,000/10 years affordability period x 2 years remaining = $12,000 recapture.)

(d) When the recapture requirement is triggered due to a voluntary or involuntary sale during the period of affordability and there are no net proceeds or the net proceeds are insufficient to repay

the CDBG-DR investment due, NMHC may recapture an amount less than or equal to the net proceeds available.

(e) Legal Instruments to Enforce Recapture. NMHC must use deed restrictions, land covenants, or other similar legal documents approved by HUD to enforce these recapture restrictions as approved by HUD. These requirements will also be included in grant agreements.

Part 700 - Conveyance

§ 100-100.4-701 Sale, Conveyance, or Transfer of Property

(a) Enforcement of the terms of the recapture provisions as set forth in the written agreements/commitment letters is triggered upon the sale, conveyance, or transfer of title of the rehabilitated real property under this program during the NMHC affordability period which may not necessarily result in the repayment of all CDBG-DR assistance. Upon sale of the home and enforcement of the recapture provisions, the affordability period will terminate.

(b) At the sole discretion of NMHC, a title transfer will only be permitted through the laws of descent or upon selling the property, provided that NMHC has been properly informed and the same has consented to such sale. If should any of these occur, one must submit his/her intention to sell the property and request for the NMHC Corporate Director's approval for the transfer of title. If the title changes hand through the laws of descent during the affordability period, the affordability period may not terminate and continue with the new homeowner if the new homeowner satisfies the eligibility requirements. The new homeowner may assume the affordability period if the new homeowner meets the eligibility requirements. If the title changes hand through the laws of decent during the NMHC affordability period and the new homeowner does not meet the eligibility requirements, NMHC will enforce the terms of recapture set forth in the commitment letter and enforced with recorded deed restrictions or land covenants. Upon enforcement of the recapture provisions, the NMHC affordability period will terminate.

Part 800 - ~~Assumption~~ Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.4-801 ~~Grant~~ Assumption of a Grant

(1) Death of a grantee: Upon the death of the grantee which occurs within the affordability period, the entire unpaid balance of the grant shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the grant by the heirs of the grantee if a final decree in the probate of the grantee identifies the heirs and approves distribution to them of the improved property and the grant, and if the heirs themselves would qualify as a new applicant for the grant.

(2) At the sole discretion of the NMHC, the grant may be assumed by a legal heir of a deceased grantee(s) of the CDBG-DR-assisted unit. This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all CDBG-DR Program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and will be subject to income and asset verification.

(3) Default for Violation of Grant Agreement and/or Restrictive Covenant. In situations where a default is imminent, the Corporate Director may allow a grantee to have a CDBG-DR eligible immediate relative (i.e., mother, father, brother, sister, son, daughter) assume the grant, all for the purpose of preserving the affordability period.

(a) Default. NMHC may use its right of first refusal, as set forth in the grant documents, written agreement with homeowner, and restrictive deed or land covenant, to reclaim the housing to preserve affordability. Default triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant.

(b) Recapture in the Event of Default. If the CDBG-DR assisted property is subject to recapture terms, NMHC has three options:

(i) Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

~~(a)~~ Recapture Option 3: NMHC will allow the homeowner in default to repay the entire amount of the CDBG-DR investment and own the property free and clear. In this event, the affordability period will be terminated. ~~Death of a Grantee—Immediately upon notification to NMHC of a grantee's death, the surviving grantee or a family member or representative shall submit a copy of the death certificate.~~

~~(1) In situations where there exists a surviving co-applicant, that applicant may stay in the home for the duration of the grant affordability period.~~

~~(2) If both grantees are deceased, NMHC may allow for a qualified heir to occupy the home upon probate court decree which shall be provided to NMHC.~~

~~(i) This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and execute a grant agreement update and will be subject to a can income verification.~~

~~(ii)~~ (iii) ~~The heir or heirs of the deceased will be responsible in maintaining the property as they await the probate decree. Once they are in receipt of the decree, they must submit it to NMHC so that NMHC will prepare an amendment to the grant agreement.~~

Part 1000 Ethics

§ 100-100.4-1001 Conflict of Interest

(a) Under no circumstances shall any immediate family members (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild); brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person, elected or appointed officials of the CNMI government, NMHC's Board of Directors, its officers, agents, and employees may participate in any CDBG-DR assisted projects or units including the procurement of materials, or have an interest in any contracted services, or be a beneficiary in any proceeds. Other provisions in 24 C.F.R. § 92.356 shall apply. Conflict of interest applies to covered persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with CDBG-DR funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities. Covered persons may not obtain a financial interest or financial benefit from a CDBG-DR activity, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-DR assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(b) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions above on a case-by-case basis when it determines that the exception will serve to further the purposes of the CDBG-DR Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:
   (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
   (2) An opinion of the participating jurisdiction's or state recipient's attorney that the interest for which the exception is sought would not violate state or local law.

(c) Factors to be considered for exceptions. In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements mentioned above, HUD will consider the cumulative effects of the following factors, where applicable:
   (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

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

Part 1100 - Miscellaneous

§ 100-100.4-1101 Acronyms Reference Section

[For Rehab and Reconstruction Program Policies and Procedures]

(a) AIA—American Institute of Architects

(b) AMI—Area Median Income

(c) CD—Corporate Director

(d) CDBG-DR – Community Development Block Grant Disaster Recovery

(e) CFR—Code of Federal Regulations

(f) CNMI—Commonwealth of the Northern Mariana Islands

(g) CPSC—Consumer Product Safety Commission

(h) DCD—Deputy Corporate Director

(i) DEQ—Department of Environmental Quality

(j) DPW—Department of Public Works

(k) EA—Environmental Assessment

(l) GFE—Good Faith Estimate

(m) HOME Program—U.S. HUD Homeownership Investment Partnerships Program

(n) LEP—Limited English Proficiency

(o) LMI—Low Moderate Income

(p) MBE—Minority-Owned Business Enterprise

(q) NAHA—National Affordable Housing Act

(r) NEPA—National Environmental Policy Act

(s) NMHC—Northern Marianas Housing Corporation

(t) NTP—Notice to Proceed

(u) PII—Personally Identifiable Information

(v) PITI—Principal, Interest, Taxes, and Insurance

(w) PJ—Participating Jurisdiction

(x) PTI—Payment-to-Income Ratio

(y) PTR—Preliminary Title Report

(z) RER—Rehab Environmental Review

(aa) RESPA—Real Estate Settlement Procedures Act

(bb) SCRA—Service Members Civil Relief Act

(cc) SSI—Supplemental Security Income [Social Security]

(dd) TCD—Time Certificates of Deposits

(ee) TILA—Truth in Lending Act

(ff) U.S. HUD—United States Department of Housing and Urban Development

(gg) USDA RD—United States Department of Agriculture Rural Development

(hh) USPAP—Uniform Standard of Professional Appraisal Practice

(ii) VOE—Verification of Employment

(jj) WMBE—Women-owned or minority-owned business enterprise

Definitions:

Adjusted Gross Income (AGI): AGI is an individual's total gross income minus specific deductions. Adjusted income is derived by subtracting any of the five allowed deductions that apply to household from the household's annual (gross) income. For elderly or disabled households, deductions for the type of household, dependent childcare, medical and disability assistance expenses are allowed; family households may deduct dependent, childcare and disability assistance expenses.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the program. May also be referred to as Area Median Family Income (AMFI) in other program documents.

Beneficiary: An individual, person, family or household receiving advantage or assistance from the CDBG-DR funding.

Builder/Contractor: (Used interchangeably) A person who contracts to reconstruct or repair houses and or supervise building operations.

Case Management: The collaborative process of providing services that include assessment, planning, facilitation, coordination and advocacy for reconstruction or rehabilitation to individual homeowner applicants to ensure they fully understand the Program's housing solutions, resulting in clear and transparent determination of eligibility, reconstruction or rehabilitation options, assistance award amounts, the construction management process, documentation and ongoing compliance requirements. Case Managers will work to decrease barriers for homeowners to participate in the program wherever possible. Case Workers will explain the Program's solutions and provide information on the Reconstruction/Rehabilitation process in standardize formats.

Common Area Under Roof: The total area under the common roof is primarily interior, conditioned spaces and, for single-story homes is equal to the footprint of the house. The term is also synonymous with the eligible area. Exterior spaces such as detached porches and garages are considered *ineligible* areas.

Damage Assessment: A report resulting in a physical inspection of the housing unit to document damage from the event. The assessment must be conducted by a certified or licensed inspector and is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives. Damage assessments must include a final estimated cost of repairs according to local code, an assessment of cost-effectiveness of each

recommended activity (reconstruction or rehabilitation), mold remediation and the total amount of assistance needed to bring the home up to code at completion.

Demolition: The clearance and proper disposal of dilapidated building and improvement materials.

Duplication of Benefits: The amount determined by the Program that would represent financial assistance covering costs that have been received from another source for the same need. The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source for the same need. A Duplication of Benefit amount determined by the Program would result in the reduction of an award amount.

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable federal and territorial laws. 24 CFR Part 58 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities as well as Related Federal Laws and Authorities Listings under 24 CFR 50.4 and 58.6 will be followed.

Estimated Cost of Repair (ECR): The report resulting from a damage assessment detailing the estimated project costs necessary to repair /or reconstruct the home to the minimum housing rehabilitation for mitigation and elevation efforts to reduce the impact of future storms.

Federal Emergency Management Agency (FEMA): The agency of the United States Department of Homeland Security standards, and costs with the primary purpose of coordinating the response to a disaster that has occurred within the United States and that overwhelms the resources of local authorities.

FEMA-Designated High-Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in the 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Flood Hazard Area: The land area covered by the floodwaters of the base flood is the Special Flood Hazard Area (SFHA) on NFIP maps. The SFHA is the area where the National Flood Insurance Program's (NFIP's) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies. The SFHA includes Zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V.

Flood Insurance: The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood

Insurance Program (NFIP). For property owners to be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

'"100-year floodplain" - the geographical area defined by FEMA as having one percent chance of being inundated by a flooding event in any given year.

"500-year floodplain" - the geographical area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family (including a family that consists of a single individual), two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the combined income of the household.

Individual Mitigation Measures (IMM): Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state, or local units, and the payment of flood insurance are not IMM activities. Examples of IMM activities include elevation above the base flood elevation level, or the addition of storm shutters, disaster proof windows, roof straps, etc. as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the disaster damage.

Low- to Moderate-Income (LMI) National Objective: Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Major or Severe Damages: $8,000 or more of FEMA inspected real property damage or 1 foot or more of flood water on the first floor. Inspection documentation must be maintained in the project file (a copy of the FEMA inspection, or photographic evidence of the flood water damage).

Manufactured Housing Unit (MHU): A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, and 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Minimum Housing Standards: Assisted properties will meet the following standards upon project completion: each living unit will be used and maintained individually, having access such that it is unnecessary to pass through any other living unit, will include utilities and a water supply and will meet the CNMI building codes in place at the time of assistance. Fixtures and finishes will be of "standard" and not "luxury" quality.

Mitigation: Improvements made to a property specifically to reduce the possibility of future property damage, personal and commercial hardship, as well as long lasting monetary burden. For example, creating a flood mitigation program such as an acquisition of at-risk flood-prone property/housing, and elevation of housing in high-risk floodplains are too visible and effective mitigation projects that can be taken to make residents and communities safe in the face of natural disasters.

Modular Home: A home built-in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

National Flood Insurance Program (NFIP): The National Flood Insurance Program aims to reduce the impact of flooding on private and public structures by providing affordable insurance to property owners, renters and businesses and by encouraging communities to adopt and enforce floodplain management regulations.

New Construction: The site preparation for, and the construction of, an entirely new residential structure in a location that did not previously contain a residential structure.

Reconstruction: Demolition and rebuilding of a residential structure, including a modular housing unit, on the same lot and in substantially the same footprint and manner as the previous housing unit (whether demolished with CDBG-DR assistance, or demolished prior to Program application). This activity also includes replacing an existing substandard site-built, modular housing, or manufactured housing unit (MHU). The number of units may not be increased, and the total square footage of the reconstructed structure may not be substantially increased beyond the original principal residence square footage. However, the number of rooms within a unit may be increased or decreased based on the applicant's current household size.

Rehabilitation: Repair or restoration of a storm-damaged housing unit to applicable CNMI building and construction codes, and minimum property standards for a residential dwelling.

Single Family Home: A single unit containing any group of rooms located within a dwelling and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping and cooking. A single-family home may be detached or attached to another single unit.

Subrogation Agreement: An agreement executed by the homeowner beneficiary agreeing to repay any duplicative assistance if the homeowner beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Substantial Damage: Storm damage sustained by a structure whereby the cost of restoring the structure to its pre-storm damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred (44 CFR 59.1). Substantial damage includes properties that were fully destroyed by the storm events. A substantially damaged determination may be made by a Commonwealth government official or floodplain manager, or the determination may be made by the CDBG-DR Program based on the Estimated Cost to Repair.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): URA applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program projects. The objective of the URA is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to involuntary displacements from residential units (49 CFR Subpart B) and acquisition or multifamily damaged/occupied activities that require the relocation of tenants.

Since participation in the Homeowner Reconstruction and Rehabilitation Program is voluntary, permanent relocation compensation is not available to the property owners.

However, NMHC must assure that the Uniform Relocation Act requirements will be followed and that both displaced occupants and any current occupants if any of the project are identified. These occupants are entitled to advisory services, in the form of notices and counseling, moving and/or storage expenses, and coverage of all displacement costs for temporary or permanent relocation pursuant to formula and applicable Federal Register notices. The program will monitor displaced and current tenants and maintain records from the inception of the project. Failure to do so can lead to unexpected and substantial costs and work delay.

Demonstrable Hardship - A demonstrable hardship is a substantial change in an applicant's financial situation that will prohibit or severely affect their ability to provide a minimal standard of living or the basic necessities of life including food, housing, clothing and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. A demonstrable hardship must be occurring after the named storms. The demonstrable hardship must be of a severe, involuntary and unexpected nature. It must not be one that is generally shared by other applicants affected by the named storms. Examples of demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case. If an applicant believes that they are in the state of demonstrable hardship and that the demonstrable hardship causes them to not comply with any of the program policies, they may present their existence of a demonstrable hardship to their case worker (housing or grant specialist) and the Program will evaluate on a case-by-case basis after review of all of the

circumstances. Applicants claiming a Demonstrable Hardship shall be required to provide evidence of such claimed Demonstrable Hardship to the case worker.

Not Suitable for Rehabilitation – properties where the cost of rehabilitation exceeds the after-rehab appraisal and there is not a compelling historical or community justification to save the property.

Urgent Need National Objective: An activity that addresses an urgent need, defined as a situation where existing conditions pose serious and immediate threat to the health or welfare of the community and are recent or recently became urgent. The Territory, along with any and all subrecipient (s), must document no funds are available and costs cannot be financed for the activities. The CDBG certification requirements set forth in 24 CFR 570.208(c) and 570.489(d) have been waived per 83 FR 5844. The Territory and the subrecipients must document how each activity, program. and/or project funded under this National Objective category responds to a disaster-related impact. (See 24 CFR 570.208(c) and applicable Federal Register Notices which are 83 FR 5844 and 83 FR 40314.)

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Records Management

NMHC will comply with 24 CFR Part 5.2, Compliance with the Privacy Act, which requires the safeguarding of personally identifiable information (PII) by:

- Minimizing the use of PII on program documents and records.
- Providing access to PII only to those who require it for official business.
- Securing PII appropriately for paper or electronic forms.
- Training for data security and compliance with the Privacy Act will be provided to all employees and contractors (if applicable) as part of their on boarding process.

In accordance with HUD regulations, as a grantee and recipient of CDBG-DR funds, NMHC follows the records retention as cited in 2 CFR Part 200.333-337, which includes financial records, supporting documents, statistical records and all other pertinent records are maintained for five (5) years after closeout of the grant between HUD and NMHC.

APPENDIX A.1: Crosscutting Requirements

1.1 Crosscutting Requirements

1.2 Fair Housing

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

Projects must also assess how planning decisions may affect members of protected classes, racially and ethnically concentrated areas, as well as concentrated areas of poverty; will promote the availability of affordable housing in low-poverty, non-minority areas where appropriate; and will respond to natural hazard-related impacts. Program staff will use demographic, geographic, and social vulnerability analyses to determine any positive or negative impacts to protected classes. Should a project present negative impacts, project scope or design will be re-assessed to mitigate such impacts.

1.3 Environmental Review

Early environmental coordination must be completed to ensure effective implementation of all CDBG-DR Programs. CDBG-DR funding is contingent upon compliance with both local and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders. In general, NMHC serves as the lead agency for purposes of NEPA.

HUD's Environmental Review process allows grantees to serve as the "Responsible Entity" to assume environmental review responsibilities under NEPA. As the grantee, NMHC serves as the Responsible Entity (through authorization from the Governor) as it relates to environmental review responsibilities under NEPA. Within NMHC, Environmental Review Staff will be responsible for performing environmental reviews and compiling the Environmental Review Records (ERR). Reviews are conducted either directly or using qualified environmental service contractors. NMHC 's Corporate Director, as the Certifying Officer, is ultimately responsible with certifying that NMHC's environmental reviews follow NEPA and HUD environmental regulations.

Federal Register Notice FR-6182-N-01 authorizes recipients of CDBG-DR funds under the Appropriations Act to adopt any environmental review, approval, or permit performed by a Federal agency for the same project to satisfy responsibilities with respect to environmental review, approval, or permit. The other agency's environmental review must cover all project

activities funded by the HUD recipient for each project. NMHC will notify HUD in writing of its decision to adopt another agency's environmental review. NMHC will also retain a copy of the review in its environmental records. Further information concerning the specific HUD requirements for the adoption of other Federal agency environmental reviews can be found in the HUD Memorandum dated March 4, 2013, *Adoption of FEMA and Other Federal Environmental Reviews Processing for Hurricane Sandy Supplemental Appropriation (H.R. 152) Activities.* Additional information on the environmental review process in general is set forth in Section § 100-100.4-335, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

1.4 Labor Standards

The Davis-Bacon and Related Acts (DBRA) applies to all federally-funded or assisted construction contracts in excess of $2,000. This may apply to projects that are fully or partially funded with CDBG-DR, including FEMA or FHWA match programs. In matched projects, only the scope of the CDBG-DR portion of the project are subject to crosscutting requirements DBRA requires all workers employed by contractors or subcontractors on CDBG-DR programs, be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with DBRA, as amended. DBRA also requires that workers on federally-assisted projects are paid not less than weekly.

Wage information for labor under CDBG-DR programs will be tracked in detail by both NMHC and relevant Implementing Partners and subrecipients throughout the life of the Program. Compliance for this requirement may be tracked in the following ways:

1. Additional NMHC Program staff hired to track wages and verify contractor and agency compliance
2. External contractor hired by NMHC to track DBRA compliance
3. Enhanced TA provided to Implementing Partners to track DBRA compliance

Davis Bacon applies to the rehabilitation of residential property only if the property contains eight (8) or more units under common ownership, on same or contiguous lots, or with common financing, Residential property that contains seven (7) or fewer units is exempt. Although the statute refers to the rehabilitation of residential property, this exemption has been interpreted to include the new construction of residential property containing seven (7) or fewer units. Typically, single-family homeowner properties are excluded under this exemption.

For prime contracts in excess of $100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, NMHC must follow the reporting requirements per HUD and U.S. Department of Labor (DOL) regulations. This requirement also extends to NMHC subrecipients, Implementing Partners, and contractors.

The Fair Labor Standards Act of 1938 (FLSA), as amended, establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half

times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-DR funds finance only a portion of the project.

1.5 Limited English Proficiency

Federal Executive Order 13166 requires NMHC and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. Compliance with this requirement is detailed in NMHC's Language Action Plan (LAP) and will be coordinated and tracked by the Monitoring and Compliance division at NMHC. Depending on the program, NMHC, Implementing Partners, sub-recipients, and subcontractors will share the following expectations to comply with this Executive Order:

1. Document Translation: All documents defined as "vital documents" will be translated into Chamorro or Carolinian by NMHC, Implementing Partners, and sub-recipients. A "vital document" is defined as a document that includes information regarding eligibility requirements, applications and instructions, program eligibility determinations, and appeals procedures. NMHC may aid ensure this requirement is met.
2. Where required, seek feedback from the community the project serves (advocacy groups serve vital role).

Language maps provided in the Language Action Plan will be used to determine the project's location and subsequent language context and if proactive LEP outreach will be required. These maps will be included as part of the Project Assessment Form used by NMHC to review the eligibility, priority level, and impacts of a potential project.

1.6 Minority and/or Women-Owned Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned and Women-Owned Business Enterprises (M/ WBEs). Following procurement guidelines under 2 CFR 200.321, NMHC must make efforts to ensure that all subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance encourage participation in contracts and other economic opportunities by small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms whenever possible. NMHC will accept a MWBE certification from another state, local or regional, DPW, SBA HUB Zone, SBA 8-A certification (economically disadvantaged and 51% locally-owned), and other eligible certification processes. Documentation and goals regarding M/WBE percentages and reporting will be determined in the contracting agreements.

1.7 Section 3 Economic Opportunities

Section 3 is triggered when the award of CDBG-DR funds for new construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities, and the

project or contract exceeds $200,000.

Section 3 of the Housing and Urban Development Act of 1968 is to "ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low and very low income individuals, especially recipients of government assistance for housing and to businesses which provide economic opportunities to low and very low income individuals."

The Section 3 program requires that recipients of HUD CDBG-DR funds, to the greatest extent feasible, provide (a) employment and training, and (b) contracting opportunities for low- or very-low-income residents in connection with construction projects in their neighborhoods.

It also specifically encourages economic opportunities for households who are recipients of government assistance for housing. NMHC and all administering entities will follow and require relevant contractors to follow Section 3 requirements in contracting.

Section 3 applies to the CNMI, as recipient of HUD funding, as well as to subrecipients or Implementing Partners/Sub-recipients receiving HUD funding exceeding $200,000. Whenever any portion of HUD funding is invested into projects involving housing construction, demolition or rehabilitation, commercial/private improvements for economic development, or other public construction (e.g., roads, sewers, community centers, and public facilities), the requirements of Section 3 apply.

In conjunction with construction activity, Section 3 applies to projects that are fully or partially funded with CDBG-DR assistance, including projects that are financed in conjunction with territory, local, or private matching or leveraged funds, provided that the Section 3 monetary threshold requirements are met. In particular:

- In conjunction with construction activities, Section 3 applies to contractors or subcontractors if the total project or contract amount is $200,000 or more. Once it is determined that Section 3 applies to a project, the requirements apply to all contracts for construction work arising in connection with that project including those not funded with CDBG-DR assistance. Contractors or subcontractors are required to comply with the Section 3 regulations in the same manner as the Commonwealth; and
- "Section 3-covered contract" includes professional service contracts, provided that the work to be performed is generated by the expenditure of funds in furtherance of Section 3 covered work (e.g., housing construction, housing rehabilitation, and other public construction), arising relating to construction projects. Professional service contracts that may constitute Section 3-covered contracts include construction contract oversight, engineering, architectural, environmental and property evaluation, construction progress and draw inspections, and prevailing wage labor compliance. Contracts with contractors that require advance degrees are not required to report labor hours.

The regulations pertain all covered projects and include the following reporting requirements:

- All project labor hours
- All Section 3 worker labor hours
- All Targeted Section 3 labor hours

HUD as established the following benchmarks for all covered contracts:

- Section 3 workers – 25% of total labor hours
- Targeted Section 3 workers – 5% of total labor hours

When NMHC awards CDBG-DR funds to other governmental departments, nonprofit organizations, subrecipients or other funded entities, NMHC will require they document how reasonable attempts were made to reach numerical goals set forth at 24 CFR Part 135.30. NMHC will inform its Implementing Partners and other funded entities of the requirements of Section 3, including the language required to be inserted into all construction-related contracts, assist them and their contractors with achieving compliance, and monitor their performance with respect to the Section 3 objectives and requirements.

Implementing Partners/Sub-recipients will receive training on this requirement and methods of compliance, technical assistance from Program staff, and continual monitoring from NMHC. Currently, a Section 3 Plan is under development, the details of which will be included in an update to this manual.

1.8 System for Award Management (SAMs)

SAM is the federal System for Award Management and is a requirement for doing business with the U.S. government. All vendors are required to register in SAM in order to be awarded contracts under the CDBG-DR program. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration annually to maintain an active status.

1.9 Uniform Relocation and Real Property Acquisition Act (49 CFR 24)

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The phrase "program or project" is defined in 49 CFR Part 24 as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

The objectives of the URA are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects;
- To ensure relocation assistance is provided to displaced persons to lessen the emotional

and financial impact of displacement;

- To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means;
- To help improve the housing conditions of displaced persons living in substandard housing; and,
- To encourage and expedite acquisition by agreement and without coercion.

49 CFR 24.101(c)(1) provides that the subpart B requirements also apply to the acquisition of permanent and/or temporary easements necessary for the project. However, 49 CFR 24.101(c)(2) provides an exception for the acquisition of temporary easements which exclusively benefit the property owner.

1.10 Voluntary (Optional) Relocation Assistance

NMNC intends to provide voluntary relocation assistance to homeowners who must vacate their homes while repairs or reconstruction occur. Refer to the RARAP policy for details on how this program will be implemented and administered.

APPENDIX A.2: Construction Standards

NMHC's CDBG-DR Written Rehabilitation Standards shall detail the methods, materials, and requirements that the housing must meet upon completion of rehab, including all of the following:

(1) **Exigent Health and Safety (EHS).** Identifying all life-threatening deficiencies[1] that present a direct threat to life or well-being, e.g., that are likely to cause severe injury or reduction in physical or mental ability. These EHS life-threatening deficiencies include: locked emergency/fire exit egress, missing/broken electrical cover plates/switches/outlets, inoperable smoke detectors, and exposed wires/missing covers. See Attachment B.

(2) **Major Systems.** Requiring that, upon project completion, each major system, as defined by federal regulation, had a remaining useful life of (one) 1 year, or for a longer period as specified by NMHC, or the major system was rehabilitated or replaced as part of the rehabilitation. Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the participating jurisdiction's standards must require the participating jurisdiction to estimate (based on age and condition) the remaining useful life of these systems, upon project completion of each major systems. For multifamily housing projects of 26 units or more, the participating jurisdiction's standards must require the participating jurisdiction to determine the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, the participating jurisdiction's standards must require the participating jurisdiction to ensure that a replacement reserve is established and monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, the participating jurisdiction's standards must require, upon project completion, each of the major systems to have a remaining useful life for a minimum of (one) 1 year or the major systems must be rehabilitated or replaced as part of the rehabilitation work[2].

(3) **Lead-based Paint.** NMHC's standards must conform with HUD's lead-based paint requirements at 24 CFR part 35[3].

(4) **Disaster Mitigation (if applicable).** Require the property to meet the disaster mitigation requirements, e.g., housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements[4] such as the 2018 International Building Code or most current building code adopted by the CNMI Department of Public Works Building Safety Office, zoning laws (note: zoning is currently applicable to Saipan only), International Building Code, etc.

[1] 24 CFR 92.251(b)(1)(i)
[2] 24 CFR 92.251(b)(1)(ii)
[3] 24 CFR 92.251.(b)(1)(iii)
[4] 24 CFR 982.251(b)(1)(vi)

(5) **State and Local Codes, Ordinances, and Zoning Requirements.** NMHC's standards must require the housing to meet all applicable State and local codes, ordinances, and requirements in accordance to the 2018 International Building Code or most current building code adopted by the CNMI Department of Public Works Building Safety Office, zoning laws (note: zoning is currently applicable to Saipan only), International Energy Code, or, in the absence of a State or local building code, the International Building Code.

(6) **Uniform Physical Conditions Standards.** NMHC's standards must reflect upon completion, the CDBG-DR-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.705. HUD will establish non-life threatening and minimum deficiencies that must be corrected under NMHC's standards based on inspectable items and inspected areas from HUD-prescribed physical inspection procedures (Uniform Physical Conditions Standards) pursuant to 24 CFR 5.705[5]. See Attachment B.

GENERAL NOTES:

1. **Scope Verification.** The contractor shall field verify locations, sizes, and quantities of work required for the project. Any quantities provided by NMHC need to be field verified for accuracy and exact installation requirements.

The contractor is responsible for coordinating with an in-house or third-party Architectural and Engineering (A&E) firm for their project design, proposal, and scope of work for review and certification as required.

2. **Tools, Material, and Equipment.** The contractor will supply all tools, materials, and equipment required to perform the Scope of Work unless otherwise specified.

3. **Permits, Inspections, and Testing.** Contractors and Subcontractors shall be responsible for all permits including but not limited to, the Saipan Zoning Board, the Bureau of Environmental and Coastal Quality (BECQ), and the Department of Public Works (DPW), inspections, testing, fees and licensing as pertaining to the law, ordinances, and regulations and as required to complete their respective Scopes of Work in this Agreement. The contractor shall pay for the entire cost of any remedial work resulting from a failed inspection.

4. **Taxes.** The contractor shall be responsible for all federal, state, and local taxes imposed directly or indirectly for its Services required to fill this Agreement.

5. **Insurance.** The contractor shall provide and maintain General Liability and Worker's Compensation insurance throughout the Term of this Agreement and Project duration. The contractor shall provide certificates of insurance or other acceptable evidence of insurance (i.e.,

[5] 24 CFR 92.251(b)(1)(viii)

payment and performance bond) in the amount of 100 percent of the rehabilitation contract sum upon execution of this Agreement.

6. **Clean-Up.** The contractor is responsible for daily cleanup of all areas where work is performed and disposal of debris.

NMHC PROJECT PROPOSAL STANDARD REQUIREMENTS:

a) Contractors and/or A&E firms are to conduct assessments of the client's existing home and property condition, existing home structural condition, existing plumbing and drainage system conditions, and existing electrical condition. The contractor and/or A&E firm will also need to verify the home's existing power pole drop line and water meter locations for planning purposes and reference in the scope of work development.

Also, the contractor will identify any potentially life-threatening conditions to include but not limited to:

- Lead-Based Paint
- Asbestos
- Mold
- Structural issues/failures

b) The contractor and/or A&E firm is responsible for securing as-built measurements of the home and project site for conversion to AutoCAD format for planning, layout renovation, and development of the rehabilitation scope of work.

c) Only contractors on NMHC's approved contractor listing are eligible to work on home grant clients' new or rehab home projects.

Note: Interested contractors not currently listed on NMHC's contractor listing must first submit all documents as listed on the request for qualifications notice to be added to the contractor listing and become eligible to work on housing projects.

d) The contractor is responsible for applying for all permits necessary for a new house construction proposal or renovation, extension, rehab project for a regular home or disability home project for the record.

e) The contractor is responsible for having all project design drawings reviewed and certified by a licensed A&E firm. The contractor will utilize the certified drawings to apply for the DPW Building Permit as required.

f) The contractor is responsible for complying with all DPW Building Safety Code requirements including but not limited to: inspections, report documentation, and testing reports throughout the

construction process for new, rehab, renovation home projects for regular home or disability home construction, extensions, or house conversions to disability home compliance projects.

g) The Contractor is responsible for gathering and maintaining all project records and documentation required by DPW for the issuance of the Certificate of Occupancy upon project completion. Copies of all reports are also to be submitted to NMHC.

h) The contractor is required to conduct a pre-final inspection of the project with the homeowner and NMHC officials, before final inspection with DPW Building Safety inspectors, to test all the building systems and finishing work.

i) Any major systems, as defined below, installed by the contractor shall have a warranty of no less than (one) 1 year. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner. Should it be determined at any time during the 1-year warranty period that a major system failure was a result of the work completed by the contractor then the contractor will be obligated to repair the failure.

j) All other rehabilitation work performed by the contractor shall have a warranty period of no less than 1 year, beginning on the date of the Certificate of Occupancy issued by the Department of Public Works. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner.

Major systems as defined by 24 CFR 92.251(b)(1)(ii)] – Structural support; roofing; cladding and weatherproofing (e.g., windows, doors, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

ZONING REFERENCES AND REQUIREMENTS:

a) Contractors are required to apply for all zoning permit(s)/clearance(s) required for a home renovation or rehabbing project, including any new home extension projects. Contractors will need to ensure full compliance with all zoning setback requirements.

Example: For any extension in the front of the house, the extension should be 15' feet away from the front property line to the new front wall extension. For the left or right-side, the zoning setback requirements are 10' feet away from the boundary line to a new building wall extension. And for the rear setback, zoning requires 20' feet clearance away from the rear property line. Any failure to meet these requirements may result in the home client having to pay for zoning variance fees.

b) Should a new septic tank and leaching field be required, the DEQ office setback requirements are a minimum, per regulations at any angle from the property line for both the septic tank and leaching field.

Note: New septic tanks should be constructed, per regulations, from the house. DEQ also has regulations on Septic tanks and leaching fields that need to be adhered to.

SITE WORK:

a) All debris including abandoned vehicles, scrap material, metal objects, trash, vegetation, and other objects that pose a safety and/or health threat, as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property before the start of construction.

b) Any identified lead-based paint hazards must be abated by the contractor per the guidelines outlined in 24 CFR 92.251(b)(1)(iii).

c) Any ground-level hazards i.e., potholes around the home must be backfilled to finish grade elevation to prevent tripping hazards.

d) If required, any existing boundary fencing around the house/project site that can be repaired must be restored to a safe condition. If the fencing poses safety and/or health hazard then it must be immediately removed from the project site.

Note: Repairing of an existing boundary fence does not alleviate the contractor from installing the required protective hoarding around the house/project site.

PEST CONTROL:

a) Termite control shall be applied by a reliable and licensed termite control company familiar with local soils and termite control conditions and licensed by the Division of Environmental Quality.

    1. The contractor shall apply for all permits necessary for pest treatment.

b) The contractor shall attain a certification of 2-year warranty and retreatment should ground nesting of termite occurs within the 2 years at no cost to the homeowner.

c) The contractor shall apply termite treatment for any new construction, renovation, rehab, and extension project as required.

FOUNDATIONS:

a) Footings will be designed for an assumed allowable soil bearing capacity of 3,000 PSI

b) All structural fill beneath footings and slab-on-grade shall be placed 12 inches thick on 8-inch maximum layers. Foundation Backfill will be compacted to 95% compaction maximum dry density.

c) Any soft spots encountered during excavation operations for foundations shall be over excavated till hard dirt limits, then backfilled with suitable material and properly compacted to 95%.

d) Compaction tests for the foundation shall be required and paid for by the homeowner if not included in the contract after receiving the compaction test result for the record. The tests must be performed by a licensed soil testing firm.

CONCRETE AND REINFORCEMENT:

1. All concrete shall develop a minimum compressive strength at the end of 28 days as follows:

• Foundation	3,000 PSI	Max slump	@4 inches
• Beams, Walls & Columns	3,000 PSI	Max Slump	@4 inches
• Suspended Roof Slab	3,000 PSI	Max Slump	@4 inches
• Slab on Grade	2,500 PSI	Max Slump	@5 inches
• Sidewalk / Pathway	2,000 PSI	Max Slump	@5 inches
• Driveway & Car Parking	3,000 PSI	Max Slump	@4 inches

Note: For a concrete flat rooftop on the middle portion, pour 7½" thick concrete slab, sloping to all corners of the house's downspouts or drainage passageways at 5" finish. A 2½" slope to be applied in the middle of the rooftop to prevent water ponding on the rooftop.

TESTING:

1. Compression Tests: All concrete placed for foundations, structural slabs, beams, and columns shall have a minimum of three cylinders taken for every 50 cubic yards of concrete placed or for any one concrete placement. Concrete cylinders shall be tested for compressive strength at a testing laboratory. Two compression tests shall be performed at 14 days and one compression test at 28 days for each set of three cylinders taken.
2. Slump tests @ 5"- 6": A slump test shall be taken in the presence of the architect or engineer for each batch of concrete delivered to the job site and shall be taken before placing any concrete. In the event a slump test fails, the entire batch of concrete shall be rejected, including removal of concrete already placed, without cost to the homeowner for the record.
3. Additional water to concrete mixture batch at the job site shall not be permitted.
4. All materials and workmanship shall conform with the 2018 International Building Code requirements for residential projects. All contractors must comply with the code for receiving the finished project's Certificate of Occupancy.

MAINTAIN MINIMUM CONCRETE COVERAGE FOR REINFORCING STEEL AS FOLLOWS:

1. For concrete cast against and permanently exposed to earth @ 3"
2. Concrete exposed to earth or weather no. 5 rebar or smaller @ 1 ½"
3. Concrete not exposed to earth or in contact with ground slabs & walls @ ¾"
4. Concrete not exposed to earth or in contact with beams & columns @ 1 ½"
5. Reinforcement of new walls and columns shall be dowelled to supporting footings, beams, columns and walls with bars of the same size and spacing as vertical and horizontal bars

STRIPPING OF FORMS AND SHORES:

1. For foundation forms, it can be removed after 24 hours after pouring curing time. For Walls and Columns forms, they should be removed after 48 hours minimum. For concrete roof beams and roof slabs, forms should be removed after 14 days minimum. All forms can be removed after 28 days of the date.
2. All concrete shall be kept moist for a minimum of 7 days immediately after placing by the use of wet burlap, fog spraying, curing compounds, and other approved methods an architect or engineer.
3. No heavy construction load is permitted more than 50% of the specified design load within the 28 days of concrete placement. In cases, do not overload more than the specified design load after the 28 days of placement. No concentrated load is permitted except over supporting columns and walls.

CONCRETE BLOCK WALL:

1. Masonry units shall have a factory's minimum compressive strength of 1,000 PSI.
2. Masonry units shall be sound, dry, clean, and free from cracks when placed in the structure.
3. Where masonry unit cutting is necessary, all work should be neat and true.
4. The maximum aggregate size shall be 3/8" for pouring CMU block cells.
5. Concrete block units shall be laid in the common bond pattern unless otherwise shown.
6. For wall thickness 4", 6" and 8", use No. 4 vertical rebars @ 16" on center typical.
7. Horizontal bars are placed at every two layers of blocks all around w/No.3 rebars typical.
8. For all corner walls, vertical bars install three No.5 vertical rebars on each side from the corner out @2' feet typical.

9. For all intersection walls, vertical bars install four No.5 vertical rebars one in center of T and one on each side out @2' feet typical.
10. For all end walls install two No.4 vertical bars w/No.3 bars C-ties @ 12" O.C. typical.

Note: Any new door or window to be opened up on an existing concrete house wall, construct a new lintel beam at 12" out from each side on top by 8" height by wall thickness typical and new 4" thick concrete sidings on both sides of window edging typically for door openings.

11. "Dur-O-Wal" reinforcement shall be continuous around all walls, corners, and intersections and shall lap @ 12" minimum splicing for all vertical rebar extension for all walls to roof beam level as required.
12. All CMU block cells shall be solidly filled with cement grout. Grout all cells below slab on grade. Typical unless noted otherwise.
13. When plastering roof beams and columns. Apply concrete bonding into your cement mixture and paintbrush the portions before plastering.
14. Any hollow sound on existing and newly plastered walls found on walls to be chipped removed out and re-plaster all hollow walls detected to its solid sound plaster condition.

Note: To be inspected and verified for approval for the record.

15. For painted finish. Apply muriatic acid on newly plastered walls. Wash down, dry up before applying two primer coats on newly plastered walls, and then apply two coated final painting finish. For existing concrete wall paint scrape and water blast all bubbling peeling out paint on walls, ceilings, etc. Apply one primer coat on existing dirty/stained washed walls before applying its new final paint color.
16. Any hollow sound on the existing floor, wall and counter ceramics, chip out and remove. Install new floor, wall, and counter ceramic with no hollow sound on the ceramic finishing work.

Note: To be inspected and verified for approval for the record.

CONCRETE WALL AND CONCRETE ROOF STRUCTURE EXTENSION:

a) For rehabbing an existing semi-concrete house to construct a new concrete roof structure on top, the contractor will construct new 8"x12" concrete columns with a 10" thick foundation concrete pouring by 30" square column footings. If the existing house is longer than 20', the contractor will construct another new column in between or in the middle for more structural support. The specifications are only for a house renovation with concrete roof ceiling height at 8' to 9' flooring finish to roof ceiling finish. For a 10' roof ceiling or over, the contractor will construct a 12"x12"

size concrete columns for all with a 10" thick concrete pouring by 36" square column footings. Rebar sizes are standard sizes approved from its building permit plans as specified. See construction drawings for rebar sizes and dimensions.

Note: To refurbish/renovate a damaged roof on an existing semi-concrete house, replacing or repairing a tin roof will not be accepted as a rehab project. All eligible applicants must have their rooftop converted solid concrete mitigate any future disasters as outlined in 24 CFR 92.251(b)(1)(vi) and to comply with the rehab program requirement for homeowner insurance.

Note: The existing CMU walls to be used as existing concrete wall partitions. Do Not depend on the existing wall as wall bearing walls for the record. It will only serve as a non-bearing wall. The new concrete columns are designed to carry the new 5" thick concrete roof slab with new 17"x8" or 10" concrete roof beams that are specified in the structural construction drawings for the record.

PLUMBING STANDARD NOTES:

1. Install a new ¾" ball valve at the existing CUC water meter box facing the house. Secure with cover level to the existing grade. (For emergency shut off valve).
2. Run a new ¾" PVC cold water line into the house project. (Following the Plumbing Floor Plans and Specifications). NOTE: Ensure PVC pipes are stored properly, covered out of the sunlight. Pipes that are left out, uncovered can degrade which will shorten their lifespan.
3. For cold water lines, use PVC water pipes and for hot water lines, use CPVC water pipes.
4. For the waste line, use ABS pipes for all drainage waste line.
5. Make sure that the electric water heater has a Pressure Relief valve down at 12" above ground level. This is to ensure that should the water heater tank be over-pressured; the valve opens to relieve the pressure in the tank and prevent tank explosion.
6. Check slopes of waste/soil lines. Pipping below 3" diameter shall be sloped at ¼" per foot. Piping over 3" shall be sloped at 1/8" per foot for the proper sloping waste line to the septic tank as required in the plumbing code.
7. Lay new water lines higher than sewer/waste lines to prevent contamination. Provide sand cushion around any plumbing piping. Keep water lines away from soil/sewer lines if in the same trench by at least 24".
8. Install new air chambers for all fixture supply piping. Use 18" air chamber, one size larger than branch piping.
9. Testing of water lines pressures for 100 PSI for one hour without any drop in water pressure. Retest all leaky joints. Submit all test results together with the rest of the closing reports.
10. Static testing of waste lines and vent lines to 10' static head for at least one hour. Retest all leaky joints when detected until it has no more leak for the record. Submit all test results together with the rest of the closing reports.

11. Always check that the flow of the waste/soil lines is correct. The vent line is directed to the rooftop at 18" above the roofline. For sewer line, use long sweep elbow or tee.
12. Whenever a water closet is installed, make sure there is a minimum 2" vent thru roof at 18" above the rooftop.
13. Provide floor drains on 2nd or higher floors for housekeeping.
14. Clearwater lines and waste lines away from foundation footings, columns, and beams.
15. Do not install/embed water lines in concrete. Provide piping chase or sleeves.
16. Provide shut off valves at strategic points in the water lines.
17. For propane gas lines, use galvanized piping for LPG gas lines. Encased LPG piping in PVC piping, if piping is installed underground. Use a One bigger size PVC pipe to sleeve the galvanized pipe inside before pouring under the slab.
18. Always provide strap around water heaters, gas tanks to prevent it from moving during an earthquake.
19. Provide cushion sleeves around any piping penetrating through concrete walls and floors.
20. Provide 36" standpipe for washer and P-trap shall be above ground readily accessible. Do not install P-trap under the ground.
21. Provide P-traps for floor drains, shower drains, kitchen sinks, and lavatories.
22. Provide ground or floor cleanouts at every 50'. Provide cleanouts to every angle as required in the plumbing code for preventive maintenance.
23. Do not install sewer lines in the same trench as water lines. Where there is crossing, concrete encase the sewer line 10' at 10" around the line to the end of crossing. Sewer lines should be always located deeper than the water lines in a trench.
24. For a long stretch of hot water piping lines, provide a loop comprising of elbows to offset expansion for safety purposes.
25. Provide 2" high overflow piping above a flat rooftop in addition to roof drains.
26. Provide supports for piping under slabs.
27. Provide vent piping 10' away horizontally from any window or door. Preferably, install a vent to terminate above the roof at 18" above finish rooftop.
28. The contractor shall be responsible for chipping existing concrete floors and walls to install new plumbing piping. The contractor is responsible also to restore floor slabs and walls to the original condition. These are part of the rehab and renovation work process. All extra work shall not be an additional cost to the homeowner. Everything should be included in the contract.
29. Standard sizes for water, soil/waste, and vent lines for each fixture are as follows:

Fixture:	Cold Water:	Hot Water:	Soil/Waste:	Vent:
Floor Drain			2" ABS	2" ABS
Water Closet	½" PVC		3" or 4" ABS	2" ABS
Urinal	¾" PVC		2" ABS	2" ABS
Kitchen Sink	½" PVC	½" CPVC	2" ABS	2" ABS
Lavatory	½" PVC	½" CPVC	2" ABS	2" ABS
Shower	½" PVC	½" CPVC	2" ABS	2" ABS
Dirty Kitchen Sink	½" PVC	½" CPVC	2" ABS	2" ABS

Note: Always tighten, secure, brace, and clamp all wall-mounted fixtures properly. Provide concrete splash boxes for drainage downspouts.

30. ENERGY STAR Heat Pump Water Heaters (HPWH) are required for domestic water heating equipment, with a minimum UEF (Uniform Energy Factor) of 3.75. HPWH must have sufficient air circulation around their installed location to meet the manufacturer's specifications, or ductwork must be installed to provide sufficient air, again, per manufacturer's specifications. An approved alternative to HPWHs would be the most energy-efficient in-stock water heater.

ELECTRICAL STANDARD NOTES:

1. The contractor is responsible for obtaining permits for temporary power hook up including applying and paying hookup and monthly use fees for their use for the project without cost to homeowners for the record.
2. GFCI outlets to be installed in any kitchen counter at 4' min. away from the sink.
3. Use the GFCI outlet for the restroom wall outlet. Do not use a regular outlet.
4. Use the GFCI outlet for the outside wall outlet with a weatherproof cover typical.
5. Design for outlets should be limited to 8 outlets for a 20-amp single pole breaker.
6. Design for lights should be limited to 8 lights for a 20-amp single pole breaker.
7. Provide at least one outlet in the hallway for housekeeping use.
8. Installing new electrical boxes shall include an adapter, lock nut, and bushing. Bushing shall be insulated.
9. The service entrance conduit shall be galvanized steel per CUC requirements.
10. Conduits underground shall be PVC.
11. For any exposed conduits it shall be a rigid aluminum or galvanized steel.
12. Conduits inside building in-ceiling or exposed may be electrical metallic tubing-EMT.

13. Minimum size for homerun shall be ¾" conduit for easy pulling.
14. For computer circuits, make sure the ground wire is isolated.
15. All power circuit conduit shall have ground wire.
16. Follow electrical wires standard color-coding per National Electrical Code. For residential rehab, projects shall be a 120/240 Volt system, 1 phase:

Phase A-color Black Phase B-color Red Neutral color: White Ground color: Green

Note: The neutral and grounding colors shall be the correct color wire throughout without any exception. Avoid color coding with electrical tape. Electrical hazard.

17. Splicing shall be the plastic pressure type connectors. For larger wires, splicing shall be terminal lugs type.
18. Any conduit crossing roadways or in traffic areas shall be embedded in concrete, or located per NEC. The minimum conduit depth is 18" to top of the conduit.
19. Separate communications conduits from power conduits by at least 12" laterally. The minimum conduit size shall be ¾" conduit. Provide pull wire in every empty communications conduit extending 12" at both ends for computer and TV. line connections.
20. Contractor to coordinate with telephone/internet company to seek the advice of where hand holes or access panels may be located for ease of pulling and service.
21. Be sure to apply rust spray paint to all electrical boxes before embedding them in concrete.
22. Position outlets on a horizontal orientation.
23. Where to put new light switches, place them right after opening a door on the closest wall at 4' height typical.
24. Light switches to be set on a vertical position at 4' height center of electrical boxes.
25. Conduits underground outside the house building shall have warning tape at 12" below grade.
26. Maximum bends in conduits shall be limited to three (3).
27. Standard Breaker amp size and its proper wire size use to prevent power shortage and fire for health and safety measures.
28. For reference, a 20-amp circuit breaker has a total of 1,920 Watts.
29. For a single-pole 20-amp circuit breaker, use No. 12 solid wires. Separate outlets and lights circuit breaker switch.
30. Use No. 12 solid wires for receptacle outlets. A limit of 8-outlets per 20-amp single pole circuit breaker switch.

31. Use No. 12 solid wires for light fixtures. A limit of 8-lights per 20amp single pole circuit breaker switch.
32. Use a 20-amp single pole circuit breaker with a No. 12 solid wire. For 110 volts air conditioning separately, use a ½" electrical conduit from the panel box to outlet location.
33. Use a 30-amp double pole circuit breaker with a No. 10 solid wire. For 220 volts air conditioning separately, use a ¾" electrical conduit from the panel box to the outlet location
34. Use a 50-amp double pole circuit breaker with No. 6 stranded wires in a 1" electrical conduit for electrical range.
35. Use a 20-amp single pole circuit breaker with a No. 12 solid wire. For a refrigerator separately, use a ½" electrical conduit from the panel box to outlet location.
36. Use a 20-amp single pole circuit breaker with a No. 12 solid wire, for computer station separately, use a ½" electrical conduit from the panel box to outlet location.
37. Use a 30-amp double pole circuit breaker with a No. 10 solid wire. For 220 volts Electric Water Heater separately, use a ¾" electrical conduit from the panel box to outlet location.
38. For reference information, using a 100amp double pole circuit breaker use a # 2 wire.
39. A 125-amp double pole circuit breaker uses a # 1 wire.
40. A 150-amp double pole circuit breaker uses a # 1/0 wire.
41. A 175-amp double pole circuit breaker uses a # 2/0 wire.
42. A 200-amp double pole circuit breaker uses a # 3/0 wire.
43. Make sure any electrical splicing to be connected uses an electrical connector, not electrical tape.
44. Make sure to tighten all loose connections properly.
45. Provide 4" high concrete pad for mounting an electrical water heater equipment. Allow for 4" extra distance on the width and length of the water heater.
46. Exposed conduits in exposed areas shall be painted to match the adjacent wall finish.
47. All equipment and disconnect switch in weather shall be sealed waterproof.
48. All testing work shall be performed by the contractor and the contractor shall pay for all water, fuel, electricity, instrument, and personal.
49. The contractor shall submit a written guarantee certificate warranting all materials and workmanship free of defects for one year from the date of acceptance.
50. The contractor must submit As-Built drawings of the electrical system after project along with Certificate of Occupancy

ELECTRICAL MOUNTING HEIGHT REQUIREMENTS FOR ELECTRICAL:

1.	Meter Box Height	5'-6" from finish grade to center of the meter box
2.	Panel Box Height	5'-0" from finish floor to top of the panel box
3.	Light Switches Height	48" from finish floor to center of the elect. Box
4.	Outlet Height	12" from fin. floor, for ADA outlet height 15"- 48"
5.	Fire Alarm Height	5'- 6" from finish floor to center of the pull box
6.	Fire Alarm Horn/Bell Height	7'- 6" from finish floor to center of the box
7.	Disconnect Switch	5'- 6" from finish floor to the center of the box

ELECTRICAL GENERAL NOTES:

1. All electrical work shall be per the applicable sections of the National Electrical Code (NEC) latest edition, and the rules and regulations of the Dept. of Public Works and the Commonwealth Utilities Corporation.
2. All equipment and materials shall be UL listed where the listing is available for that type of equipment or conform to ANSI or NEMA standards.
3. Workmanship shall conform to the construction practices recommended by the American Electricians, Handbook by Croft, and shall be subject to the approval of the agency who has jurisdiction and the electrical engineer.
4. Conduit shall be EMT (indoor dry) locations concealed above ground, rigid aluminum (exposed installations, PVC (underfloor slab or grade, and inside concrete). Flexible conduit shall be jacketed type and per NEC 350.
5. Wiring shall be typed THWN, THW, XHHN, 600 volts. The conductor shall be copper.
6. Minimum size conduit shall be ½" inch diameter unless otherwise noted; minimum wire size shall be #12 AWG. Do Not Use #14 wires.
7. Electrical work shall be under the full supervision of a master electrician or a professional electrical engineer licensed to practice in the CNMI.
8. Panelboard shall be complete with bus bars, enclosure trim, molded case circuit breakers, bolt-on type branch circuit breakers, grounding, and neutral terminal lugs, panel board director, and keys. The laminated nameplate shall be provided on the front cover of the panel board or transformer.
9. All electrical devices and equipment exposed to weather shall be weatherproof.

10. Any device may be relocated within 10' of the location shown in the plans subject to the direction by the electrical engineer. Any such relocation shall be performed without additional cost to the homeowner.

11. The electrical contractor shall coordinate with a mechanical contractor for exact locations of water lines and waste lines before rough-in work.

12. Grounding:

    a. Metallic enclosures, raceways, and electrical shall be grounded per NEC 250. Provide green ground wire in every raceway per NEC Table 250-95.

    b. Grounding connection of the grounded circuit conductor (Neutral) shall be made only at the service disconnection means per NEC 250-23(a). Grounding on the neutral shall not be made on the load side of the service disconnect. The neutral shall not be made on the load side of the service disconnect. The neutral conductor shall be insulated from all equipment enclosures or any grounded parts. Bonding of the neutral bus to the ground bus in sub-panels shall be removed.

13. The electrical panel board and main switchboard, power meter box shall be furnished completely assembled from the factory.

14. Contractor to provide all labor, materials, equipment, tools, and all necessary materials including wire connectors, tapes, markers, etc. to accomplish the work shown in the plans. The cost of permits shall be the contractor's responsibility.

15. Minimum service clearance in front of the main switchboard shall be 4'.

16. Testing: Operation, Insulation Resistance, Grounding Tests.

FINISH MATERIAL STANDARDS:

Flooring Standards:

(a) For the living room, dining room, kitchen room, hallways, and bedrooms floor, the finish is to be plastered level with a vinyl tile or ceramic tile finish (depending on cost and durability).

(b) For the standard restroom floor finishing, to be a ceramic finish with white cement grouted finish. The restroom floor ceramic must be approved nonslip type of ceramic finish.

Note: Ceramic color should be the client's choice of ceramic color on the contractor's approved standard min. ceramic size.

(c) For all concrete stoops, landings and sidewalks floor finish, to be plastered sweep finish and for the carport, floor finish to be plastered fine finish.

Note: Plaster the sides of the concrete sidewalks, landings, ramps, and garage floorings.

Door Standards:

(a) For the exterior front entry door, use a 1¾" thick x 36"x 6'-8" solid core decorative door with heavy-duty door hinges, regular doorknob, deadbolt with keys, painted varnish finish, and door bottom with threshold and a door stopper on the back.

Note: Use a lever-type doorknob for a disability or elderly rehab home project.

(b) For any exterior exit door, use a 1¾" thick x 32"x 6'-8" min. regular solid core door with heavy-duty door hinges, regular doorknob with a deadbolt, painted varnish finish, and door bottom with threshold and a door stopper on the back.

Note: For disability or elderly rehab home project, use a lever type door knob with keys and a 36" size regular solid core door.

(c) For bedroom doors, use a 1½" thick x 36", 34", 32", or 30"x 6'-8" min. regular hollow-core door with light-duty door hinges and regular doorknob w/no key type and door painted with a varnish finish and a door stopper installed on the back.

(d) Aluminum Typhoon Shutters. Homeowners may include if the rehabilitation budget is sufficient, the installation of aluminum typhoon shutters on the exterior main entrance and rear exit doors of the housing unit. All alluminum typhoon shutters shall meet or exceed the wind rating outlined in the 2018 International Building Code (IBC).

- Typhoon shutters must be accordion-type with lock and key.
- Use 3"x1/4" screws to bolt the typhoon shutters to the concrete wall. The minimum number of screws is 3 per side.

Note: For a disability rehab home project, use a lever type door knob with keys only on 36" door size.

Window Standards:

(a) Living room window min. size 4'x4' sliding glass window with a ¼" thick safety tempered glass with aluminum frame. 4 screws on each side.
(b) Kitchen window min. size 3'x3' sliding glass window with a ¼" thick safety tempered glass window with aluminum frame. 3 screws on each side.
(c) Dining room window min. size 3'x4' Height with a ¼" thick safety tempered sliding glass window with aluminum frame. 3 screws on each side and 4 screws each on top and bottom.
(d) Bedroom window must have at least one set 4'x4' sliding glass window (For egress, in case of fire) with a ¼" thick safety tempered glass window with aluminum frame. 4 screws on each side.
(e) Restroom window min. standard size. 2'x2' sliding glass window with a ¼" thick safety tempered glass window with aluminum frame. 2 screws on each side.
(f) Seal all window edgings inside and outside
(g) All windows shall also include window screens

(h) Frame Color to be Clients choice of color
(i) Install new typhoon metal brackets at the outside walls for all windows w/painted finish
(j) Use 3"x1/4" screws to bolt the sliding windows to the concrete wall. The minimum number of screws per window is mentioned above.
(k) Aluminum Typhoon Shutters. Homeowners may include if the rehabilitation budget is sufficient, the installation of aluminum typhoon shutters on all housing unit windows.

- Typhoon shutters must be accordion-type with lock and key.
- Use 3"x1/4" screws to bolt the typhoon shutters to the concrete wall. The minimum number of screws is 3 per side.

Note: All aluminum typhoon shutters shall meet or exceed the wind rating outlined in the 2018 International Building Code (IBC).

Faucet Standards:

(a) Kitchen Sink Faucet to be a regular faucet type.

Note: For disability or elderly Rehab Home Project to be a lever faucet set type.

(b) Restroom Lavatory Sink Faucet to be a regular faucet type.

Note: For disability or elderly Rehab Home Project to be a lever faucet set type.

Regular and Disability Rehab Home Projects Standard Finishes:

(a) For disability, concrete sidewalk & landing size requirements. Concrete sidewalk width 36" min. and for landing size 5' sq. no less.

Note: Sidewalks and landings that are higher than 7" above existing grade during rehab work, requires all sides to be backfilled at 4" finish grade at 1' level and slope out at 4' on both sides to existing grade elevation, otherwise install new aluminum hand railings within 33" to 36" height along the hazard sidewalk, ramps and landings pathway.

Note: For regular rehab home projects sidewalks, same at 36" and for landing 36" sq. is allowable.

(b) For the front entry and exit doors outside, construct a 5' sq. concrete stoop floor landing at ½" lower from the finished house floor elevation.
(c) The restroom floor elevation should be ½" lower from the inside house flooring. Also, for the shower room flooring is ½" lower than the restroom flooring as required.
(d) Install hand railings along any sidewalks or pathways and landings that are higher than 7" above finish grade.
(e) Construct a new concrete ramp at a ratio of 1" drop = 1' slope.

(f) Install smoke alarms in bedrooms and hallways as required by Building Safety Code. Smoke alarms must be hard-wired smoke alarms and that the smoke alarms are interconnected.
(g) Install water sprinklers with warning fire light signals for impairment of client individuals only.
(h) In designing a new rehab disability home layout extension or for reconstructed disability house floor plan design, consider a 3' clear passage for a wheelchair to maneuver from the entry of the house to the inside of the house. Ensure that in your design layout, take into consideration the furniture space in planning for wheelchair accessibility, through bedrooms, restroom(s), living room, kitchen, dining, and for exiting the exit door to the outside of the house with no hazards along for emergency purposes as required.
(i) Disability lavatory height should be set at 34" maximum.
(j) disability water closet height from the finished floor to the toilet seat is within 17" to 19". Note: For regular standard toilet height is 15" from the finished floor to the toilet seat.
(k) Install a new 2' ADA grab bars on the back of ADA toilet centered, 2' length on shower faucet wall and 42" on the side shower wall at height within 33" to 36".
(l) Install ADA medicine cabinet at 40" from the finished floor to the bottom of the medicine cabinet.

Note: For regular standard medicine cabinet height is 64" from the finished floor to center of the medicine cabinet.

(m)Install a towel hanging bar within 36" to 48" for disability or regular restroom.
(n) Install a toilet paper holder to the nearest wall at 19" above the finished floor and a maximum of 36" from the rear wall.
(o) Rehab finishing projects paint colors to be the home client's choice of paint color for all paint finishing work.

All technical reference information applies to all building systems standard needs for new house construction, rehabilitation project, renovation project and house conversion to disability home compliance project that meet all current CNMI local building code regulations and meet Housing Quality Standards (HQS) and Uniform Physical Condition Standards (UPCS) requirements.

The HUD CPD Green Building Retrofit Checklist will also be included in the rehabilitation standards (Attachment A). "CPD recognizes that not all elements of the checklist will be applicable in all climates and geographies. Because of this, CPD will consider exceptions to these standards based on climate or geography, if a grantee identifies the specific standards that aren't applicable, including offering alternatives if available, and CPD's Office of Environment and Energy accepts the grantee's request."

Other building systems may be accepted provided that they meet or exceed the standards mentioned above. Third-party certifications or specific standard testing methods are required to substantiate or validate the claims.

Attachment A:

HUD CPD Green Building Retrofit Checklist

The CPD Green Retrofit Checklist promotes energy efficiency and green building practices for residential retrofit projects. Grantees must follow the checklist in its entirety and apply all measures within the Checklist to the extent applicable to the particular building type being retrofitted. The phrase "when replacing" in the Checklist refers to the mandatory replacement with specified green improvements, products, and fixtures only when replacing those systems during the normal course of the retrofit.

Note: CPD recognizes that not all elements of the checklist will be applicable in all climates and geographies. Because of this, CPD will consider exceptions to these standards based on climate or geography, if a grantee identifies the specific standards that aren't applicable, including offering alternatives if available, and CPD's Office of Environment and Energy accepts the grantee's request.

WATER AND ENERGY CONSERVATION MEASURES

☐ **Water-Conserving Fixtures**
Install or retrofit water conserving fixtures in any unit and common facility, use the following specifications: Toilets-- 1.28 gpf; Urinals-- 0.5 gpf; Showerheads-- 2.0 gpm; Kitchen faucets-- 2.0 gpm; and Bathroom faucets-- 1.5gpm. [gpf = gallons per flush; gpm = gallons per minute]

☐ **ENERGY STAR Appliances**
Install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators, if these appliance categories are provided in units or common areas.

☐ **Air Sealing: Building Envelope**
Seal all accessible gaps and penetrations in the building envelope. If applicable, use low VOC caulk or foam.

☐ **Insulation: Attic** (if applicable to building type)
For attics with closed floor cavities directly above the conditioned space, blow in insulation per manufacturer's specifications to a minimum density of 3.5 Lbs. per cubic foot (CF). For attics with open floor cavities directly above the conditioned space, install insulation to meet or exceed IECC levels.

☐ **Insulation: Flooring** (if applicable to building type)
Install ≥ R-19 insulation in contact with the subfloor in buildings with floor systems over vented crawl spaces. Install a 6-mil vapor barrier in contact with 100% of the floor of the crawl space (the ground), overlapping seams and piers at least 6 inches.

☐ **Duct Sealing** (if applicable to building type)
In buildings with ducted forced-air heating and cooling systems, seal all penetrations of the air distribution system to reduce leakage in order to meet or exceed ENERGY STAR for Homes' duct leakage standard.

☐ **Air Barrier System**

Ensure continuous unbroken air barrier surrounding all conditioned space and dwelling units. Align insulation completely and continuously with the air barrier.

☐ **Radiant Barriers: Roofing**
When replacing or making a substantial repair to the roof, use radiant barrier sheathing or other radiant barrier material; if economically feasible, also use cool roofing materials.

☐ **Windows**
When replacing windows, install geographically appropriate ENERGY STAR rated windows.

☐ **Sizing of Heating and Cooling Equipment**
When replacing, size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or 2012 ASHRAE Handbook--HVAC Systems and Equipment or most recent edition.

☐ **Domestic Hot Water Systems**
When replacing domestic water heating system(s), ensure the system(s) meet or exceed the efficiency requirements of ENERGY STAR for Homes' Reference Design. Insulate pipes by at least R-4.

☐ **Efficient Lighting: Interior Units**
Follow the guidance appropriate for the project type: install the ENERGY STAR Advanced Lighting Package (ALP); ***OR*** follow the ENERGY STAR MFHR program guidelines, which require that 80% of installed lighting fixtures within units must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; ***OR*** when replacing, new fixtures and ceiling fans must meet or exceed ENERGY STAR efficiency levels.

☐ **Efficient Lighting: Common Areas and Emergency Lighting** (if applicable to building type)
Follow the guidance appropriate for the project type: use ENERGY STAR-labeled fixtures or any equivalent high-performance lighting fixtures and bulbs in all common areas; ***OR*** when replacing, new common space and emergency lighting fixtures must meet or exceed ENERGY STAR efficiency levels. For emergency lighting, if installing new or replacing, all exist signs shall meet or exceed LED efficiency levels and conform to local building codes.

☐ **Efficient Lighting: Exterior**
Follow the guidance appropriate for the project type: install ENERGY STAR-qualified fixtures or LEDs with a minimum efficacy of 45 lumens/watt; ***OR*** follow the ENERGY STAR MFHR program guidelines, which require that 80% of outdoor lighting fixtures must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; ***OR*** when replacing, install ENERGY STAR compact fluorescents or LEDs with a minimum efficacy of 45 lumens/watt.

INDOOR AIR QUALITY

☐ **Air Ventilation: Single Family and Multifamily** (three stories or fewer)
Install an in-unit ventilation system capable of providing adequate fresh air per ASHRAE 62.2 requirements.

☐ **Air Ventilation: Multifamily** (four stories or more)
Install apartment ventilation systems that satisfy ASHRAE 62.2 for all dwelling units and common area ventilation systems that satisfy ASHRAE 62.1 requirements. If economically feasible, consider heat/energy recovery for 100% of corridor air supply.

☐ **Composite Wood Products that Emit Low/No Formaldehyde**
Composite wood products must be certified compliant with California 93120. If using a composite wood product that does not comply with California 93120, all exposed edges and sides must be sealed with low-VOC sealants.

☐ **Environmentally Preferable Flooring**
When replacing flooring, use environmentally preferable flooring, including the FloorScore certification. Any carpet products used must meet the Carpet and Rug Institute's Green Label or Green Label Plus certification for carpet, pad, and carpet adhesives.

☐ **Low/No VOC Paints and Primers**
All interior paints and primers must be less than or equal to the following VOC levels: Flats--50 g/L; Non-flats--50 g/L; Floor--100 g/L. [g/L = grams per liter; levels are based on a combination of the Master Painters Institute (MPI) and GreenSeal standards.]

☐ **Low/No VOC Adhesives and Sealants**
All adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants must comply with regulation 8, rule 51, of the Bay Area Air Quality Management District.

☐ **Clothes Dryer Exhaust**
Vent clothes dryers directly to the outdoors using rigid-type duct work.

☐ **Mold Inspection and Remediation**
Inspect the interior and exterior of the building for evidence of moisture problems. Document the extent and location of the problems, and implement the proposed repairs according to the Moisture section of the EPA Healthy Indoor Environment Protocols for Home Energy Upgrades.

☐ **Combustion Equipment**
When installing new space and water-heating equipment, specify power-vented or direct vent combustion equipment.

☐ **Mold Prevention: Water Heaters**
Provide adequate drainage for water heaters that includes drains or catch pans with drains piped to the exterior of the dwelling.

☐ **Mold Prevention: Surfaces**
When replacing or repairing bathrooms, kitchens, and laundry rooms, use materials that have durable, cleanable surfaces.

☐ **Mold Prevention: Tub and Shower Enclosures**
When replacing or repairing tub and/or shower enclosures, use non-paper-faced backing materials such as cement board, fiber cement board, or equivalent in bathrooms.

☐ **Integrated Pest Management**
Seal all wall, floor, and joint penetrations with low-VOC caulking or other appropriate sealing methods to prevent pest entry. [If applicable, provide training to multifamily buildings staff.]

☐ **Lead-Safe Work Practices**
For properties built before 1978, if the project will involve disturbing painted surfaces or cleaning up lead contaminated dust or soil, use certified renovation or lead abatement contractors and workers using lead-safe work practices and clearance examinations consistent with the more stringent of EPA's Renovation, Repair, and Painting Rule and HUD's Lead Safe Housing Rule.

☐ **Radon Testing and Mitigation** (if applicable based on building location)
For buildings in EPA Radon Zone 1 or 2, test for radon using the current edition of American Association of Radon Scientists and Technologists (AARST)'s Protocols for Radon Measurement in Homes Standard for Single-Family Housing or Duplexes, or AARST's Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings. To install radon mitigation systems in buildings with radon level of 4 pCi/L or more, use ASTM E 2121 for single-family housing or duplexes, or AARST's Radon Mitigation Standards for Multifamily Buildings. For new construction, use AARST's Reducing Radon in New Construction of 1 & 2 Family Dwellings and Townhouses, or ASTM E 1465.

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
Fencing and Gates	Damaged/Failing/Leaning	
	Holes	
	Missing Sections	
Grounds	Erosion/Rutting Areas	
	Overgrown/Penetrating Vegetation	
	Ponding/Site Drainage (affecting unit)	
Health and Safety	Air Quality – Sewer Odor Detected	

	Air Quality – Propane/Natural Gas/Methane Gas Detected	
	Electrical Hazards – Exposed Wires/Open Panels	
	Electrical Hazards – Water Leaks on/near Electrical Equipment	
	Flammable Materials – Improperly Stored	
	Garbage and Debris – Outdoors	
	Play Equipment – Broken or Damaged	
	Hazards – Other (e.g., outbuildings)	
	Hazards – Sharp Edges	
	Hazards – Tripping	
	Infestation – Insects	
	Infestation – Rats/Mice/Vermin	
Mailboxes/Project Signs	Mailbox Missing/Damaged	
	Signs Damaged	
Driveways	Cracks	
	Potholes/Loose Material	
	Settlement/Heaving	
Retaining Walls	Damaged/Falling/Leaning	
Storm Drainage	Damaged/Obstructed	
Walkways/Steps	Broken/Missing Hand Railing	
	Cracks/Settlement/Heaving	
	Spalling	

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
Doors	Damaged Frames/Threshold/Lintels/	

	Trim	
	Damaged Hardware/Locks	
	Damaged Surface (Holes/Paint/Rusting/Glass)	
	Damaged/Missing Screen/Storm/Security Door	
	Deteriorated/Missing Caulking/Seals	
	Missing Door	
Foundations	Cracks/Gaps Spalling/Exposed Rebar	
	Cracks/Gaps Spalling/Exposed Rebar	
Health and Safety	Electrical Hazards – Exposed Wires/Open Panels	
	Electrical Hazards – Water Leaks on/near Electrical Equipment	
	Flammable/Combustible Materials – Improperly Stored	
	Garbage and Debris – Outdoors	
	Hazards – Other	
	Hazards – Sharp Edges	
	Hazards – Tripping	
	Infestation – Insects	
	Infestation – Rats/Mice Vermin	
Lighting	Broken Fixtures/Bulbs	
Roofs	Damaged Soffits/Fascia	
	Damaged Vents	
	Damaged/Clogged Drains	
	Damaged/Torn Membrane/Missing Ballast	
	Missing/Damaged Components from	
	Downspout/Gutter	
	Ponding	
Walls	Cracks/Gaps	
	Damaged Chimneys	

	Missing/Damaged Caulking/Mortar	
	Missing Pieces/Holes/Spalling	
	Stained/Peeling/Needs Paint	
Windows	Broken/Missing/Cracked Panes	
	Damaged Sills/Frames/Lintels/Trim	
	Damaged/Missing Screens	
	Missing/Deteriorated Caulking/Seals/Glazing Compound	
	Peeling/Needs Paint	
	Security Bars Prevent Egress	

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	**Observable Deficiency**	**Type and Degree of Deficiency That Must Be Addressed**
Bathroom	Bathroom Cabinets - Damaged/Missing	
	Lavatory Sink - Damaged/Missing	
	Plumbing - Clogged Drains	
	Plumbing - Leaking Faucet/Pipes	
	Shower/Tub - Damaged/Missing	
	Ventilation/Exhaust System – Inoperable (if applicable	
	Water Closet/Toilet - Damaged/Clogged/Missing	
Ceiling	Bulging/Buckling	
	Holes/Missing Tiles/Panels/Cracks	
	Peeling/Needs Paint	
	Water Stains/Water Damage/Mold/Mildew	
Doors	Damaged Frames/Threshold/Lintels/Trim	
	Damaged Hardware/Locks	
	Damaged/Missing Screen/Storm/Security Door	

	Damaged Surface - Holes/Paint/Rusting/Glass	
	Deteriorated/Missing Seals (Entry Only)	
	Missing Door	
Electrical System	Blocked Access to Electrical Panel	
	Burnt Breakers	
	Evidence of Leaks/Corrosion	
	Frayed Wiring	
	GFI - Inoperable	
	Missing Breakers/Fuses	
	Missing Covers	
Floors	Bulging/Buckling	
	Floor Covering Damage	
	Missing Flooring Tiles	
	Peeling/Needs Paint	
	Rot/Deteriorated Subfloor	
	Water Stains/Water Damage/Mold/Mildew	
Health and Safety	Air Quality - Mold and/or Mildew Observed	
	Air Quality - Sewer Odor Detected	
	Air Quality - Propane/Natural Gas/Methane Gas	
	Detected	
	Electrical Hazards - Exposed Wires/Open Panels	
	Electrical Hazards - Water Leaks on/near Electrical	
	Equipment	
	Flammable Materials - Improperly Stored	
	Garbage and Debris - Indoors	
	Garbage and Debris - Outdoors	
	Hazards - Other	
	Hazards - Sharp Edges	
	Hazards – Tripping	
	Infestation - Insects	
	Infestation – Rats/Mice/Vermin	
Hot Water Heater	Inoperable Unit/Components	
	Leaking Valves/Tanks/Pipes	
	Pressure Relief Valve Missing	
	Rust/Corrosion	

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
HVAC System	Inoperable	
	Misaligned Chimney/Ventilation System	
	Noisy/Vibrating/Leaking	
	Rust/Corrosion	
Kitchen	Cabinets - Missing/Damaged	
	Countertops - Missing/Damaged	
	Dishwasher/Garbage Disposal –	
	Leaking/Inoperable	
	Plumbing - Clogged Drains	
	Plumbing - Leaking Faucet/Pipes	
	Range Hood/Exhaust Fans - Excessive	
	Grease/Inoperable	
	Range/Stove - Missing/Damaged/Inoperable	
	Refrigerator- Missing/Damaged/Inoperable	
	Sink – Damaged/Missing	
Laundry Area (Room)	Dryer Vent – Missing/Damaged/Inoperable	
Lighting	Missing/Inoperable Fixture	
Outlets/Switches	Missing	
	Missing/Broken Cover Plates	
Patio/Porch/Balcony	Baluster/Side Railings Damaged	
Smoke Detector	Missing/Inoperable	
Stairs	Broken/Damaged/Missing Steps	
	Broken/Missing Hand Railing	
Walls	Bulging/Buckling	
	Damaged	
	Damaged/Deteriorated Trim	
	Peeling/Needs Paint	
	Water Stains/Water Damage/Mold/Mildew	
Windows	Cracked/Broken/Missing Panes	
	Damaged/Rotting Window Sill	
	Missing/Deteriorated Caulking/Seals/Glazing Compound	

	Inoperable/Not Lockable	
	Peeling/Needs Paint	
	Security Bars Prevent Egress	

APPENDIX A.3: Environmental Review

ENVIRONMENTAL REVIEW

Policy and Procedures

CDBG-DR requires that an environmental review be completed for every activity before funds (even non-CDBG-DR funds associated with the activity) are committed or expended. Such environmental reviews must comply with the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed at 24 CFR Part 58. An environmental review must be conducted considering federal laws, authorities, and regulations which address noise, air quality, historic properties, floodplains, wetlands, water quality, solid waste disposal, manmade hazards, farmlands protection, wild and scenic rivers, coastal areas, endangered species and others. In accordance with 24 CFR Part 58, recipients, owners, developers, sponsors or any other third-party partners cannot take any physical actions on a site, begin construction, commit, expend, or enter into any legally binding agreements that constitute choice limiting actions for any HUD or non-HUD funds before the environmental review process has been completed and the jurisdiction has received a Release of Funds approval.

Tier I Review: Target Area Assessment

The Northern Marianas Housing Corporation (NMHC) may conduct a tiered environmental review under 24 CFR 58.15 for its CDBG-DR Action Plan. A tiered environmental review allows for a general assessment of the impacts of an activity on the environment prior to identification of a specific site. The Tier 1 review addresses and analyzes those environmental impacts related to the proposed activities that might occur on a typical site within the geographic area. The Tier 1 review also assesses project effects related to a longer list of environmental factors (e.g., compatibility with surrounding land uses, conformance with zoning plans, nuisances that affect site safety, displacement of people or businesses, solid waste management, etc.). All environment compliance requirements satisfactorily resolved in this first level of review, meaning findings of no significant impact or impact requiring mitigation, are excluded from any additional examination or consideration once the Tier 1 review is completed. The Tier 1 review identifies those compliance requirements that cannot be resolved until specific project locations become known. Site specific issues that cannot be resolved in a Tier 1 review may include: aboveground storage tanks that present a safety hazard to buildings and occupants of buildings; new residential units located in close proximity to the airport which generates high levels of noise; soils that are not suitable for multifamily structures; asbestos removal that may be necessary; or other potential impacts. The Tier 2 Site Specific Review will address such issues.

Tier II: Site Specific Project Review

A review for each individual property is required once sites are selected. The Tier 2 review focuses only on the environmental compliance requirements that could not be resolved in the Tier 1 Target Area Assessment. The NMHC or Implementing Partners (recipients of DR funds) performs the Tier 2 review. When NMHC identifies specific properties or sites within the target area and is ready to obligate funds (e.g., to buy a property, finance repairs, demolish a structure, etc.) it will use the written standards, checklists and narratives set forth in the Tier 1 review process to determine if there are any environmental issues associated with the site. This Site-Specific Project Review documents in writing that compliance

standards for the specific project are met, and that required mitigation measures, if any, will be incorporated into the project. The Tier 2 review must be completed before funds (including non-CDBG-DR funds) are committed or expended on the project. The Tier 2 Site Specific Project Review will be maintained in the project files.

Environmental Procedures

STEP 1: Environmental Review Determination

In accordance with above internal review procedures, the Project Manager and/or Housing Administrator will review the program/project scope of work and determine at what level of environmental review needs to be conducted. The environmental consultant will provide technical assistance and support on complex environmental issues. The NEPA classifications that will be determined are listed below:

1. **Exempt – Subject to Related Laws at 24 CFR 58.34**
   Activities that by their very nature will have no physical impact upon the environment are exempt from NEPA requirements as well as Part 58.5. In these cases, NMHC does not need to check for compliance with the requirements or perform an environmental review, consultation, or other action under NEPA. Some examples from NEPA requirements include:

   - Environmental studies, plans & strategies
   - Administrative & management expenses
   - Inspections & testing properties
   - Engineering or design costs
   - Technical assistance & training
   - Any of the CEST activities at §58.35(a) if Federal laws and authorities at §58.5 are not triggered

2. **Categorically Excluded, not Subject to 58.5. (24 CFR 58.35)**
   Activities in this section are categorically excluded from the requirements at 58.5, due to HUD's determination that such activities will not alter any conditions that would require a NEPA review or a compliance determination under 58.5. When performing a categorically excluded activity not subject to 58.5, NMHC does not need to publish a Notice of Intent/Request for Release of Funds (NOI/RROF). Following the award of program funds, no further approval from HUD will be needed with respect to environmental requirements. Examples of categorically excluded, not subject to NEPA requirements are:

   - Tenant-based rental assistance
   - Supportive services
   - Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs
   - Economic development activities not associated with construction or expansion of

existing operations
- Activities to assist homeownersbuyers
- Affordable housing pre-development costs
- Supplemental assistance of previously-approved project

3. **Categorically Excluded Subject to 58.5**
Any of the categorically excluded activities in 58.35 are exempt from NEPA, provided that there are no circumstances that require compliance with any other federal law and authorities cited in 58.5. Using the statutory checklist, and after consulting with applicable agencies and organizations, NMHC can designate an activity as exempt if it can show that none of the federal laws and authorities are triggered through funding this activity. The statutory checklist deals with non-NEPA regulation which grantees must adhere to such as historic and wildlife preservation, floodplain management, noise control, etc. Examples of categorically excluded, subject to NEPA requirements are:

- Acquisition, repair, improvement, reconstruction or rehabilitation of public facilities and improvements when:
  - Facilities and improvements are in place
  - No more than 20% change in size or capacity
  - No change in land use
- Removal of architectural barriers that restrict accessibility
- Rehabilitation of buildings and improvements:
  - Residential Structures of 1 – 4 units: no more than 4 units; no change in land use; cannot increase into floodplain or wetland
  - Multifamily Residential Structures: unit density does not change more than 20%; no change in land use; cost of rehab is less than 75% of replacement cost after rehabilitation
  - Commercial, Industrial and Public Buildings: size and capacity does not increase by more than 20%; no change in land use
- Individual action on up to four dwelling units (One 4-unit structure or four 1- unit structures or any combination in between):
- Individual action on a project of five or more housing units when sites are more than 2000 feet apart and no more than four units on any one site.
- Acquisition, disposition or finance of existing structure or vacant land if retained for same use.
- Combination of any of the above activities.

4. **Subject to an Environmental Assessment (24 CFR 58.36)**
If a project is not exempt or categorically excluded under the above sections, NMHC must prepare an Environmental Assessment (EA). An EA is a concise public document that includes all the evidence and analysis supporting the NMHC's decision as to whether an environmental impact statement is warranted or if an activity will result in no significant impact to the environment. Examples when environmental assessments are needed are:

- New Construction (more than five (5) units);

- Construction of Public Facilities;
- Infrastructure Development;
- New construction, demolition and/or reconstruction of five or more single family units on scattered sites that are less than 2,000 feet apart;
- Extending the footprint of a single-family unit into the floodplain or wetland area or expanding the footprint of a structure that is already in a floodplain or wetland area;
- Major rehabilitation or reconstruction of multifamily residential units that increases or decreases the unit density more than 20 percent;
- Conversion of a non-residential structure to create a residential use;
- Acquisition of land for development of a housing subdivision;
- Activities that are normally exempt or categorically excluded but have an extraordinary circumstance that requires further review.

NMHC must file the completed checklist and a statement in the Environmental Review Record.

5. **Subject to an environmental impact statement (24 CFR 58.37)**
   If a project is subject to a full EA and is determined to have a potentially significant impact on the human environment, then an Environmental Impact Statement (EIS) is required. An EIS is also required if the project fits at least one of the following criteria:

   - It would provide a site or sites for or result in the construction of hospitals or nursing homes containing more than 2,500 or more beds;
   - It would remove, demolish, convert or substantially rehabilitate 2,500 or more existing housing units or would result in the construction or installation of 2,500 or more housing units;
   - It would provide enough additional water and sewer capacity to support 2,500 or more additional housing units.

The Loan/Grant Supervisor or Project Supervisor must concur on the final environmental review determination (such as "Conversion to Exempt" or issuance of a "FONSI"). Depending on the type of project, the grant specialist, construction inspector, or administrative assistant receives the environmental review document log, scan, and digitally file in the NMHC shared drive to ensure all environmental records are maintained together.

STEP 2: Preparation of Environmental Review

Once the level of environmental review is determined, the loan/grant supervisor or project supervisor will include the determination in the Environmental Assessment file. The loan/grant supervisor or project supervisor will prepare environmental records.

The estimated timeframe, depending on consultations require for completing Environmental Process is as follows:

Environmental Determination	Estimated Timeline for Preparation
Exempt	I Day
Categorically Excluded not Subject to 58.5	I Day
Categorically Excluded Subject to 58.5	30-75 Days
Environmental Assessment	45-100 Days
Environmental Impact Statement	1-2 Years

Tiered Environmental Review

Environmental Reviews may be tiered to avoid repetition. Tiered reviews are used to identify and evaluate issues ripe for decision, excluding issues not relevant to the program, policy or project. They are appropriate when:

- Evaluating a policy or proposal
- Early Stages of Development
- When site-specific analysis is not feasible and more narrowed and focused review is better done at a later date
- *Tiered environmental reviews are not appropriate for projects requiring an Environmental Assessment.*

This review is conducted to achieve both compliance and speed because it does not require upfront identification of assisted properties.

In short, a tiered review focuses on a specific geographical area to address and analyze environmental impacts related to the proposed activities that might occur on the typical project site within that area. The specific addresses/locations of the individual properties are not known at this time. However, once individual project sites are located, any remaining environmental compliance issues that could not be resolved until project locations became known are completed according to standards for approval previously established for the target area. NMHC's tiered review focuses on scattered sites located throughout a particular targeted area.

The Tier 1 addresses all laws and authorities possible and establishes a plan (narrative) for the site-specific or subsequent review. NMHC must publish a public notice of intent to request a release of funds (NOI/RROF) and submit RROF as described in Step 3.

The Tier 2 site-specific review does not require a public notice or RROF required unless there are unanticipated impacts or impacts that are not adequately addressed in the Tier 1 review.

8-Step Decision Making Process for Projects in the Floodplain

1. Determine whether the action is located in a 100-year floodplain (or a 500-year floodplain for critical actions).

2. Notify the public for early review of the proposal and involve the affected and interested public in the decision-making process.

3. Identify and evaluate practicable alternatives. Identify the project site selection criteria and consider several alternative sites and actions:
    A. Locate the project within the floodplain
    B. Consider modifying the project
    C. Obtain a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR)

    or

    A. Locate the Project Outside of the Floodplain
    B. Consider other sites
    C. Consider no action or alternative actions that serve the same purpose

4. Identify Potential Direct and Indirect Impacts of Associated with Floodplain Development.

5. Where practicable, design or modify the proposed action to minimize the potential adverse impacts to lives, property, and natural values within the floodplain and to restore, and preserve the values of the floodplain.

6. Re-evaluate the Alternatives.

7. Determination of No Practicable Alternative

8. Implement the Proposed Action

STEP 3: Publication of Notice of Intent (NOI) Request for Release of Funds (RROF) and Finding of No Significant Impact (FONSI)

Categorical Exclusions

NMHC will publish a Notice of Intent to Request a Release of Funds (NOI/RROF) for projects that are Categorically Excluded Subject to §58.5 and projects requiring EAs, using the HUD recommended format. At a minimum, NMHC staff shall publish the NOI/RROF notice in a newspaper of general circulation and on the CDBG-DR website. Additionally, the following shall be notified:

1. Individuals and groups known to be interested in the activities
2. Appropriate tribal, local, State and Federal agencies

NMHC must consider the comments and make modifications, if appropriate, in response to the comments, before it certifies and submits the RROF to HUD. The public comment period is 7 days when published, counting from the day after the publication.

Environmental Assessments (EA)

If NMHC makes a Finding of No Significant Impact from an EA, it must prepare a Finding of No Significant Impact (FONSI) notice, using the HUD recommended format. At a minimum, NMHC staff shall publish the FONSI/NOI/RROF combined notice in a newspaper of general circulation and on the CDBG-DR website. Additionally, the following shall be notified:

1. Individuals and groups known to be interested in the activities
2. Appropriate tribal, local, State and Federal agencies

The FONSI public comment period is 15 days when published, counting from the day after the publication. NMHC typically publishes a FONSI notice at the same time it publishes the NOI/RROF. If the notices are released as a combined notice, the combined notice shall clearly indicate that it is intended to meet two separate procedural requirements; and, advise the public to specify in their comments which "notice" their comments address. The public comment period is 15 days when published, counting from the day after the publication.

NORTHERN MARIANAS HOUSING CORPORATION

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PUBLIC NOTICE

EMERGENCY AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION FRAUD, WASTE, AND ABUSE POLICY

EMERGENCY ADOPTION AND IMMEDIATE EFFECT: The Northern Marianas Housing Corporation (NMHC) finds that:

(1) the attached Amendments to its Fraud, Waste, and Abuse Policy, shall be adopted immediately on an emergency basis because the public interest so requires, for the reasons stated below. 1 CMC § 9104(b), (c) and 1 CMC § 9105(b)(2)); and

(2) the same proposed Amendments to its Fraud, Waste, and Abuse Policy shall be adopted, after a proper notice and comment period, as permanent regulations pursuant to the Administrative Procedure Act, 1 CMC § 9104(a).

AUTHORITY: These proposed regulations are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 2 CMC § 4433(t).

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

(1) If an agency finds that the public interest so requires, or that an imminent peril to the public health, safety, or welfare requires adoption of a regulation upon fewer than 30 days' notice, and states in writing its reasons for that finding, it may, with the concurrence of the Governor, proceed without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, to adopt an emergency regulation. The regulation may be effective for a period of not longer than 120 days, but the adoption of an identical regulation under subsections (a)(1) and (a)(2) of this section is not precluded.

(2) No regulation adopted is valid unless adopted in substantial compliance with this section. 1 CMC § 9104(b), (c).

THE TERMS AND SUBSTANCE: The Amendments to the NMHC Fraud, Waste, and Abuse Policy affect the regulations relating to replacing the Lead Compliance Official with the Lead Fraud Official throughout the policies and procedures; the responsibility of the FWA Review Panel; to clarify responsibilities of roles under section 4. Review Procedures; to clarify the process

under section 7. Agency Decision; to clarify responsibilities of roles, processes and outcomes under Section 8. Appeal Process; and to add a new section on Conflict of Interest.

THE SUBJECTS AND ISSUES INVOLVED: The Amendments modify the regulations set forth for aligning processes for effective identification, prevention, reporting and processing of Fraud, Waste, and Abuse.

ADOPTION OF EMERGENCY REGULATIONS FOR 120 DAYS: The Northern Marianas Housing Corporation "NMHC" has followed the procedures of 1 CMC § 9104(b) to adopt these Proposed Regulations on an emergency basis for 120 days.

REASONS FOR EMERGENCY ADOPTION: The Northern Marianas Housing Corporation (NMHC) finds that the public interest requires adoption of these Amendments to the NMHC Fraud, Waste, and Abuse Policy on an emergency basis, for the following reasons:

1. These amendments are needed for aligning processes for effective identification, prevention, reporting and processing of Fraud, Waste, and Abuse cases for all NMHC administered programs.
2. Promulgating these amendments immediately is necessary to directly benefit the Commonwealth's residents by removing administrative barriers that have delayed the delivery of critical disaster recovery housing assistance. Without immediately implementing the revised regulations, eligible families may continue to experience delays in receiving assistance for homeownership, housing rehabilitation, and reconstruction, prolonging recovery from past disasters and limiting access to safe, decent, and affordable housing. The amendments provide clear standards for resolving fraud, waste, and abuse matters, allowing NMHC to efficiently process pending cases while safeguarding public funds and ensuring fairness to applicants. Immediate adoption of these regulations will promote the timely expenditure of federal disaster recovery funds, accelerate housing recovery efforts, strengthen public confidence in program integrity, and ensure that disaster-impacted households obtain the housing assistance necessary for long-term stability and resilience.

DIRECTIONS FOR FILING AND PUBLICATION: The Amendments to NMHC Fraud, Waste, and Abuse Policy shall be published in the Commonwealth Register in the sections on emergency and proposed regulations (*see* 1 CMC § 9102(a)(1)) and posted in convenient places in the Civic Center and in local government offices in each senatorial district. (1 CMC § 9104(a)(1)).

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

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

TO PROVIDE COMMENTS: No comments are required for these emergency rules and regulations. However, the related Notice of Proposed Amendments to the NMHC Fraud, Waste,

and Abuse Policy will specify comment procedures. Please see the notice regarding these emergency Amendments to the Procurement Regulations being presented as proposed regulations, in the June 2026, Commonwealth Register.

The attached emergency regulations were approved by the Northern Marianas Housing Corporation (NMHC) on June 5, 2026.

Submitted by: _____ 06/10/2026
Merced "Marcie" M. Tomokane — Date
Chairwoman
NMHC Board of Directors

Received by: _____ 6/10/2026
Jean Paul B. Reyes — Date
Special Assistant for Administration

Concurred by: _____ 6/10/26
David M. Apatang — Date
Governor

Filed and
Recorded by: _____ 6.12.2026
Esther R.M. San Nicolas — Date
Commonwealth Registrar

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3), the proposed Amendments to the NMHC Fraud, Waste, and Abuse Policy attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 12 day of June, 2026.

_____
EDWARD MANIBUSAN
Attorney General

NORTHERN MARIANAS HOUSING CORPORATION

FRAUD, WASTE, AND ABUSE POLICY

VERSION ~~1~~2

~~May 30, 2025~~June 15, 2026

The policies stated in this manual are current as of ~~May 30, 2025~~June 15, 2026. This Manual represents the current version of the Northern Marianas Housing Corporation's (NMHC) policies which provide general guidance for the operation of Fraud, Waste and Abuse. All manuals will be reviewed periodically and updated. Therefore, users are strongly encouraged to visit our website: www.nmhcgov.net to access the latest version.

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Purpose

The purpose of this Fraud, Waste, and Abuse Policy is to establish guidelines and procedures for the identification, prevention, and reporting of fraudulent activities within the Northern Marianas Housing Corporation. This policy aims to protect the integrity of the agency's programs and to ensure that services are provided fairly and equitably to all eligible individuals and families.

Scope

This policy applies to all employees, contractors, and agents of Northern Marianas Housing Corporation, as well as applicants and recipients of housing assistance.

Overview

The Northern Marianas Corporation assures that it has instituted proficient financial and internal controls to safeguard funds, to ensure sound, optimal, and timely expenditure of funds, and to detect and prevent fraud, waste, and abuse. Accordingly, this policy governs and applies to any action relating to any irregularity, or suspected irregularity, involving employees, consultants, vendors, contractors, sub-recipients, sub-grantees, applicants or outside agencies conducting and/or performing official business with employees of such agencies, and/or any other parties with a business relationship with the NMHC.

Definitions

Fraud: The intentional deception or misrepresentation made by an individual or entity with the knowledge that the deception could result in some unauthorized benefit to themselves or others.

Waste: The use of resources without efficiency or effectiveness causing a loss in program integrity.

Abuse: Behavior that is inconsistent with the contractual, statutory, or regulatory standards monitored by Northern Marianas Housing Corporation, which may lead to an unauthorized benefit.

ACTIONS THAT CONSTITUTE FRAUD, WASTE, AND ABUSE

Actions constituting fraud waste and abuse are, but not limited to:

- Impropriety in the handling or reporting of money or financial transactions;
- Obtaining contracts through collusion and conspiracy;
- Theft or embezzlement;
- False statements, illegal commissions, or kickbacks;
- Any deceitful, dishonest or fraudulent act;
- Misappropriation of funds, securities, supplies, or other assets;
- Profiteering as a result of insider knowledge of the Corporation's activities;
- Disclosing confidential and proprietary information to outside parties;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Corporation.

- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar suspicious or related irregularity.

NMHC's paramount commitment is to preserve and safeguard the public trust and adopt and promote systematic ethical organizational behavior by providing clear and compelling guidelines and assigning responsibility for the development of adequate controls and impartial conduct of investigations. Any investigative activity required will be conducted freely without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Corporation.

Policy Statement

The Northern Marianas Housing Corporation (NMHC or Corporation), administers federal funds to fulfill its mission of providing fair and equal opportunity for safe, decent, sanitary, and affordable housing in the most efficient and responsive manner, especially to very-low, low, and moderate-income persons, elderly, and disabled. Critical to its sound administration is the corresponding fiduciary obligation to develop sufficient internal controls to provide reasonable assurance that housing programs and services are properly managed pursuant to applicable laws, regulations, and policies.

Responsibilities

Corporate Director: Responsible for implementing the policy and ensuring training and awareness.

Lead ~~Compliance~~ Fraud Official:

- -Monitor adherence to this policy, conduct investigations, and report findings to the Corporate Director.
- Conduct comprehensive review of applicant files and make recommendations to the respective Program Manager/Administrator.

Internal Auditor (DR):

- To support management in its effort to establish an organizational culture systemwide that emphasizes good moral character and encourages prudent judgment, sound moral ethics, honesty, objectivity, and integrity in all levels and processes;
- To assist management with the evaluation of internal controls used to detect and mitigate fraud, waste and abuse and to make recommendations to continually strengthen internal controls;
- To evaluate the organizational risk for fraud, waste and abuse and pursue fraud, waste and abuse investigations;
- To assess the effectiveness of the control environment, its processes and procedures that mitigate the occurrence of fraud, waste and abuse on an ongoing and continuous basis;
- To make recommendations to management for improvement of key areas that expose a risk for fraud, waste and abuse;
- To maintain a professional, conducive environment with an open line of communication with the Corporate Director and the CNMI Governor to facilitate the reporting of any and all fraudulent activities, behaviors, actions, or areas that present a risk of fraud, waste and abuse;

- To swiftly investigate incidences of fraud, waste, and abuse and to timely report such occurrences to the Corporate Director and the CNMI Governor.

NMHC Staff: Required to report any suspected fraud and to participate in training on fraud prevention procedures.

NMHC Fraud, Waste, and Abuse Review Panel: ~~Will conduct comprehensive review of applicant files and will make recommendations to the respective Program Manager/Administrator.~~A review panel appointed by the Corporate Director to review and hear the appeal.

Steps to Address Applicant Fraud

1. Identification and Prevention

Eligibility Verification: Conduct thorough eligibility verification processes for all applicants, including background checks and income assessment.

Public Awareness: Inform the public about fraud, waste, and abuse, and provide clear communication on the consequences of fraudulent activities.

Employee Training:
Comprehensive fraud training for all NMHC employees will be provided on a regular basis through training seminars, online webinars, conference calls, or other reasonable means and will be repeated periodically to keep employees alert to the potential for fraud, waste, and abuse. Fraud, waste, and abuse training is designed to meet the following objectives:

- To help establish a sound anti-fraud culture.
- To educate employees about fraud, waste and abuse, what to look for, and how to report it.
- To heighten employee awareness, which increases the likelihood that fraud, waste, and abuse will be reported.
- To send a message that the Corporation is proactively mindful of transparency and accountability at all levels organization wide, detecting and deterring fraud, that deceitful acts and dishonest behavior will be detected, and that perpetrators will be held accountable and punished accordingly.

2. Monitoring and Reporting

Data Analysis: Regularly analyze data for discrepancies or patterns indicative of fraud, including income inconsistencies and duplicate applications.

Commitment to Confidentiality and Anonymity: The Corporation will attempt to ensure that anonymity of the reporter is safeguarded and maintained. When one reports, he/she must be mindful of the following concerning confidentiality and anonymity:

- Even if you report anonymously, once the report has been made and the investigation begins, your coworkers or others who are familiar with the situation you are reporting may still be able to guess your identity.

- Whether you report anonymously or not, the Corporation will treat your report confidentially.
- It is not possible to guarantee absolute confidentiality in all circumstances. In certain cases, disclosure to others inside or outside the Corporation may be required by law.

Whistleblower Protection

Retaliation against an employee who, in good faith, filed a report of alleged fraud, waste, or abuse or who participated in an investigation, is a violation of this Policy. The Corporation's paramount priority is to uphold ethical and good moral character in preserving transparency and practicing accountability to protect and account for all funds and assets.

3. ~~Procedures.~~ Procedures for Reporting Internal Reporting

Any employee who has knowledge of or who has good reason to suspect that fraud, waste, or abuse has occurred shall adhere to the procedures outlined below.

When suspected fraudulent activity, waste, or abuse is observed by, or made known to, an employee, the employee shall immediately report the activity to the Lead ~~Compliance~~ Fraud Official. An employee may also report fraudulent activity, waste, or abuse via the NMHC or CDBG-DR Division Fraud Hotline and the HUD OIG. The employee shall not make any attempt to investigate the suspected activity prior to reporting it. An employee shall not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present, or future investigation. An employee must be able to provide adequate information to support an investigation. Mere speculation does not suffice. The report must be made in good faith. An employee who knowingly makes a false or bad faith complaint will be subject to disciplinary and/or legal action.

External Reporting

The Corporation cannot compel citizens and customers (non-employees) to report suspected instances of fraud, waste, or abuse. However, the Corporation strongly encourages them to do so by:

- Calling the NMHC Fraud Hotline at 670-989-3900
- Emailing Fraudhotline@nmhcgov.net
- Submitting the complaint form available online at http://www.cnmi-cdbgdr.com or http://www.nmhcgov.net.
- HUD Office of Inspector General at 1-800-347-3735 or via email at HOTLINE@hudoig.gov.

4. Review Procedures

Initial Assessment: Upon receiving a report of suspected fraud, the NMHC Lead ~~Compliance~~ Fraud Official shall gather initial facts, conducts an investigation, and reports his/her findings to the ~~Fraud, Waste, and Abuse Review Panel (FWARP)~~Program Manager/Housing Administrator.

Types of Documents to Collect in the Initial Assessment Note: NMHC Lead ~~Compliance~~ Fraud Official shall request for additional documents, as necessary. Dependent on what stage of the housing assistance process an applicant may be when the suspected fraud was reported, certain documents below may not apply:

a. Application Form
   - Completed housing assistance application form, including details about all household members.

b. Identification Documents
   - Government-issued IDs: Copies of photo IDs (e.g., driver's licenses, state IDs, passports) for all household members.
   - Social Security Cards: Social Security numbers for all household members may also be needed for income verification and eligibility checks.

c. Proof of Residency
   - Lease Agreements: Current lease or rental agreements that list all household members.
   - Utility Bills: Recent utility bills (electricity, water, gas) showing the name and address of the applicant and any other household members.

d. Income Verification
   - Pay Stubs: Recent pay stubs for all working household members.
   - Wage Verification Letters: Letters from employers confirming employment and earnings if pay stubs are not available.
   - Tax Returns: Most recent tax returns or W-2 forms for all adult household members.
   - Public Assistance Documents Documentation of any received assistance (e.g., SSI,food stamps) for household members.

e. Birth Certificates and Legal Documentation
   - Birth Certificates: Copies of birth certificates can provide proof of relationship and age for minor household members.
   - Custody/Guardianship Papers: Legal documentation if the applicant is a guardian or caretaker for another person.

f. Affidavit or Declaration
   - Affidavit of Household Composition: A sworn statement listing all household members, affirming the accuracy of the information provided

g. Self-Declared Income and Asset Documentation**
   - Income and asset declarations completed by each adult household member, providing a fuller picture of financial stability.

h. References or Verification Files
   - Character References: Personal references or previous landlords can help validate the household's claims about residence and composition.
   - Home Visit or Interview Documentation
     - Home Visit Notes: If applicable, any notes or findings if a housing agency conducts a home visit to verify household composition.

Verifications
Cross-Validation: Data from different documents should be cross-verified to ensure consistency.

Periodic Updates: Require households to update their information regularly, especially if there have been changes in family composition.

Privacy Compliance: Ensure that all documents are handled in compliance with privacy laws and regulations, such as the Fair Housing Act and the Privacy Act.

~~After gathering information and conducting an investigation, the NMHC Lead Compliance Official will forward his/her findings and recommendation to the Fraud, Waste, and Abuse Review Panel.~~

5~~. Fraud~~. Fraud Involving the Non-Disclosure of Household Members

NMHC may further review the household member in question (individual who was not disclosed in the household composition), should a suspected fraud report be received. The following documents will be requested by the NMHC Lead ~~Compliance~~ Fraud Official:

a. Affidavit or Written Statement
   - Affidavit from the Applicant: The applicant can provide a sworn statement affirming that the individual in question does not reside with them.
   - Affidavit from Neighbors or Other Witnesses: Statements from neighbors, friends, or family members testify that the individual does not live at the residence.

b. Third-Party Verification
   - Landlord or Property Manager Statements: A confirmation from the landlord or property management confirming that the individual is not listed on the lease or does not reside at the address.
   - Utility Company Statements: Documentation from utility companies indicating that the individual does not have an account registered at the residence.

c. Documentation Evidence
   - Mail and Official Correspondence: Mail addressed to the individual at a different address, including utility bills, bank statements, or government correspondence.
   - Voter Registration Records: If the individual is registered to vote at a different address, this can serve as proof of residency elsewhere.
   - Employment Records: Pay stubs or employment letters indicating the individual's primary work location is outside the residence in question.

d. Inspections or Home Visits
   - Home Visit Observations: Observations made during a home visit by housing agency staff can provide evidence. For example, if the individual's personal belongings or vehicles are not present.
   - Photographic Evidence: Photos of the living space that do not show the individual's belongings or any indication of their residence.

e. Social Media and Public Records
   - Social Media Activity: Posts or check-ins that may indicate the person lives at a different address.
   - Public Records: Other public records, such as court documents or property tax records, showing the individual's primary residence.

f. Financial Documentation
   - Bank Statements: Bank statements showing transactions that indicate the individual spends a significant amount of time at a different address or is maintaining an account elsewhere.

g. Interview Process
   - Interviews of Residents: Conduct interviews with other residents in the household or neighbors to ascertain the living situation accurately.
   - Address Confirmation: Asking the individual in question for their current address and proof of residence (e.g., lease, utility bills, etc.).

6~~. Fraud~~. Fraud Involving the Non-Disclosure of Additional Income

a. Affidavit from the Applicant: The applicant can provide a sworn statement affirming that their income is true and accurate
b. Third-Party Verification (e.g. Enterprise Income Verification (EIV) and other forms of verifications)

7. Agency Decision

~~The applicant will be informed of their file being under review by the FWA Review Panel and informed about the opportunity to present supporting documents or be represented by counsel during the FWA Review Panel.~~

~~The FWA Review Panel will conduct a comprehensive review of the application file, which may include interviews, further document reviews, and site visits. The review panel will be composed of NMHC Management and Staff.~~

~~Panel Hearing: The FWA Review Panel will provide the applicant with notice of the upcoming review and the opportunity to present evidence or supporting documents. The FWA Review Panel will then review the documentation and preside over the Panel Hearing proceeding, if applicable. The FWA Review Panel will maintain detailed records of the review process, including findings, evidence collected, and actions taken. The FWA Review Panel will decide on the matter and will forward their~~Upon forwarding the findings and recommendations to the designated program manager/administrator, ~~. T~~the designated program manager/administrator will then issue the agency decision to the applicant/client.

Notification of Agency Decision
The applicant will receive written notification of the Final Agency Decision.
The notice should include:

- The specific reasons for the decision;
- Information on their right to appeal and how to appeal of the decision; and
- A contact person or office for questions or further clarification.

Administrative Action: ~~If fraud is confirmed, take appropriate administrative actions, including the conversion of grants to loans (specifically CDBG-DR), possibility of terminating housing assistance and demanding repayment of funds.~~Upon completion of the review and investigation process, NMHC shall determine the appropriate administrative action based on the facts, evidence obtained, and the stage of assistance provided under the applicable NMHC-administered program. Administrative remedies may include repayment obligations, conversion of assistance, termination of participation, recapture of funds, referral to law enforcement, and any other action permitted under federal regulations, NMHC-administered program requirements, and applicable laws.

Referral to Authorities: If applicable, refer the case to law enforcement or other appropriate authorities for criminal prosecution.

8. Appeal Process

Right to Appeal: An Applicant must file an appeal of the final agency decision by submitting their appeal in writing to the Corporate Director within ten (10) calendar days of the written notice of the final decision.

The Corporate Director shall appoint an FWA Review Panel to review and hear the appeal.

-Any appeal submitted must indicate the basis for the appeal and include any supporting documents. If a client fails to submit an appeal within ten (10) calendar days, the appeal shall not be considered.

Appeal

- **Acknowledgment**: Upon receiving the appeal request, the Corporate Director should confirm receipt of the appeal in writing and refer the appeal to the FWA Review Panel.
- **Review Process**: The ~~Corporate Director~~FWA Review Panel should review the appeal and any information provided.
  - This could include:
    - The documents which supported the administrative decision as well as new material presented.
    - Re-examining the eligibility criteria.
    - Considering any new evidence or mitigating circumstances.
    - Checking for administrative errors in the original decision.
    - Hold a hearing to preside over the appeal~~, if requested~~
- ~~**Possible Outcomes**:~~
  - ~~**Upheld Denial**: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.~~
  - ~~**Reversal of Denial**: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.~~
  - ~~**Further Action**: If the appeal is complex, a hearing or meeting may be scheduled.~~

Hearing ~~(if requested/applicable)~~

Scheduling: If the applicant requests a hearing, the agency should schedule it within 30 days or as soon as possible.

- **Location**: The hearing can be held in person or virtually, depending on the circumstances.
- **Representation**: The applicant may be allowed to bring a representative, such as a lawyer, advocate, or family member, to assist with the hearing.
- **Presentation of Evidence**: Both the applicant and the agency can present evidence or make arguments related to the denial.
- ~~**Neutral Hearing Officer**~~**FWA Review Panel**: The ~~Corporate Director or a neutral party~~FWA Review Panel should preside over the hearing to ensure fairness.

- ~~If a Hearing Officer presides over the appeal, the Hearing Officer~~ The FWA Review Panel will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties with the ability to submit exceptions to the FWA Review Panel ~~Hearing Officer's~~ recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).

Possible Outcomes:

- **Upheld Denial**: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.
- **Reversal of Denial**: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.

Decision on Appeal

- **Issuance of Decision**: After the hearing or review, the ~~Corporate Director~~FWA Review Panel's Chairperson should issue a written decision to be concurred by the Corporate Director, which should include:
  - A summary of the hearing or review process.
  - The findings of fact.
  - The rationale for the decision.
  - Information on next steps, if applicable (such as the right for judicial review).
- ~~If a Hearing Officer presides over the appeal, the Hearing Officer will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties the ability to submit exceptions to the Hearing Officer's recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).~~
- **Timeframe**: The decision should be made within a reasonable time after the hearing or review was conducted.
- Under 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

9. Conflict of Interest

In accordance with applicable federal regulations, including 2 C.F.R. § 200.303 relating to internal controls, and HUD requirements concerning ethical administration of federally funded programs, the Northern Marianas Housing Corporation (NMHC) shall maintain an impartial and objective review process for all Fraud, Waste, and Abuse matters.

All employees, investigators, Review Panel members, Hearing Officers, contractors, consultants, and other individuals participating in any investigation, review, hearing, recommendation, or decision-making process shall avoid any actual, potential, or perceived conflict of interest.

A conflict of interest exists when an individual has a financial, personal, professional, organizational, or familial interest that could compromise, impair, or appear to impair the individual's independence, objectivity, or impartiality in carrying out official duties.

The following requirements shall apply:

- Any individual involved in the review process must immediately disclose any actual or potential conflict of interest to the Corporate Director upon becoming aware of the conflict.
- Any individual with a conflict of interest shall recuse themselves from participating in the investigation, review, deliberation, hearing, recommendation, or decision-making process related to the matter.
- The Corporate Director shall designate an alternate qualified individual or Review Panel member to ensure the integrity and impartiality of the process.

- No person shall participate in a matter involving:
  - A family member or relative;
  - A household member or close personal relationship;
  - A direct supervisory or subordinate relationship;
  - A financial or personal interest in the outcome;
  - Prior involvement in the matter under review; or
  - Any circumstance that may create an appearance of bias or impropriety.
- All members of the FWA Review Panel and other designated participants may be required to complete and sign a Conflict of Interest Disclosure and Certification Form prior to participating in any proceedings.
- Any failure to disclose a known conflict of interest may result in disciplinary action, removal from the review process, and/or other corrective actions consistent with NMHC policies, federal regulations, and applicable laws.

NMHC shall ensure that all review proceedings are conducted in a manner that promotes fairness, transparency, accountability, and compliance with HUD program requirements and applicable federal regulations.

Conclusion

By adhering to this Fraud, Waste, and Abuse Policy, Northern Marianas Housing Corporation aims to uphold the highest standards of integrity and accountability in all of its operations. All staff and stakeholders are expected to fully support the prevention and identification of fraudulent activities, thereby ensuring the responsible use of public resources.

Approval and Amendment History

This policy was approved on 5/30/2025 by the NMHC Board of Directors and will be reviewed annually for any necessary amendments.

Version Number	Approval Date
Version 1.0	May 30, 2025
Version 2.0	June 5, 2026

CONTACT INFORMATION

For Northern Marianas Housing Corporation

By Postal Mail:
NMHC
P.O. Box 500514
Saipan, MP 96950

By Email:
Fraudhotline@nmhcgov.net

Fraud Hotline:
670-989-3900

Website:
CDBG-DR Division: http://www.cnmi-cdbgdr.com
All other Programs: http://www.nmhcgov.net

For HUD Office of Inspector General

By Postal Mail:
HUD OIG Hotline
451 7th Street SW
Washington, D.C. 20410

By Email:
HOTLINE@hudoig.gov

HUD OIG Hotline:
1-800-347-3735 (Toll-Free)

NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 500514, Saipan, MP 96950-0514
Email: nmhc@nmhc.gov.mp
Website: http://www.nmhcgov.net

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

NMHC COMPLAINT FORM

If you know or suspect someone has committed fraud, waste or abuse related to the Northern Marianas Housing programs, please fill in the complaint form.

Do you wish to remain anonymous?

- Yes
- No

If your answer is "Yes", it is not necessary to complete the contact information section. It is important to note that we will not be able to contact you if we need additional information about your complaint.

Do you wish to maintain your contact information private?

- Yes
- No

If your answer is "Yes", your contact information will not be shared outside the Lead ~~Compliance~~ Fraud Official's Office. Our policy is to honor requests for confidentiality and not to release any data that would identify such individuals unless required to do so by order of law.

ALLEGATION DESCRIPTION

Are you a victim of the alleged fraud, waste or abuse?

- Yes
- No

Do you have evidence to support the allegations?

- Yes
- No

Will you be able to provide supporting documents?

- Yes
- No

Please provide information about your relationship with the person/entity who allegedly has committed or is involved in the fraud, waste or abuse:

Please provide a summary of the facts of the alleged fraud, waste or abuse:

Where did the fraud, waste of abuse occur?

In what date (specific or range of dates) did the fraud, waste or abuse happen?

Describe what happened. Please include specific details as to who was involved, and how did you obtain the information. Failure to provide sufficient information or documentation may prevent or delay the investigation of your complaint.

By submitting this form, you attest that all of the statements made, including any additional pages and/or supporting documentation, are true, complete, and correct to the best of your knowledge. In addition, you recognize that knowingly and wilfully making a deliberate or materially false,

fictitious, or fraudulent statement or representation in this Complaint Form is a criminal offense for which you may be prosecuted.

In accordance with 2 C.F.R. § 200.303, regarding internal controls of a non-Federal entity, NMHC is committed to protect all Personally Identifiable Information obtained. This includes, but is not limited to, Social Security Numbers, driver's license numbers, alien registration numbers, financial or medical records, biometrics or criminal history. Although NMHC maintains websites with acceptable and reasonable precautions to protect your personal information, since no method of transmission over the Internet or storage of data on an Internet server is 100% secure, we do not guarantee its absolute security.

In the alternative, you may visit the NMHC Main Office in Garapan, Saipan, the NMHC Field Offices in Tinian and Rota or the NMHC CDBG-DR Office in Oleai, Saipan.

COMMONWEALTH ECONOMIC INCENTIVE AUTHORITY

BUILDING THE COMMONWEALTH'S ECONOMIC FUTURE

PUBLIC NOTICE OF CERTIFICATION AND ADOPTION OF REGULATIONS OF THE COMMONWEALTH ECONOMIC INCENTIVE AUTHORITY

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER AS PROPOSED REGULATIONS

Volume 48, Number 04, pp 053673-053674, of April 15, 2026

ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS: The Commonwealth of the Northern Mariana Islands, Commonwealth Economic Incentive Authority ("CEIA"), HEREBY ADOPTS AS PERMANENT the Commonwealth Economic Incentive Authority Rules and Regulations, pursuant to the Administrative Procedure Act, 1 CMC § 9104(a). The proposed regulations will adopt a new NMIAC Chapter 195-10 to prescribe the administrative framework governing the operation of CEIA by establishing the following provisions:

- § 195-10-001 to -025 General Provisions
- § 195-10-101 to -180 Board of Directors
- § 195-10-201 to -220 Duties of the Board
- § 195-10-301 to -305 CEIA Officers
- § 195-10-1801 to -1835 Funds and Accounting
- § 195-10-1901 to -1905 Investigations and Audits
- § 195-10-2001 to -2005 Conflicts and Confidentiality
- § 195-10-2101 to -2115 Violations of Rules and Regulations
- § 195-10-2201 to -2265 Board of Directors' By-laws

I certify by signature below that as published, such adopted regulations are a true, complete, and correct copy of the referenced proposed regulations, and that they are being adopted without modification.

PRIOR PUBLICATION: These regulations were published as proposed regulations in Volume 48, Number 04, pp 053673-053674 of the Commonwealth Register dated April 15, 2026.

ATTORNEY GENERAL APPROVAL: The adopted regulations were approved for promulgation by the Attorney General in the above-cited pages of the Commonwealth Register pursuant to 1 CMC § 2153(e).

MODIFICATIONS FROM PROPOSED REGULATIONS, IF ANY: None.

AUTHORITY: These regulations are promulgated under the authority of CEIA pursuant to Public Laws 12-20 and 22-1, as amended by Public Law 24-05, including but not limited to 4 CMC § 51121(g).

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b), these adopted amendments are effective 10 days after compliance with the APA, 1 CMC §§ 9102 and 9104(a) or (b), which in this instance is 10 days after publication in the Commonwealth Register.

COMMENTS AND AGENCY CONCISE STATEMENT: No written comments regarding the proposed regulations were submitted during the 30-day comment period. DPL will, if requested to do so by any interested person within 30 days of this adoption of the amendments, issue a concise statement of the principal reasons for and against its adoption.

I declare under penalty of perjury that the foregoing is true and correct and this declaration was executed on the date indicated below at Saipan, Commonwealth of the Northern Mariana Islands.

Submitted by:

Anthony C. Torres
Chairperson, CEIA Board of Directors

6/15/2026
Date

Filed and Recorded by:

Ms. Esther R.M. San Nicolas
Commonwealth Registrar

6.15.2026
Date

NORTHERN MARIANAS HOUSING CORPORATION

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PUBLIC NOTICE

PROPOSED AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION'S CDBG-DR HOMEBUYER ACTIVITIES POLICIES & PROCEDURES AND THE CDBG-DR HOMEOWNER REHABILITATION & RECONSTRUCTION POLICIES & PROCEDURES

Notice of Intended Action: The Board of Directors of the Northern Marianas Housing Corporation intends to amend the NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures pursuant to the Administrative Procedure Act, 1 CMC § 9104(a). If adopted, these Amendments to the 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: The proposed Amendments are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 2 CMC § 4433(t).

Terms and Substance: The proposed Amendments to the NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures affect the regulations relating to replacing Borrower with Grantee and Homebuyer to Homeowner throughout the Policies and Procedures; §100-100.3-735 to include guidance regarding the required homeowner's insurance; §100-100.3 Part 800 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.3-815 to §100-100.3-870; §100-100.4-201 to clarify grant amount in special circumstances; §100-100.4-215 to rename section from Property Eligibility to Security, Restrictive Covenant, Homeowner Requirements and include guidance on restrictive covenant, written agreement, homeowner's insurance and requests for relief; §100-100.4 Part 500 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800 to rename from Assumption to Miscellaneous Circumstances Affecting Grant Agreement and to provide guidance on Assumption on a Grant.

Citation of Related and/or Affected Statutes, Rules and Regulations. The proposed Amendments relating to §100-100.3; §100-100.3-735; §100-100.3 Part 800; §100-100.3-815 to §100-100.3-870; §100-100.4; §100-100.4-201; §100-100.4-215; §100-100.4 Part 500; §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800.

Directions for Filing and Publication: These proposed Amendments to the Northern Marianas Housing Corporation's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures 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; the Public Notice of Proposed Adoption shall be 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 Zenie P. Mafnas, Corporate Director, NMHC, to the following address, fax or email address, with the subject line "Proposed Amendments to the NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021
Email address: zpmafnas@nmhcgov.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: _____ 06/10/2026
Merced "Marcie" M. Tomokane — Date
Chairperson
NMHC Board of Directors

Received by: _____ 6/10/2026
Jean Paul B. Reyes — Date
Special Assistant for Administration

Filed and
Recorded by: _____ 6.26.2026
Esther R.M. San Nicolas — Date
Commonwealth Registrar

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3) the proposed Amendments to the Community Development Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures and the CDBG-DR Rehabilitation & Reconstruction Policies & Procedures 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)).

Edward Manibusan
Attorney General

6/11/2026
Date

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NUTISIAN PUPBLIKU

MANMAPROPONI NA TINILAIKA GI NORTHERN MARIANAS HOUSING CORPORATION'S COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) POLICIES YAN I MANERAN PRUGRÅMAN HOMEBUYER ACTIVITIES POLICIES & PROCEDURES YAN I CDBG-DR REHABILITATION & RECONSTRUCTION POLICIES & PROCEDURES

Nutisia i Ma'intensiona na Aksión: I Kuetpun Mandirektot gi Northern Marianas Housing Corporation ha intensiona para u amenda i NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) i Policies yan i Maneran Prugråman Homebuyer Activities Policies & Procedures yan I CDBG-DR Rehabilitation & Reconstruction Policies & Procedures sigun gi Åkton Administrative Procedure, I CMC § 9104(a). Yanggin ma'adåpta, esti siha na Tinilaika gi Regulasion siempri umifektibu gi dies (10) dihas gi halum kalendåriu dispues di pupblikasion nu i Nutisian Adåptasion gi halum Rehistran Commonwealth dispues di compliance yan i I CMC §§ 9102, 9104(a), yan 9105(b).

Åturidåt: I maproponi na Tinilaika siha manmacho'gui gi papa' i aturidåt nu i Kuetpun Mandirektot, ginen Kabesiyun-ñiha, para u macho'gui i areklamentu yan regulasion siha sigun gi 2 CMC § 4433(t).

I Tema yan Sustånsian i Palåbra siha: I maproponi na Tinilaika siha gi NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) i Policies yan i Maneran Prugråman Homebuyer Activities Policies & Procedures yan I CDBG-DR Rehabilitation & Reconstruction Policies & ha afekta i regulasion ni umasosiåt ya para hu man na halom nuebu na replacing Borrower with Grantee and Homebuyer to Homeowner throughout the Policies and Procedures; §100-100.3-735 to include guidance regarding the required homeowner's insurance; §100-100.3 Part 800 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.3-815 to §100-100.3-870; §100-100.4-201 to clarify grant amount in special circumstances; §100-100.4-215 to rename section from Property Eligibility to Security, Restrictive Covenant, Homeowner Requirements and include guidance on restrictive covenant, written agreement, homeowner's insurance and requests for relief; §100-100.4 Part 500 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800 to rename from Assumption to Miscellaneous Circumstances Affecting Grant Agreement and to provide guidance on Assumption on a Grant.

Sitasión i Asosiåt yan/pat i Manina'fekta na Statutes, Areklamentu yan Regulasion siha: I maproponi na Tinilaika siha ni umasosiåt ya para hu man na halom nuebu na §100-100.3; §100-100.3-735; §100-100.3 Part 800; §100-100.3-815 to §100-100.3-870; §100-100.4; §100-100.4-

201; §100-100.4-215; §100-100.4 Part 500; §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800.

Direksion siha para u Mapo'lu yan Pupblikasion: Esti i maproponi na Tinilaika siha gi Northern Marianas Housing Corporation's Community Development Block Grant – Disaster Recovery (CDBG-DR) i Policies yan i Maneran Prugråman Homebuyer Activities Policies & Procedures yan I CDBG-DR Rehabilitation & Reconstruction Policies & Procedures debi na u mapupblika gi halum i Rehistran Commonwealth gi halum seksion i maproponi yan nuebu na ma'adåpta na regulasion siha (1 CMC § 9102(a)(1)) yan u mapega gi hålum mankumbinienti na lugåt gi halum i Civic Center yan i hålum ufisinan gubietnamentu siha gi kada distritun senadot; i Nutisian Pupbliku put i Maproponi na Adaptasion debi na gi finu' Inglis yan i dos na lingguåhi natibu. (1 CMC § 9104(a)(1)).

Upiñon siha: I intirisao na petsona siha siña muna'hålum tinigi' upiñon siha put i manmaproponi na Tinilaika siha guatu gi as Zenie P. Mafnas, Corporate Director, NMHC gi sigienti na address, fax, pat email address, yan i råyan suhetu "Maproponi na Tinilaika siha gi NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) i Policies yan i Maneran Prugråman Homebuyer Activities Policies & Procedures yan I CDBG-DR Rehabilitation & Reconstruction Policies & Procedures:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021
Email address: zpmafnas@nmhcgov.net

I upiñon, infotmasion yan kuntestasión siha debi na u fanhålum gi hålum trenta (30) dihas ginin i fetchan pupblikasion esti na nutisia. I CMC § 9104(a)(2). Kumu guaha maseha håfa na kuestion-mu, siña un ågang i NMHC gi numirun tilifon gi 234-6866/234-9447, 234-7689.

Nina'halum as: _____ Fetcha: 06/10/2026
Merced "Marcie" M. Tomokane
Kabesiyu
Kuetpun Mandirektot NMHC

Rinisibi as: _____ Fetcha: 6/10/2026
Jean Paul B. Reyes
Ispisiåt Na Ayudånti Para I Atministrasion

Pine'lu yan
Ninota as: _____ Fetcha: 6.12.2026
Esther R.M. San Nicolas
Rehistran Commonwealth

Sigun gi 1 CMC § 2153(e) yan 1 CMC § 9104(a)(3) i maproponi na Tinilaika siha gi Regulasion Community Development Block Grant – Disaster Recovery (CDBG-DR) i Policies yan i Maneran Prugråman Homebuyer Activities Policies & Procedures yan 1 CDBG-DR Rehabilitation & Reconstruction Policies & Procedures ni chechettun guini maribisa yan maninaprueba komu para u fotma yan ligåt sufisienti ginen i Abugådu Hiniråt iya CNMI yan debi na u mapupblika (1 CMC § 2153(f) (pupblikasion nu areklamentu yan regulasion siha)).

Edward Manibusan
Abugådu Hiniråt

6/11/2026
Fetcha

NORTHERN MARIANAS HOUSING CORPORATION

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234-6866
Fax: (670) 234-9021

ARONGORONGOL TOULAP

PWOMWOL LIIWEL NGÁLI NORTHERN MARIANAS HOUSING CORPORATION'S COMMUNITY DEVELOPMENTAL BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) HOMEBUYER ACTIVITIES POLICIES & PROCEDURES & CDBG-DR HOMEOWNER REHABILITATION & RECONSTRUCTION POLICIES & PROCEDURES

Arong reel Ipighil Mwóghut: Board-il Directors me Northern Marianas Housing Corporation rebwe ipighil liiweli NMHC's Community Development Block Grant–Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures & CDBG-DR Rehabilitation & Reconstruction Policies & Procedures me Procedures sángi Administrative Procedure Act, I CMC § 9104(a). Ngáre a adopted ló, Liiwel kkaal ngáli Mwóghútúghút kkaal llól seigh (10) ráál mwiril akkatééwow mellól Commonwealth Register ebwe bwunguló Arongorongol Adoption mwiril yaal angúúngú fengál me 1 CMC §§ 9102, 9104(a), me 9105(b).

Bwángil: Reel pwomwol Liiwel kkaal ebwe arongowow faal bwángil Board of Directors, sángi layúr Chairperson, ebwe arongowow allégh me mwóghutughut sángi 2 CMC § 4433(t).

Kkapasal me Aweeweel: Pwomwol Liiwel ngáli yaar NMHC Community Development Block Gant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures & CDBG-DR Rehabilitation & Reconstruction Policies & Procedures ee liiweli mwóghutughut ikka ee schuu ngáli replacing Borrower with Grantee and Homebuyer to Homeowner throughout the Policies and Procedures; §100-100.3-735 to include guidance regarding the required homeowner's insurance; §100-100.3 Part 800 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.3-815 to §100-100.3-870; §100-100.4-201 to clarify grant amount in special circumstances; §100-100.4-215 to rename section from Property Eligibility to Security, Restrictive Covenant, Homeowner Requirements and include guidance on restrictive covenant, written agreement, homeowner's insurance and requests for relief; §100-100.4 Part 500 to provide guidance regarding Fraud, Waste and Abuse by adding new sections - §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800 to rename from Assumption to Miscellaneous Circumstances Affecting Grant Agreement and to provide guidance on Assumption on a Grant.

Citation reel Milikka ee Schuu me/ngare "Affected Statutes", Allégh me Mwóghutughut: Reel pwomwol Liiwel ikka ee schuu ngáli add §100-100.3; §100-100.3-735; §100-100.3 Part 800; §100-100.3-815 to §100-100.3-870; §100-100.4; §100-100.4-201; §100-100.4-215; §100-100.4 Part 500; §100-100.4-515 to §100-100.4-570; §100-100.4 Part 800.

Afal reel Ammwelil me Akkatééwowul: Ikkaal pwomwol Liiwel ngáli Northern Marianas Housing Corporation Community Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures & CDBG-DR Rehabilitation & Reconstruction Policies & Procedures ebwe arongolong lóll Commonwealth Register llól tálil ffél mwóghutughut ikka ra adóptáálil (1 CMC § 9102(a)(1) me ebwe a appaschetá llól bwuley kka efil mellól civic center bwal llól government offices llól ghal ikkey senatorial district; ebwe lo Arongorongol Toulap reel Pwomwol Liiwel kkaal ebwe llól English me mwáliyasch (1 CMC § 9104(a)(1)).

Kkapas: Schóó kka re tipáli rebwe isiisilong ischil kkapas reel iyeel pwomwol liiwel kkaal rebwe isch ngáli Zenie P. Mafnas, Corporate Director, NMHC, ngáli féléfél iye amwirimwiritiw, fax ngáre email address, ebwe lo wóól subject line bwe "Proposed Amendments to the NMHC's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homebuyer Activities Policies & Procedures & CDBG-DR Rehabilitation & Reconstruction Policies & Procedures".

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Fax: 234-9021
Email address: zpmafnas@nmhcgov.net

Kkapas, data, views, ngáre angiingi ebwe toolong llól eliigh (30) ráál mwiril yaal akkatééwow arongorong yeel. 1 CMC § 9104(a)(2). Ngáre eyoor yóómw aiyegh, faingiló NMHC me 234-6866/234-9447/234-7689.

Isáliyalong: _____ Ráál: 06/10/2026
Merced "Marcie" M. Tomokane
Chairperson
NMHC Board of Directors

Bwughiyal: _____ Ráál: 6/10/2026
Jean Paul B. Reyes
Special Assistant ngáli Administration

Ammwelil: _____ Ráál: 6.12.2026
Esther R.M. San Nicolas
Commonwealth Register

Sángi 1 CMC § 2153(e) me 1 CMC § 9104(a)(3) ra takkal amwuri fischiiy me átirowa ppwommwol Liiwel ngáli Mwóghutughutúl Procurement ikka e appasch bwe aa ffil reel ffééról me legal sufficiency sángi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow (1 CMC § 2153(f) (akkatééwowul allégh me mwóghutughut)).

_____ 6/11/2026
Edward Manibusan
Soulemelemil Allégh Lapalap
Ráál

SUBCHAPTER 100-100.3
CDBG-DR HOMEBUYER ACTIVITIES POLICIES AND PROCEDURES

Part 001 - General Provisions

§ 100-100.3-001 Introduction
§ 100-100.3-005 Public Announcement

Part 100 - Application

§ 100-100.3-101 Formal Application
§ 100-100.3-105 Supplemental Information

Part 200 - Eligibility

§ 100-100.3-201 Eligibility Requirements

Part 300 - Affordability Restrictions

§ 100-100.3-301 Long Term Affordability
§ 100-100.3-305 Right of First Refusal
§ 100-100.3-310 Resale
§ 100-100.3-315 Recapture

Part 400 - Homebuyer Costs

§ 100-100.3-401 Eligible Costs

Part 500 - Notification to Applicants

§ 100-100.3-501 Notification of Eligibility or Ineligibility

Part 600 – Grant Processing

§ 100-100.3-601 Selection
§ 100-100.3-605 Administration; Approval; Appeals Process
§ 100-100.3-610 Homebuyer/New Construction Counseling Session
§ 100-100.3-615 Commitment Letter

Part 700 – Terms and Conditions of Grant

§ 100-100.3-701 Maximum Homebuyer Program Grant Amount
§ 100-100.3-705 Maximum and Minimum CDBG-DR Homebuyer Program Grant Amount
§ 100-100.3-710 Determination of Unit Size and Occupancy Standards
§ 100-100.3-735 After-Construction Property Value, After-Rehabilitation Property Value, or Property Value at Initial Purchase (if Acquisition Only).
§ 100-100.3-740 Security, Restrictive Covenant, Homeowner Requirements

Part 800 – Fraud, Waste and Abuse

§ 100-100.3-801 Eligibility Certification
§ 100-100.3-805 Default
§ 100-100.3-810 Remedies Upon Default
§ 100-100.3-815 Disposition of Fraud Cases
§ 100-100.3-820 Grant to Loan Conversion
§ 100-100.3-825 Eligible Repayment Costs
§ 100-100.3-830 Repayment Terms
§ 100-100.3-835 Affordability Restrictions
§ 100-100.3-840 Right of First Refusal
§ 100-100.3-845 Recapture
§ 100-100.3-850 Distressed Applicants
§ 100-100.3-855 Types of Assistance
§ 100-100.3-860 Foreclosure
§ 100-100.3-865 Mitigation to Foreclosure
§ 100-100.3-870 Loan Satisfaction and Lien Release

Part 900 – Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.3-901 Assumption of a Grant

Part 1000 – Ethics

§ 100-100.3-1001 Conflict of Interest

Part 1100 - Performing New Construction Work

§ 100-100.3-1101 Performing New Construction Work

Part 1200 - Homebuyer Underwriting

§ 100-100.3-1201 Guidelines and Referenced Sections
§ 100-100.3-1205 Subsidy Layering
§ 100-100.3-1210 Acronyms Reference Section

APPENDIX A.1: Crosscutting Requirements

1.1 Crosscutting Requirements
1.2 Fair Housing
1.3 Environmental Review
1.4 Labor Standards
1.5 Limited English Proficiency
1.6 Minority and/or Women-Owned Business Enterprises
1.7 Section 3 Economic Opportunities
1.8 System for Award Management (SAMs)
1.9 Uniform Relocation and Real Property Acquisition Act (49 CFR 24)

APPENDIX A.2: HOMEBUYER APPLICATION CHECKLIST

Part 001 - General Provisions

§ 100-100.3-001 Introduction

(a) As a result of the 2018 storms, namely Typhoon Mangkhut and Super Typhoon Yutu, the Commonwealth of the Northern Mariana Islands (CNMI) received an allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funds which will be administered by the Northern Marianas Housing Corporation (NMHC). NMHC has developed the Homebuyer Program patterned after HUD's HOME program to cover the eligible costs to construct a new home, acquire a home, or to acquire and renovate a home. The governor of the CNMI has placed housing as the highest recovery priority. The total allocation amount under this Program is $59,009,534.

(b) At the time of Typhoon Mangkhut and Super Typhoon Yutu, the CNMI was still and most recently recovering from Typhoon Soudelor that hit the islands in 2015. The Soudelor event received only FEMA assistance and did not receive HUD CDBG-DR funds so recovery efforts have been slow and on-going.

(c) A shortage of available homes for sale or vacant house lots was in existence prior to the typhoons mentioned above. Overall damage to the housing stock compounded the shortage of affordable housing stock. Further, in July of 2017, there were still 2,614 homestead applicants on the waiting list per the Department of Public Lands, demonstrating the continuing need for affordable housing.

(d) The CDBG-DR Homebuyer Program provides an opportunity for first-time homebuyers to build resilient homes or to purchase existing homes in lower risk areas and to add to the housing stock of typhoon-proof homes.

(e) Funds will be made available for eligible projects and to eligible beneficiaries through the following forms of financial assistance or subsidy:
   (1) Grants for acquisition (land or home) or for new construction of home. Must be applicant's primary residence
   (2) Downpayment assistance
   (3) Closing cost assistance

(f) Due to the limited availability of CDBG-DR funds allocated to the Commonwealth of the Northern Mariana Islands (CNMI) from the U.S. Department of Housing and Urban Development (HUD), financial assistance will be limited to qualified extremely low, very low-, low-, and moderate-income homebuyers. No less than eighty percent (80%) of CDBG-DR funds will be used to assist families with income levels at or below 80 percent of the area median income while the remaining twenty percent (20%) of the funds will be used to assist families with income levels at or below 120 percent of the area median income. Eligible households over 80% AMI will meet the national objective of urgent need. These families' income eligibility is based on their annual income. Annual income for this purpose is the gross amount of income anticipated by all adults in a family during the 12 months following the

effective date of the determination. The determination of income and allowances as a criterion to qualify these homebuyers shall be guided by 24 CFR Part 5 (Part 5 annual income).

(g) NMHC, on behalf of the CNMI, has been tasked with the responsibility and administration of the CDBG-DR Homebuyer Program. Support services will also be provided by NMHC's Fiscal Division (FD) with respect to CDBG-DR related disbursement of funds and collection of payments, accounting, and maintenance of financial records. NMHC's CDBG-DR Project Manager, in-house engineer/architect, and hired A&E firms with respect to reasonableness of cost estimates, dwelling unit inspections, and other related matters. Overall, the NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of the CDBG-DR Homebuyer Program in accordance with federal and local statutory and regulatory requirements.

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

(1) Provide for the efficient and effective administration of the CDBG-DR Program wherein eligible beneficiaries can avail the financial assistance provided for the construction of their principal residence, acquisition of their principal residence, or acquisition and repair of their principal residence;

(2) Foster positive working relationships among NMHC, homebuyers assisted with CDBG-DR monies, and Minority and Women-Owned Businesses (MBE/WBE); as well as prospective developers;

(3) Enforce the 2018 International Building Code (IBC) enacted by law and any updates approved by regulations by the CNMI Department of Public Works; and HUD-prescribed residential building standards; and

(4) Preserve and improve the general housing stock of the CNMI. There was an existing housing shortage prior to the storms and the housing/homebuyer market has been stressed and exacerbated by the storms.

(i) These policies and procedures shall govern; however, in situations in which these policies and procedures are silent, NMHC's general standard grants policies/procedures to address these situations in the administration of the CDBG-DR Homebuyer Program will apply.

§ 100-100.3-005 Public Announcement

(a) Publicity.

- Upon notification from HUD of the approval of the grant agreement, NMHC shall publish such approval within thirty calendar days from the date of the approval. General information of the CDBG-DR Homebuyer Program shall be published in the print media of the widest local circulation and other suitable means available (social media, CDBG-

DR website, etc.). CDBG-DR Homebuyer Program information shall also be posted on public and private bulletin boards where announcements are commonly posted. Grant applications may be submitted on or after a specified date to be stated in the public notice.

(1) Note: When it is determined that CDBG-DR funds have been exhausted, the application intake may be closed until funding is once again available. Those applicants who did not submit their grant applications when funds were available may do so once NMHC is notified by HUD of the availability of funds and after such notice is published.

(2) As of the date of this posting, the program is closed. Not all of the current pool of accepted applicants will be able to be served by the program with the current funding available. Care will be taken to ensure that the appropriate number of low and moderate applicants are served based on the Action Plan.

(3) LMI Applicants who were denied assistance under the prior loan program based on high debt-to-income ratios, and who may be otherwise eligible, shall be PRIORITIZED under the grant program over the current pool of eligible applicants currently being served, and before the program is re-opened to the public and after determined to meet the following criteria or conditions:

a. Continued interest and eligibility for program assistance;
b. Determination of Ability to Maintain Housing as prescribed under § 100-100.3.-201 (e); and
c. Receive assistance based in the order of applicants' time stamped application.

(b) Contents. Program announcements shall inform interested applicants on how and where they may obtain an application and additional information on the type of CDBG-DR Homebuyer Program activity being administered in the CNMI. Such announcements shall further contain the following information:

(1) Brief overview of the Homebuyer program;

(2) General list of eligible activities available;

(3) Amount of funds available;

(4) General eligibility requirements to qualify for financial assistance;

(5) Homebuyer selection process;

(6) Fair Housing logo and Equal Opportunity language;

(7) Opening date for acceptance of applications;

(c) Affirmative Marketing. To ensure that all persons are effectively and adequately informed about the CDBG-DR Homebuyer Program and the availability of funds, brochures or program information notices shall be provided and distributed or posted in the following locations and shall contain the information described in subsection (b). Brochures and/or program information notices shall be made available at the following public and private areas:

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

Part 100 - Application

§ 100-100.3-101 Formal Application

Upon initial determination of eligibility after completion of the pre-qualification process, which involves household income and citizenship verification, applicants may obtain a Uniform Residential Grant Application form along with a checklist of required documents in order to complete the application submission. Those applicants who are initially determined eligible shall be notified to provide additional documents to further process their applications. Proper completion of the formal application and submission of supplemental information shall be in accordance with CDBG-DR Homebuyer Program and NMHC grant processing procedures. Grant which applications shall be completed and signed by applicant(s) requesting assistance and such signature(s) shall certify to the truth of all statements contained therein.

Title 18, Section I 00 I, et seq. of the United States Code, the general false statement statute, outlaws making materially false statements, intentional or negligent misrepresentations in matters within the jurisdiction of a federal agency or department, such as federal disaster relief funding. Civil or criminal penalties, including but not limited to fine, imprisonment or both, as well as repayment of any assistance provided, may be pursued. Under Section I00I, a statement is a crime if it is false, regardless of whether it is made under oath. Failure to disclose accurate and complete information may affect eligibility requirements. Some of the information submitted by applicants will be validated through third-party sources during the eligibility process.

The following is incorporated into all application and grant documents:

Warning: *Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729. Under penalties of perjury, I/we certify that the information presented above is true and accurate to the best of my/our knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my ineligibility to participate in this program or any other*

programs that will accept this document. Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY if he/she knowingly and willfully makes a false statement to any department of the United States Government.

§ 100-100.3-105 Supplemental Information

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

(1) Prior year's income tax return and/or W-2 Tax Form;

(2) Recent check stubs for the past two months prior to applying for CDBG-DR program financial assistance of all household members that are 18 years old or older;

(3) Other forms of documentation of income (i.e., Social Security payments, SSI, retirement income, etc.), if any;

(4) Interested applicants must provide proof of ownership such as fee simple title to the property. Ownership may also include leases of 40 years or more provided that the applicant must have at least a minimum of thirty (30) years leasehold interest remaining on the property to be improved.

(5) If property has been identified, proof of land ownership or lease agreement for principal residence to be used as collateral for the grant. Non-indigenous residents cannot own land and must provide a lease agreement.

If no land ownership or lease agreement is available, lot number and lot description must be provided for parcel that the applicant is planning to purchase;

(6) Property map for principal residence;

(7) Preliminary Title Report (PTR) showing clear title to property; and

(8) Savings and checking account(s) information, if any.

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

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

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

Part 200 - Eligibility

§ 100-100.3-201 Eligibility Requirements

(a) Must be a U.S. Citizen or Permanent Resident.

(b) Must be a first-time homebuyer. A **first-time homebuyer** is an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property or new home construction completion. This includes a spouse (if meets the above test, they are considered **first-time homebuyers)**.

(c) Must be a resident of the CNMI at the time of application or have been a resident of the CNMI at the time of the qualifying event.

(d) Household Income.

(1) Homebuyer(s) must qualify as a low-income household as defined in Section 3(b)(2) of the Housing Act of 1937. Income eligibility is determined based on 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 § 100-100.3201(a)(2)). However, household income of adults 18 years old or older exceeding 80% of the median income for the area but not greater than 120% will also be eligible for assistance.

To qualify for the First Time Homebuyer Program, applicants must meet prescribed income limits as published annually by HUD. Priority is given to applicants at 80% or less of median income based on household size. The program will also serve those households in the 81% to 120% range. The most current income limits can be found at:
https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn

(2) NMHC shall use HUD's Section 8 of Part 5 Technical Guidelines as the basis in calculating annual gross household income. NMHC will verify their income using at least two months of source documentation such as wage statements, interest

statements, and SSI documents to determine if program applicants are income eligible.

(3) CDBG-DR Homebuyer Program Underwriting Guidelines and Subsidy Layering is further outlined herein under Part 1200, § 100-100.3-1201.

(e) Determination of Ability to Maintain Housing. NMHC shall evaluate the gross monthly income of both applicant and co-applicant (homebuyers) combined, to determine the amount available for housing costs. This would include insurance, utilities, and typical maintenance costs. This will ensure that the new homeowner will be able to afford the home over the affordability period.

(f) Property Ownership. Interested applicants must provide proof of ownership such as fee simple title to the property. Ownership also includes leases of 40 years or more provided that the applicant must have at least a minimum of thirty (30) years leasehold interest remaining on the property to be improved. If the applicant does not yet own the property, a parcel description must be provided to facilitate the completion of the required tiered environmental review.

(g) Principal Residence and Annual Recertification.

(1) Homebuyers/Applicants approved to receive financial assistance must occupy the property as their principal/primary residence immediately upon completion of all CDBG-DR Homebuyer funded activities. An annual recertification for principal residency notice and form shall be sent to homebuyers/grantees 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 grant documents between the homeowner and NMHC shall also incorporate this requirement;

(iii) Temporary subleases are not allowed.

(2) Annual recertifications shall be required for all CDBG-DR homebuyer-assisted grantees. 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 Grant Specialist shall verify the grantee(s) principal residence and, as necessary, to take photos and document the status of the residential unit.

(h) Grant Cancellation. NMHC reserves the right to cancel any grant if in its opinion the homebuyer(s)/applicant(s) have not substantially complied with all the terms and conditions of the grant agreement and restrictive covenant.

Part 300 - Affordability Restrictions

§ 100-100.3-301 Long Term Affordability

The Federal Register notice requires that new construction of housing (not impacted by the qualifying disaster) remain affordable for a specific period of time.
NMHC will impose the following affordability periods:

	Minimum Length of the Affordability Period
Homebuyer with Reconstruction/Rehabilitation/New Construction	15 years
New Construction	15 years

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

(b) The affordability restrictions shall continue according to the original terms if, during the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those whom, the former owner has or had family or business ties, obtains an ownership interest in the project or property. If a home purchased with CDBG-DR assistance is sold during the affordability period, recapture provisions apply to ensure the continued provision of affordable homeownership. Grant payoffs do not end the affordability period.

(c) Grantees may submit a written request to temporarily defer the affordability period for up to sixty (60) months. Requests may be considered for the following reasons:
- Military-related leave;
- Medical leave requiring extended off-island medical treatment and care; and/or
- Higher education when an accredited institution requires relocation.

In cases where extended leave is necessary and another family member continues to occupy the assisted property, the deferral may still be granted, provided that occupancy requirements are met and supporting documentation is submitted for review.

All requests must be documented and submitted in writing for evaluation and approval by the Corporate Director.

§ 100-100.3-305 Right of First Refusal

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

§ 100-100.3-310 Resale

[Reserved]

§ 100-100.3-315 Recapture

(a) Recapture. NMHC will ensure that it recoups all or a portion of the CDBG-DR grant assistance provided to the homebuyer(s) if the housing unit ceases to be the principal residence of the homebuyer(s) for the duration of the period of affordability. All subsidy amounts (in the form of grants) that directly benefited the property owner (i.e., through grants, down payment and/or closing cost assistance,) are also subject to recapture. Recapture is capped at what is available out of net proceeds for agreements after January 2021. Net proceeds are defined as the sales price less superior non CDBG-DR debt (if any) fewer closing costs. NMHC will utilize the following recapture options:

(1) Recapture entire amount. NMHC may recapture the entire amount of the grant and/or subsidy from the homebuyer(s) if the sale of the property occurs within halfway into the given affordability period. For example, a homebuyer was approved for a $50,000 CDBG-DR grant to construct a home. The affordability period is therefore, fifteen (15) years. On the fourth year, the grantee sells the house for $60,000. Since the grantee failed to comply with the minimum five years of the fifteen-year affordability period, the recaptured amount is $50,000.

(2) Reduction During Affordability Period. NMHC may reduce the grant amount and/or subsidy to be recaptured on a pro rata basis for the period the homebuyer(s) has/have owned and occupied the housing unit measured against the required affordability period; however, ~~homebuyer~~homeowner(s) must occupy the housing unit at a minimum of five years or at least halfway into the affordability period, whichever is greater, in order to qualify for this recapture option. For example, if the CDBG-DR subsidy is $60,000 with 15-year affordability and the owner sells

the property in the 8th year of ownership the recapture amount will equal $28,000. ($60,000/15 years affordability period x 7 years remaining = $28,000 recapture.)

(3) Buyer's recovery of initial investment. The homebuyer(s) investment (down payment and capital improvements made by the owner since purchase) may be repaid in full before any CDBG-DR funds are recaptured, provided that the homebuyer(s) occupied the housing unit at a minimum of fifteen (15) years before the sale of the property and the homebuyer's household income level is at or below 50% of the area median income in order to qualify for this recapture option.

(4) Shared appreciation. In the case where net proceeds exceed the amount necessary to repay both the homebuyer(s)' investment and the CDBG-DR assistance, the excess proceeds may be shared proportionately (i.e., percentage of investment provided) by both parties.

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

(c) Circumstances Under Which Recapture Will Apply. Recapture restrictions must be used in cases where grants were provided to the homebuyer(s) in order to subsidize the purchase of the property to cover the down payment or closing costs.

(d) Legal Instrument to Enforce Recapture. NMHC must use deed restrictions, land covenants, or other similar legal documents to enforce these recapture restrictions. These requirements will also be included in grant agreements.

Part 400 - Homebuyer Costs

§ 100-100.3-401 Eligible Costs

(a) Hard costs include:
(1) Acquisition of land and existing structures;
(2) Site preparation or improvement, including demolition;
(3) Securing buildings; and
(4) Construction materials and labor.

(b) Soft costs include:
(1) Credit reports;
(2) Preliminary Title Reports and Title insurance;
(3) Recordation fees;
(4) Legal & accounting fees;
(5) Appraisals;

(6) Architectural/engineering fees, including specifications and job progress inspections;
(7) Environmental investigations, which shall be addressed in the commitment letter as a condition before any Homebuyer activity is to be committed or funded;
(8) Homebuyer counseling provided to purchasers of CDBG-DR-assisted housing;
(9) Management fees; and
(10) Direct project costs incurred by the PJ.

(c) Grant closing fees and related costs:
NMHC shall charge $9,950.00 (more or less, depending on current costs) to the applicant for certain grant closing fees and other related costs such as but not limited to the following:

a.	$100.00	----	Preliminary Title Report (PTR)
b.	$600.00	----	Appraisal Report
c.	$250.00	----	Recordation of Covenant
d.	$2,000.00	----	First Annual Premium for Hazard Insurance
e.	$5000.00	----	Initial Utility Connection*
f.	$2,000.00	----	Title Policy
	$9,950.00 Total		

*Provided that circumstances, such as the lack of CUC infrastructure (power and water) on-site, additional costs may be incurred subject to CUC's assessment for Line Extension Chargeable to the Customer and Water Application-Installation-Approval & Cost Assessment.

Grant closing fees and associated hard and soft costs is part of the total approved grant amount.

CUC utility connection: Homebuyer(s) are responsible for ensuring that there are no outstanding issues with CUC and resolving any such issues. Any costs not related to initially connecting to CUC utilities are not granted closing fees and related costs and none of the approved grant amount will be used to resolve such issues.

(d) If the homebuyer(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 homebuyer client(s).

(e) NMHC hired construction managers will inspect the home to determine if work is still needed in order to comply with the Green Building and other required construction standards.

Part 500 - Notification to Applicants

§ 100-100.3-501 Notification of Eligibility or Ineligibility

(a) Eligible Applicants. NMHC shall send written notifications to all applicants determined eligible for financial assistance. Such notification shall be mailed no later than five (5) working days after the determination and shall contain a listing of additional information to be submitted for completion of the grant file. Eligible applicant(s) shall be given thirty calendar days to submit the additional information requested. Applicant(s) that do not submit all pending information before the thirty (30) calendar day deadline, shall have their applications file placed in the inactive files. Extensions may be granted.

(b) Ineligible Homebuyers/Applicants. All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five working days after the determination of ineligibility and shall include a description/reason for such determination. Please see § 100-100.3-605 for Appeals Process.

Part 600 - Grant Processing

§ 100-100.3-601 Selection

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

(b) Potential homebuyers displaced by the storms and can show (completed application form along with all necessary documents) their incomes do not exceed 80% of AMI will be prioritized. No less than 80% of the funding will be reserved for those applicants at or below 80% AMI.

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

(d) Applicants who were initially determined to be ineligible for the loan program will receive reconsideration for the grant program before the program is re-opened to the general public.

§ 100-100.3-605 Administration; Approval; Appeals Process

(a) Program Administration.

(1) The CDBG-DR Housing Administrator shall be responsible for the CDBG-DR Homebuyer program implementation and management of related tasks. The CDBG-DR Housing Administrator shall supervise division staff in grant origination,

underwriting and closings under the CDBG-DR Homebuyer program. The Duplication of Benefits (DOB) analysis will also be conducted by the CDBG-DR Housing Administrator to determine net financial assistance to be provided to the homebuyer applicant.

(2) The CDBG-DR Grant Supervisor shall review each submitted application, ensure all supporting documentation is in place and make any necessary recommendations to the Housing Administrator prior to the Housing Administrator making the final decision on the grant application.

(b) Grant Review and Approval

(1) Under the direction of the CDBG-DR Housing Administrator, a CDBG-DR Grant Supervisor and/or a Grant Specialist shall review and verify all applicants' income, assets, liabilities, title reports, and any other requested reports and documentation. Upon completion of the review process, the Grant Specialist shall prepare a grant write-up containing his/her recommendations.

(2) The CDBG-DR Grant Supervisor shall review the grant write-up for concurrence before submitting the same to the Housing Administrator for a final decision. Final approval or denial of any CDBG-DR grant or grant shall be made by the Housing Administrator except as follows:

(i) If the Housing Administrator is off-island or on extended leave at the time the grant or grant is submitted to him/her for a final decision, then the Acting Housing Administrator may make the final decision to approve or deny the CDBG-DR grant; or

(3) For purpose of these policies, off-island or extended leave shall be defined as an absence or leave that extends for more than three working days after the grant or grant is submitted to the Corporate Director for his or her final decision.

(4) A written notice of the final decision shall be provided to the applicant.

(5) Once the applicant has been approved, as soon as a property or site has been identified, the Grant Specialist is notified so that the tiered environmental review can be completed.

(c) Grant/Denial Appeals Process.

(1) Applicants denied assistance under the CDBG-DR Homebuyer program may appeal the final decision to the NMHC Corporate Director by submitting their appeal in writing to the Housing Administrator within ten (10) working days of the written notice of the final decision.

(2) Any appeal submitted must indicate the basis for the appeal and include any supporting documents. Upon receipt of an appeal, the Housing Administrator shall submit the same to the Corporate Director for review and action.

(3) Possible Outcomes:
  (i) Upheld Denial: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.
  (ii) Reversal of Denial: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.
  (iii) Further Action: If the appeal is complex, a hearing or meeting may be scheduled.

(4) Hearing (if requested/applicable)
  (i) Scheduling: If the applicant requests a hearing, the agency should schedule it within 30 days or as soon as possible.
  (ii) Location: The hearing can be held in person or virtually, depending on the circumstances.
  (iii) Representation: The applicant may be allowed to bring a representative, such as a lawyer, advocate, or family member, to assist with the hearing.
  (iv) Presentation of Evidence: Both the applicant and the agency can present evidence or make arguments related to the denial.
  (v) Neutral Hearing Officer: The Corporate Director or a neutral party should preside over the hearing to ensure fairness.

(5) Decision on Appeal
  (i) Issuance of Decision: After the hearing or review, the Corporate Director should issue a written decision, which should include:
    1. A summary of the hearing or review process.
    2. The findings of fact.
    3. The rationale for the decision.
    4. Information on next steps, if applicable (such as the right for judicial review).
  (ii) If a Hearing Officer presides over the appeal, the Hearing Officer will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties the ability to submit exceptions to the Hearing Officer's recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).
  (iii) Timeframe: The decision should be made within a reasonable time after the hearing or review was conducted.
  (iv) Under 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

§ 100-100.3-610 Homebuyer/New Construction Counseling Session

(a) All applicants for grant assistance must attend a Homebuyer/New Construction Education and Counseling Session that will be provided by NMHC. NMHC employees providing housing counseling will be HUD certified housing counselors, and NMHC will have applied directly to HUD and received approval, or NMHC will have applied to a HUD-approved intermediary and received approval by the entity to be its affiliate. NMHC shall notify the applicant(s) of the date, time, and location of the session. The education and counseling session shall be scheduled after the grant has been preliminarily approved and may be conducted before or on

the day that NMHC issues the commitment letter to the applicant(s). The counseling session shall include a discussion of the terms and conditions of the grant, educate the new homeowner(s) of their financial responsibilities, the importance of budgeting, making timely payments, foreclosure prevention, as well as home maintenance and repair measures. Acceptable delivery method for housing counseling may be in-person, phone, or internet. Duration of the housing counseling is four (4) hours. Upon completion of the housing counseling, the ~~borrower~~grantee(s) will receive a counseling certificate and this counseling certificate is valid for 2 years. Funding for housing counseling will come from project-related soft costs.

(b) NMHC shall inform applicant(s) at the time of their submission of their application of the required homebuyer/new construction counseling session and again in written form when NMHC notifies the applicant(s) of NMHC's preliminary approval of their grant request. Failure to attend the required Homebuyer/New Construction Education and Counseling Session may be grounds for denial or cancellation of assistance.

§ 100-100.3-615 Commitment Letter

Once the grant application has been approved by the Housing Administrator, the responsible grant specialist shall prepare the Commitment Letter for the Housing Administrator's signature. The Commitment Letter is a binding agreement between NMHC and the grantee(s) wherein it discloses the terms and conditions of the grant including that the housing is the principal residence of an income qualified homeowner; the amount of the grant, the rehabilitation work to be performed; the completion date; and the property standards that must be met.

(a) After the Commitment Letter has been signed and dated by the Housing Administrator, the responsible program specialist shall schedule the applicant(s) to come in and sign and date the document should they agree with the terms and conditions.
(b) NMHC must reexamine the household's income eligibility if the determination was made more than six (6) months before signing the Commitment Letter.
(c) NMHC must set up the activity in DRGR following execution of the grant agreement and commitment of CDBG-DR funds.

Part 700 - Terms and Conditions of Grant

§ 100-100.3-701 Maximum Homebuyer Programs Grant Amount

(a) The amount of CDBG-DR Homebuyer grant funds that may be used for a new construction, purchase, or for an acquisition and repair shall be based on the funding required, not to exceed the program cap.

(b) For NMHC-owned properties, NMHC may sell the property directly to the CDBG-DR Homebuyer-approved applicant(s) but only after the property has been publicly auctioned at least once and resulted in an unsuccessful bid.

§ 100-100.3-705 Minimum and Maximum CDBG-DR Homebuyer Program Grant Amount

(a) The minimum grant amount shall not be less than $1,000.00.
(b) The maximum grant amount shall not exceed the prevailing funding cap set by NMHC based on local prevailing costs for construction (New Construction housing projects) and appraised value determined by certified independent appraisal companies.
  (i) New construction project costs presented by contractors may exceed maximum grant and NMHC may approve such costs provided that are deemed justified and cost reasonable and supported by independent cost estimates.
  (ii) NMHC, through the assistance of a private A&E Firm, may update independent cost estimates periodically and as may be needed or required.

The maximum grant amount shall not exceed $250,000.00.
Provided that circumstances, where additional costs may be incurred, will be reviewed against cost reasonableness guidelines and to meet reasonable accommodations and accessibility requirements.

§ 100-100.3-710 Determination of Unit Size and Occupancy Standards

(a) **Fair Housing**. The Fair Housing Act ("Act") (42 U.S.C. §§ 3601-19) prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability. Discrimination includes a failure to make a change, exception, or adjustment to a policy, practice, procedure, or service when such accommodation may be necessary for an individual with a disability to enjoy and use housing. In addition to the requirements under the Act, there may be additional requirements for recipients of federal assistance from HUD.
(b) **Housing Unit Suitability**. Homes acquired, purchased, or newly constructed with CDBG-DR funds under this program, at a minimum, shall be decent, safe, and sanitary.
(c) **Determination of Unit Size**. Limited funding notwithstanding, NMHC shall ensure that the following occupancy standards are observed.
  (1) **Occupancy Standards**. Occupancy standards are rules about the number of people that can live in a bedroom or at a property. These standards are usually based on the number of bedrooms at a property, but they can also take into account the total amount of livable square footage. Oftentimes, a combination of both makes the final call about how many people can live there. HUD occupancy standards are the rules set up by the Department of Housing and Development. These federal occupancy standards are part of the Fair Housing Act Amendment, and they are the overarching rules for occupancy.
  (2) **Unit Bedroom Size**. NMHC has set the following Occupancy Standards for family and unit size:
    (i) All bedrooms with one person should have at least 70 square feet.
    (ii) Shared bedrooms must have at least 50 square feet per person.
    (iii) Kitchens and other non-habitable rooms cannot be used as a bedroom.

(iv) Every unit should have an overall occupant limitation based on its overall size:
(i) 1-2 occupants: must have at least 120 square feet living room.
(ii) 3-5 occupants: must have at least 120 square feet living room and 80 square feet dining room.
(iii) 6 or more occupants: must have at least 150 square feet living room and 100 square feet dining room.

No. of Family Members	No. of Bedrooms
1-2	2
3-4	2
5-6	3
7-8	4
9 and above	5

(v) Exceptions. In certain unique conditions and situations, NMHC, on a case-by-case basis, may grant exceptions when warranted and after thorough review of grant applications.

§ 100-100.3-735 After-Construction Property Value, After-Rehabilitation Property Value, or Property Value at Initial Purchase (if Acquisition Only).

§ 100-100.3-740 Security, Restrictive Covenant, Homeowner Requirements

(a) To ensure affordability for CDBG-DR funds invested, NMHC shall place a restrictive covenant on the property. The restrictive covenant shall be maintained for no less than the term of the affordability period.

(b) NMHC will execute a written agreement with the homebuyer that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, the purchase price, date by which housing must be acquired, address or legal description of the property, and duration of the agreement. Additionally, the purchase price, date by which housing must be acquired, address or legal description of the property must be indicated in the applicable written agreement.

(c) During the term of the grant, homebuyer shall ~~also~~ be required to maintain, at their own expense, adequate property insurance on the mortgaged property. This insurance must provide coverage for fire, earthquake, typhoon, and where applicable, flood damage ~~(if applicable)~~. The policy shall insure the property for its full ~~covering the~~ replacement value, and the homeowner must ensure that the coverage remains active and in good standing throughout the entire grant period. ~~of all properties at a minimum equal to the grant amount. Financial hardships will be reviewed on a case-by-case basis.~~

Requests for relief from this insurance requirement due to financial hardship will be reviewed on a case-by-case basis. Homeowners seeking such consideration must submit

documentation demonstrating their financial circumstances. Any waiver or modification of the insurance requirement shall be granted solely at the discretion of the NMHC.

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

Part 800 – Fraud, Waste and Abuse

§ 100-100.3-801 Eligibility Certification

Homeowner certifies that he/she has provided complete, accurate, and current information regarding household income, residency, occupancy, and any other documentation required to demonstrate Homeowner's eligibility to receive CDBG Disaster Recovery funds.

Any activity carried out with CDBG-DR funds involving the construction, acquisition, or acquisition w/renovation is considered to benefit LMI or UN persons only to the extent such housing will, upon completion, be occupied by such persons.

The Homeowner hereby affirmatively certifies that their material representations which have been relied upon by NMHC as essential to its determination of the eligibility of the Homeowners to receive the grant funds have been truthfully, satisfactorily and adequately provided to NMHC.

The Homeowner agrees and attests to the fact that if any of the representations made are intentionally or willfully false or fraudulent, NMHC may immediately declare the Homeowner in default of ~~this~~ his/her Grant Agreement, allowing for remedies as provided for under ~~this~~ that grant agreement and the law.

§ 100-100.3-805 Default

Any one or more of the following events shall constitute an event of default under ~~this~~ the grant agreement:

a. Failure to perform any covenant or promise under ~~this~~ the Grant Agreement, or making any representation or warranty in ~~this~~ the Grant Agreement, or in the application for the grant, or in any report, certificate, financial statement or other instrument furnished in connection with the property, which is false or misleading in any material respect.
b. Seizure or foreclosure of the property or assets of the Homeowner pursuant to process of law or be respect of legal self-help, unless said seizure or foreclosure is stayed or bonded within thirty (30) days after the occurrent of same; or
c. If any other event of default has occurred and remains uncured under any other agreement entered into between NMHC and the Homeowner.

§ 100-100.3-810 Remedies Upon Default

Upon the existence of any event of default, NMHC, after giving notice and reasonable opportunity to cure the default may, in its sole discretion, do any of the following, alone or in combination:

a. Terminate ~~this~~ the Grant Agreement;
b. Withhold grant funds not yet paid at the time of default during such time as an event or events of default remain uncured;
c. File an action at law against the Homeowner to obtain a judgment against the Homeowner to recover the full amount of all grant funds paid; or
d. Pursue any other remedies against the Homeowner including any civil and criminal remedies allowed by law.

~~NMHC'S~~ NMHC's rights under Default shall survive termination of the Grant Agreement. Failure to insist on the prompt performance by Homeowner of Homeowner obligations pursuant to ~~this~~ the Grant Agreement is not a waiver by the NMHC of any of its rights hereunder.

Suspected Fraud, Waste and Abuse cases shall be handled in accordance with the Northern Marianas Housing Corporation's Fraud, Waste and Abuse Policy, as amended.

§ 100-100.3-815 Disposition of Fraud Cases

Upon completion of the review and investigation process, NMHC shall determine the appropriate administrative action based on the facts, evidence obtained, and the stage of assistance provided under the applicable housing program. Administrative remedies may include repayment obligations, conversion of assistance, termination of participation, recapture of funds, referral to law enforcement, and any other action permitted under federal regulations, program requirements, and applicable laws.

The following case scenarios may apply:

A. No Confirmation of Fraud

If the investigation determines that there is insufficient evidence to substantiate fraud, waste, or abuse, the case shall be closed with no adverse administrative action taken against the applicant or participant. NMHC may retain documentation of the investigation and findings for monitoring and compliance purposes.

B. Confirmation of Fraud – Closed Loan – No Housing Unit Constructed – Property Purchased

If fraud is confirmed after loan closing and no housing unit has been constructed, but program funds were used to acquire real property, NMHC may require the applicant or participant to reimburse the Corporation for:

- The cost of the property acquisition;
- All closing costs and related transaction expenses;
- Any administrative or program-related costs incurred by NMHC; and
- Any additional costs allowable under applicable program regulations and agreements.

NMHC may also pursue recapture, collection efforts, legal remedies, or referral to appropriate authorities.

C. Confirmation of Fraud – Closed Loan – No Property Purchased

If fraud is confirmed after loan closing and no property was acquired or housing unit constructed, NMHC may require repayment of:

- Closing costs;
- Administrative expenses;
- Fees paid on behalf of the applicant or participant; and
- Any disbursed program funds associated with the transaction.

Additional administrative or legal actions may also be taken, as appropriate.

D. Confirmation of Fraud – Closed Loan – Housing Unit Constructed – Loan Conversion

If fraud is confirmed after construction or rehabilitation of a housing unit has been completed, and the assistance was originally provided in the form of a grant or grant-convertible loan, NMHC may:

- Convert the assistance to a repayment loan;
- Require full or partial repayment of funds provided;
- Record or enforce liens or other security instruments against the property;
- Terminate continued participation in the program; and/or
- Pursue any additional remedies available under federal regulations, written agreements, or applicable law.

Repayment terms, interest, affordability requirements, and enforcement actions shall be determined by NMHC in accordance with program policies, HUD requirements, and applicable funding regulations.

In all cases involving confirmed fraud, NMHC reserves the right to refer the matter to the appropriate federal, Commonwealth, or local authorities for civil, administrative, or criminal enforcement actions.

§ 100-100.3-820 Grant to Loan Conversion

When instances of fraud, waste, or abuse are identified and substantiated in accordance with established review and compliance procedures, the Agency is required to recapture all improperly expended grant funds and remit those amounts to the U.S. Department of Housing and Urban Development (HUD). In such cases, a grant-to-loan conversion is implemented as a mechanism to facilitate repayment.

Through this process, the original grant agreement—along with all other associated terms and conditions—are terminated and replaced with new loan agreements. The converted loan

establishes defined repayment terms, including the total amount owed and a fixed repayment period, thereby ensuring the Agency's compliance with federal requirements while providing a structured path for the applicant to satisfy the debt.

§ 100-100.3-825 Eligible Repayment Costs

The Agency determines the "Eligible Repayment Costs" that are converted from grant to loan terms based on the types of expenses originally covered by the grant agreement.

These costs are categorized as Hard Costs, Soft Costs and Grant Closing Fees and related costs outlined in § 100-100.3-401(a)(b)(c).

§ 100-100.3-830 Repayment Terms

Repayment Period

The maximum repayment term shall not exceed 360 months, unless the repayment term is amended or revised and approved by the Corporate Director to accommodate requests for relief from borrowers who have been determined not able to repay their obligations, with the amended or revised repayment terms not to exceed an additional 60 months. A balloon payment is required for any unpaid principal, interest, fees, etc. remaining at the end of the repayment term.

Interest Rate Chart

Household Income Categories	Interest Rate
Extremely Low-Income (30%)	1%
Very Low-Income (50%)	2%
Low-Income (80%)	3%
120% of Median Income	4%

Interest Rate Determination

The interest rate applied to each grant-to-loan conversion may vary based on the applicant's annual gross household income.

NMHC shall use HUD's Section 8 of Part 5 Technical Guidelines as the basis in calculating annual gross household income.

NMHC will verify income of all household members using at least 3 months of source documentation such as wage statements, interest statements, and SSI documents.

The area median income for the CNMI was established by HUD for the CDBG-DR program and is revised on an annual basis. NMHC shall comply with any revisions that the U.S. Congress enacts. The most current income limits can be found at:
https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn.

Late Charges

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

Prepayment of Loan

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

Security

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

- NMHC will execute a written agreement with the applicant that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, the purchase price, date by which housing must be acquired, address or legal description of the property, and duration of the agreement. Additionally, the purchase price, date by which housing must be acquired, address or legal description of the property must be indicated in the applicable written agreement.

- During the term of the loan, the applicant shall also be required to maintain, at their expense, property insurance on the mortgaged property for fire, earthquake, typhoon, and flood damage (if applicable) covering the replacement value of all properties at a minimum equal to the loan amount. Financial hardships will be reviewed on a case-by-case basis.

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

Principle Residence and Annual Recertification

Shall apply in accordance to §100-100.3-201(g)(1)(2)(3).

§ 100-100.3-835 Affordability Restrictions

Long Term Affordability

Shall apply in accordance to §100-100.3-301.

§ 100-100.3-840 Right of First Refusal

Shall apply in accordance with §100-100.3-305.

§ 100-100.3-845 Recapture

Shall apply in accordance with §100-100.3-315.

§ 100-100.3-850 Distressed Applicants

Distressed applicants are those who are having a difficult time meeting their monthly loan payments due to external circumstances beyond their control.

These circumstances include:

- Reduction-in-force;
- Reduction in pay;
- Family medical emergency (including death of an immediate family member: siblings, child(ren), spouse, and in-laws); parents;
- Medical condition (including career-ending injury) that causes the applicant to discontinue employment. The borrower's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification to certify the borrower's medical condition; or
- Natural disaster.

§ 100-100.3-855 Types of Assistance

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

- Reduction-in-force. Monthly loan payments may be deferred for a period of up to twelve months. Late charges would not accrue. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Reduction in pay. Monthly loan payments may be deferred for a period of up to twelve months. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Family medical emergency. Monthly loan payments may be deferred for a period of up to twenty-four (24) months. Late charges would not accrue. The current term may be extended and reamortized with an additional sixty (60) months.

- Medical condition that causes borrower to discontinue employment - Principal amount may be forgiven incrementally (based on term).

- Natural Disaster. Monthly loan payments may be deferred for a period of up to six (6) months in the event of a natural disaster, such as fire, typhoon, earthquake, flood, and local or pandemic spread of disease. Final decisions regarding requested deferments shall be

made by the Corporate Director. Late charges shall not accrue during deferment. Borrowers may be eligible for a deferment upon written request accompanied by acceptable evidence of negative impact caused by the natural disaster. Further, in order to qualify for a deferment, the Borrower's loan and hazard insurance must be up to date.

- Other Hardships. Any other claimed financial hardship outside of the aforementioned five listed hardships shall be brought to the Corporate Director for review and decision.

- Denial of assistance may be appealed to the NMHC Board.

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

- Penalty Waiver. Accrued penalty fees for delinquent borrowers may be waived to assist them in making their accounts current.

- Loan Assumption

  i. Death of a homeowner/borrower: Upon the death of the borrower which occurs within the affordability period, the entire unpaid balance of the loan shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the loan by the heirs of the borrower if a final decree in the probate of the borrower identifies the heirs and approves distribution to them of the improved property and the loan, and if the heirs themselves would qualify as a new applicant for the loan.

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

§ 100-100.3-860 Foreclosure

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

- Foreclosure. NMHC may use its right of first refusal, as set forth in the loan documents, written agreement with the homeowner, and restrictive deed or land covenant, to purchase

the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. Foreclosure triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant.

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

  i. Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

If NMHC forecloses on its own loan, NMHC cannot spend any additional CDBG-DR funds to acquire the property.

§ 100-100.3-865 Mitigation to Foreclosure

Items Needed to Cancel Foreclosure and Reinstate Account To cancel foreclosure and reinstate account, the Borrower shall:

(a) In accordance with 2 CMC § 4536(a), pay the entire amount then due under the terms of the mortgage other than such portion of principal as would not then be due had no default occurred, and reasonable attorney's fees actually incurred.

(b) Pay delinquent account current inclusive of one month advance payment.

(c) Have the homeowner(s) submit a written proposal on how he/she will maintain the account in good standing.

(d) Submit paid in full receipt of homebuyer(s)' insurance coverage for fire and earthquake.

(e) Submit 2-3 recent check stubs and/or verification of benefits

§ 100-100.3-870 Loan Satisfaction and Lien Release

Upon full repayment of a loan established through grant-to-loan conversion, the Agency shall take all necessary steps to formally acknowledge satisfaction of the debt, release any secured interest in the property, and ensure compliance with all applicable federal requirements, including those of the U.S. Department of Housing and Urban Development.

The Agency shall ensure that all actions related to loan payoff and lien release are completed in a timely, accurate, and documented manner to protect both the applicant and the Agency's legal and financial interests.

Part 900 - Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.3-901 Assumption of a Grant

(1) Death of a homebuyer/~~borrower~~grantee: Upon the death of the ~~borrower~~ grantee, which occurs within the affordability period, the entire unpaid balance of the grant shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the grant by the heirs of the ~~borrower~~ grantee if a final decree in the probate of the ~~borrower~~ grantee identifies the heirs and approves distribution to them of the improved property and the grant, and if the heirs themselves would qualify as a new applicant for the grant.

(2) At the sole discretion of the NMHC Board, the grant may be assumed by a legal heir of a deceased ~~borrower~~grantee(s) of the CDBG-DR-assisted unit. This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all CDBG-DR Program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and will be subject to credit, income, and asset verification.

(3) Default for Violation of Grant Agreement and/or Restrictive Covenant. In situations where a default is imminent, the Corporate Director may allow a ~~borrower~~ grantee to have a CDBG-DR eligible immediate relative (i.e., mother, father, brother, sister, son, daughter) assume the grant, all for the purpose of preserving the affordability period.

(a) Default. NMHC may use its right of first refusal, as set forth in the grant documents, written agreement with ~~homebuyer~~homeowner, and restrictive deed or land covenant, to reclaim the housing to preserve affordability. Default triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant.

(b) Recapture in the Event of Default. If the CDBG-DR assisted property is subject to recapture terms, NMHC has three options:

(i) Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

(iii) Recapture Option 3: NMHC will allow the homeowner in default to repay the entire amount of the CDBG-DR investment and own the property free and clear. In this event, the affordability period will be terminated.

Part 1000 – Ethics

§ 100-100.3-1001 Conflict of Interest

(a) Under no circumstances shall any immediate family members (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild); brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person, elected or appointed officials of the CNMI government, NMHC's Board of Directors, its officers, agents, and employees may participate in any CDBG-DR assisted projects or units including the procurement of materials, or have an interest in any contracted services, or be a beneficiary in any proceeds. Other provisions in 24 C.F.R. § 92.356 shall apply. Conflict of interest applies to covered persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with CDBG-DR funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities. Covered persons may not obtain a financial interest or financial benefit from a CDBG-DR activity, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-DR assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

(b) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions above on a case-by-case basis when it determines that the exception will serve to further the purposes of the CDBG-DR Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:
   (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
   (2) An opinion of the participating jurisdiction's or state recipient's attorney that the interest for which the exception is sought would not violate state or local law.

(c) Factors to be considered for exceptions. In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements mentioned above, HUD will consider the cumulative effects of the following factors, where applicable:
   (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

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

Part 1100 - Performing New Construction Work

§ 100-100.3-1101 Performing New Construction Work

(a) NMHC Independent Cost Estimate: NMHC or its procured construction manager will establish an estimated cost for construction and/or rehabilitation of the property to be acquired. This cost estimate will be used to validate that the winning bid is acceptable as being "eligible, necessary, and reasonable."

(b) 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, at a minimum, the following information: bid price, cost breakdown of materials and labor charges, and schedule for completion of work.

(c) Selection of Contractor/Contract Award: The homebuyer(s) shall have the right to select whichever contractor to perform the construction work, provided that NMHC has assessed the sources and uses of funds and determined that the costs are reasonable, provided that the contractor's quotation does not exceed the approved grant amount and provided that the contractor is an NMHC-approved contractor. Should it exceed the grant amount, the homeowner shall choose to either deposit the difference or negotiate with contractor in reducing the contract amount. Should the grantee not be able to deposit the difference or the contractor unwilling to lower the contract amount, then the grantee shall select his/her/their next choice. The homebuyer(s) shall submit a contractor selection notice notifying NMHC of his/her/their selection. NMHC may, at its own discretion, select the appropriate contractor for the applicant if the homebuyer project is deeply subsidized using additional CDBG-DR funds. Deeply subsidized means additional funding assistance on top of the underwritten funding assistance.

(d) 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, and 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-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; and

(11) A provision for liquidated damages must be included in the construction contract which shall be negotiated between the homebuyer(s) and the contractor.

(12) Description of the work to be performed so that inspections can be conducted and, for rehabilitation, so that housing will meet NMHC's rehabilitation standards.

(e) Contractor Notification and Pre-Construction Requirements: Once NMHC is in receipt of the ~~borrower~~grantee(s)/homebuyer(s) contractor selection notice. NMHC shall notify the contractor of the homebuyer(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 and erosion control permit (if applicable)
(3) Construction contract
(4) Performance and payment bonds
(5) Certified Plans and specification approved by DPW

(6) Private inspector's contract (if applicable)
(7) Notice that an environmental review and clearance has been conducted, and Authorization to Use Grant Funds has been received.
(8) Verification that any mitigation measures identified in the course of the environmental review have been incorporated into the plans and specification approved by DPW.
(9) Builder's Risk Policy
(10) Workmen's Compensation Policy
(11) IWDS Permit
(12) Division of Fish and Wildlife Permit
(13) Zoning Permit

(e) Project Duration: Construction must start within 12 months of NMHC's execution of the CDBG-DR written agreement with the homebuyer(s).

(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 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, and grantee/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:
(i) 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.

(ii) Payment request number 2 shall not be more than 25% of the contract amount.

(iii) Payment request number 3 shall not be more than 25% of the contract amount.

(iv) Payment request number 4 shall not be more than 25% of the contract amount.

(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, proof of Green Standards implementation, pictures of project interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable and house keys with duplicates.

(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:

(i) The grantee/homebuyer must notify contractor in written form of the proposed changes and provide NMHC a copy of the notification.

(ii) 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 plan 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 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 for liquidated damages during this period.

(4) Once the contractor has obtained the DPW's approval of the plans and specifications, then it shall provide NMHC with the same copy. The contractor shall proceed in carrying out the change order and completing the project.

(f) 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) Inspector: Upon completion, the building is subject to inspection by the Building Safety Office of the Department of Public Works (DPW) prior to the issuance of an occupancy permit or other permits as provided in the Building Safety Code codified in 3 CMC § 7101 et seq. 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 § 100-100.2-240.

(h) Minimum Property Standards (MPS): For new construction of housing and acquisition rehabilitation of housing, the 2018 International Building Code enacted by law and any updates approved by regulation by the Department of Public Works Building Safety Office and zoning laws (if applicable for Tinian and Rota), International Energy Conservation Code, NMHC written design standards for single family housing new/rehabilitation, and accessibility requirements (where applicable) must be adhered to.

(1) Further adherence to CDBG-DR acquisition and repair standards, which details the methods, materials, and other requirements that the housing must meet upon completion, including each of the following:

(i) Health and Safety [24 CFR 92.251(b)(1)(i)]
(ii) Major systems that were rehabilitated or replaced as part of the rehabilitation [24 CFR 92.251(b)(1)(ii)]
(iii) Lead-based paint [24 CFR 92.251(b)(1)(iii)]
(iv) Disaster mitigation, if applicable [24 CFR 92.251(b)(1)(vi)]
(v) State and local codes, ordinances and zoning requirements [24 CFR 92.251(b)(1)(vii)]
(vi) Minimum deficiencies that must be corrected based on inspectable items and areas in HUD's Uniform Physical Condition Standards [24 CFR 92.251(b)(1)(viii)]
(vii) HUD Green Building Standards or Green Building Retrofit Checklist, as required by Federal Register Notice.

(i) 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 CDBG-DR funds solely for acquisition, the property must also meet the minimum property standards mentioned above or HUD's Uniform Physical Condition Standards (UPCS). The contractor will provide all the construction plans and permits necessary to comply with applicable local and federal laws.

(j) Project Completion:

(1) Project shall be completed prior to the termination of the CDBG-DR Grant Agreement with HUD.

(2) Project completion information shall be entered in the Disaster Recovery Grant Reporting (DRGR) System within 120 days of the final project draw.

(k) Record Retention:

(1) NMHC shall retain CDBG-DR homebuyer project records for five (5) years after project completion. [24 CFR 92.508(c)(2)]

(2) NMHC shall retain documents imposing recapture provisions for five (5) years after the period of affordability terminates. [24 CFR 92.508(c)(2)]

(3) NMHC shall retain CDBG-DR homebuyer project written agreement records for five (5) years after the agreement terminates. [24 CFR 92.508(c)(4)]

Part 1200 - Homebuyer Underwriting

§ 100-100.3-1201 Guidelines and Referenced Sections

In order to determine the specific amount of CDBG-DR assistance needed to ensure that the unit is affordable and sustainable over the long-term, NMHC's CDBG-DR Homebuyer Program design reflects and incorporates underwriting standards that the HOME regulations at § 92.254(f) has set forth; and further examines the following for each homebuyer:

(a) Program Eligibility and income;
(b) Monthly expenses;
(c) Assets or cash reserve, as applicable; and
(d) Appropriateness of the amount of assistance

In addition to the underwriting provisions of these regulations, the following applies to Homebuyer activities:

(a) Determining income eligibility.

(1) The NMHC CDBG-DR Homebuyer Program methodology for determining income-eligibility, income as a component of underwriting, income verification and required source documentations, treatment and the calculation of assets are derived from the HUD *Part 5 Technical Guidelines* as herein stated

(i) To receive CDBG-DR assistance, households must have incomes at or below 80 percent of the area median household income, adjusted for household size, and determined annually by HUD. Households with incomes at or below 120 percent of the area median household income, adjusted for household size, are also eligible for assistance.

(ii) CDBG-DR Homebuyer Program regulations require that income of all family members be included in the determination of income for the purpose of eligibility. The HOME regulations at 24 CFR 92.203 (d) require that a PJ must project a household's income for the next 12 months. Chapter Two of the Part 5 Technical Guide reviews this in detail. The NMHC CDBG-DR

Homebuyer Program shall also use the same methodology of projecting income for the purpose of underwriting.

(iii) The Part 5 definition of annual income provides specific guidance pertaining to whose income in a household must be included in that calculation. Chapter Three reviews this in detail.

(iv) Gross amount. NMHC uses the monthly gross amounts, before any deductions have been taken, for those types of income counted. Adjusted income is not required for CDBG-DR-funded homebuyer or for owner-occupied rehabilitation as per the Part 5 Technical Guide.

(v) The CDBG-DR Homebuyer program requires that the grantee determine income eligibility of CDBG-DR applicants by examining source documents, such as wage statements or interest statements, as evidence of annual income. NMHC requires additional supporting information to confirm eligibility and for purposes of underwriting. This is specified in §100-100.3-105, Supplemental Information. Review of documents and third-party verification is further reviewed in detail in Chapter Two of the Part 5 Technical Guide.

(vi) What to include as an Asset. There is no asset limitation for participation in the CDBG-DR Homebuyer Program. Eligible families are not required to "spend down" assets before they can participate in the Program. Income from assets is, however, recognized as part of annual income under the Part 5 definition.

(vii) In general terms, an asset is a cash or non-cash item that can be converted to cash. Income that is earned, such as interest on a savings or checking account, is counted or factored into annual income. Chapter Three of the Part 5 Technical Guide explains in detail the treatment of assets and considers what is to be included as an asset, as well as explaining actual income from assets.

(vii) Recurring monthly expenses, or those that are considered fixed monthly living expenses such as utilities and transportation costs are the type of expenses should be considered in the underwriting process and must be carefully budgeted and monitored by the homebuyer. The housing counseling shall address these types of essential expenses so that it does not decrease residual income and affect the homebuyer's ability to sustain the property.

(b) The affordability restrictions that will be imposed on the property, a grant will only be extended to applicant(s) who will make their assisted unit their primary residence (see § 100-100.3-201(d)).

§ 100-100.3-1205 Subsidy Layering

(a) NMHC may provide eligible homebuyers with additional locally funded assistance to cover additional housing cost that is deemed to have exceeded the maximum CDBG-DR assistance limit.

(b) Homebuyer(s) that are approved for any additional, or supplemental assistance whether it be a CDBG-DR grant or with NMHC's local funds, shall be required to choose from NMHC's house design and layouts. Such house layout and unit size is dependent on the household size, the original approved CDBG-DR assistance, as well as the total estimated costs to construct a new principal residence.

§ 100-100.3-1210 Acronyms Reference Section

[For Homebuyer Policies and Procedures]

(a) AIA—American Institute of Architects

(b) AMI—Area Median Income

(c) CD—Corporate Director

(d) CFR—Code of Federal Regulations

(e) CNMI—Commonwealth of the Northern Mariana Islands

(f) CPSC—Consumer Product Safety Commission

(g) DCD—Deputy Corporate Director

(h) DEQ—Department of Environmental Quality

(i) DPW—Department of Public Works

(j) EA—Environmental Assessment

(k) GFE—Good Faith Estimate

(l) HOME Program—U.S. HUD Homeownership Investment Partnerships Program

(m) HQS—Housing Quality Standards

(n) NAHA—National Affordable Housing Act

(o) NEPA—National Environmental Policy Act

(p) NMHC—Northern Marianas Housing Corporation

(q) NTP—Notice to Proceed

(r) PITI—Principal, Interest, Taxes, and Insurance

(s) PJ—Participating Jurisdiction

(t) PTI—Payment-to-Income Ratio

(u) PTR—Preliminary Title Report

(v) RER—Rehab Environmental Review

(w) RESPA—Real Estate Settlement Procedures Act

(x) SCRA—Service members Civil Relief Act

(y) SSI—Supplemental Security Income [Social Security]

(z) TCD—Time Certificates of Deposits

(aa) TILA—Truth in Lending Act

(bb) U.S. HUD—United States Department of Housing and Urban Development

(cc) USDA RD—United States Department of Agriculture Rural Development

(dd) USPAP—Uniform Standard of Professional Appraisal Practice

(ee) VOE—Verification of Employment

APPENDIX A.1: Crosscutting Requirements

1.1 Crosscutting Requirements

1.2 Fair Housing

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

Projects must also assess how planning decisions may affect members of protected classes, racially and ethnically concentrated areas, as well as concentrated areas of poverty; will promote the availability of affordable housing in low-poverty, non-minority areas where appropriate; and will respond to natural hazard-related impacts. Program staff will use demographic, geographic, and social vulnerability analyses to determine any positive or negative impacts to protected classes. Should a project present negative impacts, project scope or design will be reassessed to mitigate such impacts.

1.3 Environmental Review

Early environmental coordination must be completed to ensure effective implementation of all CDBG-DR Programs. CDBG-DR funding is contingent upon compliance with both local and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders. In general, NMHC serves as the lead agency for the purposes of NEPA.

HUD's Environmental Review process allows grantees to serve as the "Responsible Entity" to assume environmental review responsibilities under NEPA. As the grantee, NMHC serves as the Responsible Entity (through authorization from the Governor) as it relates to environmental review responsibilities under NEPA. Within NMHC, Environmental Review Staff will be responsible for performing environmental reviews and compiling the Environmental Review Records (ERR). Reviews are conducted either directly or using qualified environmental service contractors. NMHC's Corporate Director, as the Certifying Officer, is responsible with certifying that NMHC's environmental reviews follow NEPA and HUD environmental regulations.

Federal Register Notice FR-6182-N-01 authorizes recipients of CDBG-DR funds under the Appropriations Act to adopt any environmental review, approval, or permit performed by a Federal agency for the same project to satisfy responsibilities with respect to environmental review, approval, or permit. NMHC will notify HUD in writing of its decision to adopt another agency's environmental review. NMHC will also retain a copy of the review in its environmental records. Further information concerning the environmental review process is set forth in the Environmental

Policies and Procedures. Further information concerning the specific HUD requirements for the adoption of other Federal agency environmental reviews can be found in the HUD Memorandum dated March 4, 2013, *Adoption of FEMA and Other Federal Environmental Reviews Processing for Hurricane Sandy Supplemental Appropriation (H.R. 152) Activities.* Additional information on the environmental review process in general is set forth in Section § 100-100.4-335, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

1.4 Labor Standards

The Davis-Bacon and Related Acts (DBRA) applies to all federally funded or assisted construction contracts in excess of $2,000. This may apply to projects that are fully or partially funded with CDBG-DR, including FEMA or FHWA match programs. In matched projects, only the scope of the CDBG-DR portion of the project are subject to crosscutting requirements DBRA requires all workers employed by contractors or subcontractors on CDBG-DR programs, be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with DBRA, as amended. DBRA also requires that workers on federally-assisted projects are paid not less than weekly.

Wage information for labor under CDBG-DR programs will be tracked in detail by both NMHC and relevant Implementing Partners and subrecipients throughout the life of the Program. Compliance for this requirement may be tracked in the following ways:

(1) Additional NMHC Program staff hired to track wages and verify contractor and agency compliance
(2) External contractor hired by NMHC to track DBRA compliance
(3) Enhanced TA provided to Implementing Partners to track DBRA compliance

Davis Bacon applies to the rehabilitation of residential property only if the property contains eight (8) or more units under common ownership, on same or contiguous lots, or with common financing, Residential property that contains seven (7) or fewer units is exempt. Although the statute refers to the rehabilitation of residential property, this exemption has been interpreted to include the new construction of residential property containing seven (7) or fewer units. Typically, single-family homeowner properties are excluded under this exemption.

For prime contracts in excess of $100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, NMHC must follow the reporting requirements per HUD and U.S. Department of Labor (DOL) regulations. This requirement also extends to NMHC subrecipients, Implementing Partners, and contractors.

The Fair Labor Standards Act of 1938 (FLSA), as amended, establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-DR funds finance only a portion of the project.

1.5 Limited English Proficiency

Federal Executive Order 13166 requires NMHC and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. Compliance with this requirement is detailed in NMHC's Language Action Plan (LAP) and will be coordinated and tracked by the Monitoring and Compliance division at VIHFA. Depending on the program, NMHC, Implementing Partners, sub-recipients, and subcontractors will share the following expectations to comply with this Executive Order:

(1) Document Translation: All documents defined as "vital documents" will be translated into Chamorro or Carolinian by NMHC, Implementing Partners, and sub-recipients. A "vital document" is defined as a document that includes information regarding eligibility requirements, applications and instructions, program eligibility determinations, and appeals procedures. NMHC may aid to ensure this requirement is met.

(2) Where required, seek feedback from the community the project serves (advocacy groups serve vital role).

Language maps provided in the Language Action Plan will be used to determine the project's location and subsequent language context and if proactive LEP outreach will be required. These maps will be included as part of the Project Assessment Form used by NMHC to review the eligibility, priority level, and impacts of a potential project.

1.6 Minority and/or Women-Owned Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned and Women-Owned Business Enterprises (M/WBEs). Following procurement guidelines under 2 CFR 200.321, NMHC must make efforts to ensure that all subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance encourage participation in contracts and other economic opportunities by small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms whenever possible. NMHC will accept a MWBE certification from another state, local or regional, DPW, SBA HUB Zone, SBA 8-A certification (economically disadvantaged and 51% locally-owned), and other eligible certification processes. Documentation and goals regarding M/WBE percentages and reporting will be determined in the contracting agreements.

1.7 Section 3 Economic Opportunities

Section 3 is triggered when the award of CDBG-DR funds for new construction and rehabilitation projects if the construction contract is $200,000 or more.

Section 3 of the Housing and Urban Development Act of 1968 is to "ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low and very low income individuals, especially recipients of government assistance for housing and to businesses which provide economic opportunities to low and very low income individuals."

The Section 3 program requires that recipients of HUD CDBG-DR funds, to the greatest extent feasible, provide (a) employment and training, and (b) contracting opportunities for low- or very-low-income residents in connection with construction projects in their neighborhoods.

It requires any "Section 3" project (construction contract of $200,000 or more) to report in three categories of labor hours:

- Total project labor hours
- Section 3 labor hours (any position where wages are at or below the threshold for a 1-person household at 80% AMI).
- Section 3 targeted worker (Section 3 worker living in proximity to the project site)

It also specifically encourages economic opportunities for households who are recipients of government assistance for housing. NMHC and all administering entities will follow and require relevant contractors to follow Section 3 requirements in contracting.

Section 3 applies to the CNMI, as recipient of HUD funding, as well as to subrecipients or Implementing Partners/Sub-recipients receiving HUD funding exceeding $200,000. Whenever any portion of HUD funding is invested into projects involving housing construction, demolition or rehabilitation, commercial/private improvements for economic development, or other public construction (e.g., roads, sewers, community centers, and public facilities), the requirements of Section 3 apply.

In conjunction with construction activity, Section 3 applies to projects that are fully or partially funded with CDBG-DR assistance, including projects that are financed in conjunction with territory, local, or private matching or leveraged funds, provided that the Section 3 monetary threshold requirements are met. In particular:

- In conjunction with construction activities, Section 3 applies to contractors or subcontractors that receive contracts more than $200,000 for Section 3-covered projects/activities. Once it is determined that Section 3 applies to a project, the requirements apply to all contracts for construction work arising in connection with that project exceeding $200,000, including those not funded with CDBG-DR assistance. Contractors or subcontractors are required to comply with the Section 3 regulations in the same manner as the Commonwealth; and
- "Section 3-covered contract" includes professional service contracts, provided that the work to be performed is generated by the expenditure of funds in furtherance of Section 3 covered work (e.g., housing construction, housing rehabilitation, and other public construction), arising relating to construction projects. Professional service contracts that may constitute Section 3-covered contracts include construction contract oversight,

engineering, architectural, environmental and property evaluation, construction progress and draw inspections, and prevailing wage labor compliance.

The regulations pertain to total labor hours required to complete Section 3-covered projects and activities. If the expenditure of funding for an otherwise covered project and activity does not result in new employment, contracting, or training opportunities, Section 3 reporting will still be required.

When NMHC awards CDBG-DR funds to other governmental departments, nonprofit organizations, subrecipients or other funded entities, NMHC will require they document how reasonable attempts were made to reach numerical goals set forth at 24 CFR Part 75. (25% total hours for Section 3 workers, 5% total labor hours for targeted Section 3 workers). NMHC will inform its Implementing Partners and other funded entities of the requirements of Section 3, including the language required to be inserted into all construction-related contracts, assist them and their contractors with achieving compliance, and monitor their performance with respect to the Section 3 objectives and requirements.

Implementing Partners/Sub-recipients will receive training on this requirement and methods of compliance, technical assistance from Program staff, and continual monitoring from NMHC. Currently, a Section 3 Plan is under development, the details of which will be included in an update to this manual.

1.8 System for Award Management (SAMs)

SAM is the federal System for Award Management and is a requirement for doing business with the U.S. government. All vendors are required to register in SAM in order to be awarded contracts under the CDBG-DR program. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration annually to maintain an active status.

1.9 Uniform Relocation and Real Property Acquisition Act (49 CFR 24)

The Uniform Relocation Assistance and Real Property Acquisition Act (URA) is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The phrase "program or project" is defined in 49 CFR Part 24 as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

The objectives of the URA are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects;
- To ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement;

- To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means;
- To help improve the housing conditions of displaced persons living in substandard housing; and,
- To encourage and expedite acquisition by agreement and without coercion.

49 CFR 24.101(c)(1) provides that the subpart B requirements also apply to the acquisition of permanent and/or temporary easements necessary for the project. However, 49 CFR 24.101(c)(2) provides an exception for the acquisition of temporary easements which exclusively benefit the property owner.

Demonstrable Hardship - A demonstrable hardship is a substantial change in an applicant's financial situation that will prohibit or severely affect their ability to provide a minimal standard of living or the basic necessities of life including food, housing, clothing and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. A demonstrable hardship must be occurring after the named storms. The demonstrable hardship must be of a severe, involuntary and unexpected nature. It must not be one that is generally shared by other applicants affected by the named storms. Examples of demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case. If an applicant believes that they are in the state of demonstrable hardship and that the demonstrable hardship causes them to not comply with any of the program policies, they may present their existence of a demonstrable hardship to their case worker (housing or grant specialist) and the Program will evaluate on a case-by-case basis after review of all of the circumstances. Applicants claiming a Demonstrable Hardship shall be required to provide evidence of such claimed Demonstrable Hardship to the case worker.

Not Suitable for Rehabilitation – properties where the cost of rehabilitation exceeds the after rehab appraisal and there is not a compelling historical or community justification to save the property.

APPENDIX A.2: HOMEBUYER APPLICATION CHECKLIST

NORTHERN MARIANAS HOUSING CORPORATION
Community Development Block Grant – Disaster Recovery (CDBG-DR) Division
P.O. BOX 500514, Saipan, MP 96950-0514
Email: cnmi-cdbg-dr@nmhcgov.net
Website: http://www.cnmi-cdbgdr.com

Tels: (670) 233-9447
233-9448
233-9449
233-9450
Fax: (670) 233-9452

CDBG-DR PROGRAM GRANT APPLICATION CHECKLIST

Applicant(s):_____ **Date:**_____ **Submission Date:**_____

In order to complete your application for assistance, we need the following items below:

[ ] Uniform Residential Loan Application
[ ] Certification of Household Size Form
[ ] Use of Funds Certification (both Applicant and Co-Applicant must sign)
[ ] Certification of Storm Tie-Back (both Applicant and Co-Applicant must sign)
[ ] Duplication of Benefits Affidavit and Subrogation Agreement (both Applicant and Co-Applicant must sign)
[ ] Division of Tax & Revenue- Certificate of Compliance (for both Applicant and Co-Applicant)
[ ] FEMA Applicant Information Request form (both Applicant and Co-Applicant must sign)
[ ] Photo I.D. -Driver's License, MOS, Passport (for applicants only) and Birth Certificates (for each member of the household)
[ ] Eligibility Release Form (each adult member of the household must sign date and initial)
[ ] Statement of Unemployment (each adult member of the household who is unemployed must complete this form)
[ ] Social Security -Consent to Release Information (must be completed by each household member)
[ ] Verification of Employment (employee's employer must complete this form)
[ ] Check/Pay stubs (4 most current)
[ ] 1040 Tax Form for previous two (2) years (20__ and 20__)
[ ] Verification of Child Support Payments, if applicable
[ ] Checking Account Statement (6 most recent statements)
[ ] Savings Account Statement (most recent statement)
[ ] Assets – Retirement 401 (a)/(k), Supplemental Life, etc. (most recent statement with each cash value)
[ ] Divorce Decree, Judgment(s), etc., if applicable
[ ] Certificate of Title, Deed, or Residential Homestead Permit, etc. with Property Map (if applicable)
[ ] Documentation for any Federal assistance such as WIC, MEDICAD, MEDICARE, LIHEAP, NAP, CHILDCARE ASSISTANCE, etc.
[ ] Utility Bill (most current)
[ ] Affidavit

Due to the fact that many families are in the same position you are and the high demand for our services, we ask that you notify us <u>one (1) day</u> prior to your appointment if are unable to attend. If you are unable to submit <u>ALL</u> the necessary photocopied documents to your appointment, your eligibility assistance may be delayed.

<u>Please read carefully:</u>
As head of the household, I declare that members of my household have no ownership, in full or in part, of any assets other than those identified above, the value of which have been disclosed. Please sign below:

_____ _____
APPLICANT/DATE CO-APPLICANT/DATE

_____
DR LOAN SPECIALIST/DATE

"NMHC is an equal employment and fair housing public agency"

Tinian Field Office
Tel: (670)433-9213
Fax: (670)433-3690

CDBG-DR Office
Tel: (670)233-9447/9448/9449

Rota Field Office
Tel: (670)532-9410
Fax: (670)532-9441

SUBCHAPTER 100-100.4
CDBG-DR HOMEOWNER REHABILITATION AND RECONSTRUCTION POLICIES AND PROCEDURES

Part 001 General Provisions

§ 100-100.4-001 Introduction
§ 100-100.4-002 Public Announcement

Part 100 Purpose and Requirements

§ 100-100.4-101 Purpose of the Program
§ 100-100.4-102 Ineligible Activities
§ 100-100.4-103 General Requirements

Part 200 Grant Specifications

§ 100-100.4-201 Grant Amount
§ 100-100.4-202 Determination of Unit Size and Occupancy Standards
§ 100-100.4-205 Target Group
§ 100-100.4-210 Income Eligibility
§ 100-100.4-215 ~~Property Eligibility~~Security, Restrictive Covenant, Homeowner Requirements
§ 100-100.4-235 Use of Grant Funds
§ 100-100.4-240 Eligible Costs

Part 300 Grant Application Process

§ 100-100.4-301 Confidentiality
§ 100-100.4-305 Discrimination Prohibited
§ 100-100.4-310 Pre-Qualification Interview
§ 100-100.4-315 Eligibility Notification
§ 100-100.4-320 Ineligible Applicants
§ 100-100.4-325 Initial Inspection of Residence
§ 100-100.4-330 Lead-Based Paint
§ 100-100.4-335 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58)
§ 100-100.4-340 Rehabilitation or Reconstruction Grant Application
§ 100-100.4-345 Application Intake and Processing
§ 100-100.4-350 Verification of Income
§ 100-100.4-355 Administration, Approval, Appeals Process
§ 100-100.4-360 Homeowner Counseling Session
§ 100-100.4-365 Commitment Letter
§ 100-100.4-370 Preliminary Title Report (PTR)

Part 400 Rehabilitation

§ 100-100.4-401 Performing Rehabilitation Work

Part 500 Fraud, Waste and Abuse

§ 100-100.4-501 Eligibility Certification
§ 100-100.4-505 Default
§ 100-100.4-510 Remedies Upon Default
§ 100-100.4-515 Disposition of Fraud Cases
§ 100-100.4-520 Grant to Loan Conversion
§ 100-100.4-525 Eligible Repayment Costs
§ 100-100.4-530 Repayment Terms

§ 100-100.4-535 Affordability Restrictions
§ 100-100.4-540 Right of First Refusal
§ 100-100.4-545 Recapture
§ 100-100.4-550 Distressed Applicants
§ 100-100.4-555 Types of Assistance
§ 100-100.4-560 Foreclosure
§ 100-100.4-565 Mitigation to Foreclosure
§ 100-100.4-570 Loan Satisfaction and Lien Release

Part 600 Affordability
§ 100-100.4-601 Affordability Restrictions

Part 700 Conveyance
§ 100-100.4-701 Sale, Conveyance, or Transfer or Property

Part 800 ~~Assumption~~ Miscellaneous Circumstances Affecting Grant Agreement
§ 100-100.4-801 ~~Grant~~ Assumption of a Grant

Part 1000 Ethics
§ 100-100.4-1001 Conflict of Interest

Part 1100 Miscellaneous
§ 100-100.4-1101 Acronyms Reference Section
§ 100-100.4-1105 Homeowner Rehabilitation

Part 001 - General Provisions

§ 100-100.4-001 Introduction

As a result of the 2018 storms, namely Typhoon Mangkhut and Super Typhoon Yutu, the Commonwealth of the Northern Mariana Islands (CNMI) received an allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funds which will be administered by the Northern Marianas Housing Corporation (NMHC). NMHC has developed the Homeowner Rehabilitation and Reconstruction Program to cover the eligible costs to rehabilitate or reconstruct storm-related damaged properties in order to restore them back to decent, safe, and sanitary conditions. The governor of the CNMI has placed housing as the highest recovery priority. The total allocation amount at this time under this Program is $39,407,033.

Due to the limited availability of CDBG-DR funds allocated to the CNMI from the U.S. Department of Housing and Urban Development (HUD), financial assistance will be prioritized for the elderly or disabled extremely low-income families and then to low- to very low-income homeowners subject to HUD income limits which are published annually (https://www.huduser.gov/portal/datasets/il.html). NMHC has recognized these target groups to assist under the CDBG-DR program. Funds will be made available for eligible homeowner rehabilitation and reconstruction activities through grants to assist in the rehabilitation and reconstruction of their principal place of residence. The Program is designed to create a habitable living environment for homeowners with the most serious and significant damaged homes, and to serve as many impacted households as possible. As such, the Program requires the use of standard building materials, which may not restore some damaged homes to pre-storm conditions if luxury materials were damaged in the storm. To ensure the funding will assist the maximum number of households, rehabilitation and/or reconstruction work and materials will be limited to those items necessary to make the home livable and compliant with referenced building codes and HUD requirements.

Homeowner rehabilitation activities include those items identified at the initial inspection which are necessary in bringing the home in compliance with the 2018 International Building Code enacted by law and any updates approved by regulation by the CNMI Department of Public Works Building Safety Office and zoning laws (if applicable for Tinian and Rota), International Energy Conservation Code as adopted by the CNMI government, NMHC written design standards for single family housing new/rehabilitation, and accessibility requirements (where applicable) including the reduction of lead-based paint hazards and the remediation of other home health hazards.

The NMHC, on behalf of the CNMI, has been designated as the responsible entity in implementing and carrying out the objectives of the program. The Housing Division under the CDBG-DR Program Division, will be responsible for the day-to-day operations of the Homeowner Rehabilitation and Reconstruction Program. Services include program outreach to potential eligible homeowners, application intake, program eligibility verification (both for the household and property), Duplication of Benefits review, Verification of Benefits analysis, award calculation, and

documentation execution, scope development and construction oversight. Support services will be provided by NMHC's Mortgage and Credit Division and Fiscal Division with respect to maintenance of financial records. Overall, the NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of this program in accordance with statutory and regulatory requirements. Through these policies and procedures and by imposing NMHC and HUD-prescribed residential rehabilitation standards, NMHC will preserve and improve the quality of the housing stock of the CNMI that incurred damage during Typhoon Mangkhut and Super Typhoon Yutu.

§ 100-100.4-002 Public Announcement

(a) Publicity.

(1) Upon notification from HUD of the approval of the grant agreement, NMHC shall publish such approval within thirty (30) calendar days from the date of the approval. General information of the Homeowner Rehabilitation and Reconstruction Program shall be published in the print media of the widest local circulation, on the NMHC website, and other suitable means available. The program information shall also be posted in public and private bulletin boards where announcements are commonly posted. Grant applications may be submitted on or after a specified date to be stated in the public notice.

(2) With the conversion of the Homeowner Rehabilitation and Reconstruction Program from a loan to a grant program, NMHC will review the applications of all those determined to be ineligible due to high debt-to-income ratios when the program was structured as a loan program. It is believed that many of those who did not satisfy underwriting requirements will now be eligible for assistance.

(3) Once the revised group of applicants has been identified, if additional funds remain, NMHC will conduct additional outreach. That outreach will focus on low- and moderate-income areas where there were storm impacts, and low rates of application to ensure that those most in need of assistance are aware of the new program guidelines and requirements.

(b) Contents. Program announcements shall inform interested applicants on how and where they may obtain an application and additional information on the types of homeowner program activities being administered in the CNMI. Such announcements shall further contain the following information:

(1) Brief overview of the Homeowner Rehabilitation and Reconstruction Program;
(2) General list of eligible activities available;
(3) Amount of funding available;
(4) General eligibility requirements to qualify for financial assistance;
(5) Homeowner selection process;
(6) Fair Housing logo and Equal Opportunity language; and
(7) Opening date for acceptance of applications.

(c) Affirmative Marketing. To ensure that all persons are effectively and adequately informed about the rehabilitation and reconstruction program and the availability of funds, especially to those least likely to apply without regard to race, color, national origin, sex, religion, familial status, and disability, a marketing strategy such as brochures or information notices shall be provided and distributed or posted in the following locations and shall contain the information described in subsection (b). NMHC shall maintain records of actions taken to affirmatively market the program, and maintain records to assess the results of those actions. Brochures and/or program information notices shall be made available at the following public and private areas:

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

Part 100 - Purpose and Requirements

§ 100-100.4-101 Purpose of the Program

The purpose of the program is to provide assistance in the form of grants to extremely low, very low and low-income families for the rehabilitation or reconstruction of their principal residence. The rehabilitation goal is to repair or reconstruct storm damaged homes, increasing the economic life of the existing dwelling, providing energy efficiency, and ensuring a safe, decent, and healthy living environment for assisted families.

If funding remains after serving all the low to moderate income households, then the program will consider applicants with household incomes 81% or greater AMI.

The **rehabilitation component** will be available to serve homeowners whose homes received Major or Severe damage but do not meet the definition of destroyed or substantially damaged. NMHC will use the services of A&E firms to provide construction management which includes conducting damage assessments, design services, developing scopes of work and costs estimates, progress inspections, and contractor assessments. The construction managers will work closely with the Housing Division staff, contractors, and homeowners throughout the rehabilitation or reconstruction process.

The **reconstruction component** will be available to serve homeowners whose homes were destroyed or substantially damaged. Applicants that have already demolished their storm-damaged homes must also provide documentation evidencing the pre-storm structure type, total square footage, and that the damage to the home was caused by the storm. Applicants

must also provide notices of condemnation, substantial damage notifications, or other notices requiring the property be demolished.

§100-100.4-102 Ineligible Activities

The following activities are *ineligible* and CDBG-DR grant funds *cannot* be used for any portion:

- Assistance for homeowners whose home was in a flood hazard zone and previously received federal flood disaster assistance and failed to maintain the required flood insurance;
- Assistance for homeowners for (a) whose property sustained damage in the typhoons and was located in a floodplain at the time of the disaster, **and** (b) the owner did not maintain flood insurance on the damaged property, even if the property owner was not required to obtain and maintain such flood insurance (see Section 4.4 below);
- Forced mortgage payoffs;
- SBA home/business loan payoffs;
- Funding for units occupied by any households except the owner household (no rental or lease properties are allowed);
- Funding for second homes; or
- Compensation payments.

§ 100-100.4-103 General Requirements

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

(a) Qualify as Low Moderate-Income family as defined by HUD including applicants who are above the 80% AMI. Eligible households over 80% AMI will meet the national objective of urgent need;

(b) The dwelling must be the applicant's primary residence prior to the storms and prior to applying for rehabilitation or reconstruction assistance;

(c) Must occupy and continue to occupy residence after the completion of such repairs for five (5) years and for reconstruction for a period of ten (10) years;

(d) Own the property under an approved form of ownership as set forth in 24 CFR § 92.254(c), and as specified below:

(1) Has fee simple title to the property;
(2) Maintains a 10-year leasehold interest in the property;
(3) Maintains an equivalent form of ownership approved by HUD.
(4) Undergo duplication of benefits analysis.

(e) Applicants not meeting any one of the above, do not qualify for assistance under this program.

Title 18, Section 1001, et seq. of the United States Code, the general false statement statute, outlaws making materially false statements, intentional or negligent misrepresentations in matters within the jurisdiction of a federal agency or department, such as federal disaster relief funding. Civil or criminal penalties, including but not limited to fine, imprisonment or both, as well as repayment of any assistance provided, may be pursued. Under Section 1001, a statement is a crime if it is false, regardless of whether it is made under oath. Failure to disclose accurate and complete information may affect eligibility requirements. Some of the information submitted by applicants will be validated through third-party sources during the eligibility process.

The following is incorporated into all application and grant documents:

Warning: *Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729. Under penalties of perjury, I/we certify that the information presented above is true and accurate to the best of my/our knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my ineligibility to participate in this program or any other programs that will accept this document. Title 18, Section 1001 of the U.S. Code states that a person is guilty of a FELONY if he/she knowingly and willfully makes a false statement to any department of the United States Government.*

Part 200 - Grant Specifications

§ 100-100.4-201 Grant Amount

(a) The maximum grant amount for a Rehabilitation project is capped at $200,000.00, excluding possible optional relocation costs. In special circumstances, ~~a Review Panel, impaneled by the Corporate Director, may authorize a greater amount.~~a higher amount may be authorized when additional costs have been reviewed for cost reasonableness.

(b) Reconstruction projects may exceed the rehabilitation projects' maximum of $200,000 that are deemed justified and cost reasonable and supported by independent cost estimates. The maximum for a Reconstruction project is $250,000.00, excluding possible optional relocation costs. In special circumstances, a higher amount may be authorized when additional costs have been reviewed for cost reasonableness.~~a Review Panel, impaneled by the Corporate Director, may authorize a greater amount~~.

(c) NMHC, through the assistance of a private A&E Firm, may update independent cost estimates currently capped at $200,000 for rehabilitation projects periodically and as may be needed.

§ 100-100.4-202 Unit Size Determination and Occupancy Standards

(a) **Fair Housing**. The Fair Housing Act ("Act") (42 U.S.C. §§ 3601-19) prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability. Discrimination includes a failure to make a change, exception, or adjustment to a policy, practice, procedure, or service when such accommodation may be necessary for an individual with a disability to enjoy and use housing. In addition to the requirements under the Act, there may be additional requirements for recipients of federal assistance from HUD.

(b) **Housing Unit Suitability**. Homes acquired, purchased, or newly constructed with CDBG-DR funds under this program, at a minimum, shall be decent, safe, and sanitary.

(c) **Determination of Unit Size**. Limited funding notwithstanding, NMHC shall ensure that the following occupancy standards are observed.

(1) **Occupancy Standards**. Occupancy standards are rules about the number of people that can live in a bedroom or at a property. These standards are usually based on the number of bedrooms at a property, but they can also take into account the total amount of livable square footage. Oftentimes, a combination of both makes the final call about how many people can live there. HUD occupancy standards are the rules set up by the Department of Housing and Development. These federal occupancy standards are part of the Fair Housing Act Amendment, and they are the overarching rules for occupancy.

(2) **Unit Bedroom Size**. NMHC has set the following Occupancy Standards for family and unit size:

(i) All bedrooms with one person should have at least 70 square feet.

(ii) Shared bedrooms must have at least 50 square feet per person.

(iii) Kitchens and other non-habitable rooms cannot be used as a bedroom.

(iv) Every unit should have an overall occupant limitation based on its overall size:

(i) 1-2 occupants: must have at least 120 square feet living room.

(ii) 3-5 occupants: must have at least 120 square feet living room and 80 square feet dining room.

(iii) 6 or more occupants: must have at least 150 square feet living room and 100 square feet dining room.

No. of Family Members	No. of Bedrooms
1-2	2
3-4	2
5-6	3
7-8	4
9 and above	5

(v) **Exceptions**. In certain unique conditions and situations, NMHC, on a case-by-case basis, may grant exceptions when warranted and after thorough review of grant applications.

§ 100-100.4-205 Target Group

Because of the limited funding allocated to the CNMI, NMHC has recognized the need to prioritize the level of assistance to qualified families. In the event that there are more applicants than available funds, NMHC shall establish and maintain an applicant waiting list. All applicants being assisted, as well as those placed on the waiting list shall be processed on a first come, first serve basis, based in the priority needs as described below:

NMHC will categorize the target groups based on income levels as follows:

(a) 0% to 80% AMI- 1st priority:

(b) 81 or greater AMI- 2nd priority:

§ 100-100.4-210 Income Eligibility

NMHC shall use the HUD CPD Income Eligibility Calculator when determining income eligibility. NMHC shall also refer to the Technical Guide for Determining Income and Allowances for the CDBG-DR Program, Third Edition in verifying the household's assets and income which can be found in the HUD website. The NMHC shall adopt the guide and make use of the 1040 income and asset calculation worksheets including any and all forms required in determining an applicant's annual and adjusted income. Information provided by the applicant shall be accompanied with proper documentations (i.e., check stubs, bank statements, 1040 tax forms, etc.). The anticipated gross annual household income and assets for the next twelve (12) months is used in determining if an applicant(s) is/are eligible to participate in the program. NMHC shall calculate the weekly average income and assets and multiply it by 52 weeks. If the total household income falls within the 80% area median income as indicated in § 100-100.4-220(b), the applicant(s) is/are eligible to participate in the program. Households whose incomes are 80% or greater of the area median income are also eligible once LMI households have been served.

§ 100-100.4-215 ~~Property Eligibility~~Security, Restrictive Covenant, Homeowner Requirements

(a) Property Ownership: Interested applicant(s) must provide proof of fee simple ownership or must have at least a 10-year leasehold interest in the property to be improved. The applicant must be present and have interest on the property on or before the presidential disaster declaration date for Typhoon Mangkhut or Super Typhoon Yutu. Ownership acquired post-storm is acceptable, provided that evidence of occupancy in the storm-damaged home prior to, during, and after the storm can be verified. The assisted unit must be located in the CNMI, more specifically, on Saipan, Rota, or Tinian.

(b) In the event of the death of an applicant that has been determined as eligible but prior to grant execution, their heirs who are able to document they were occupants of the residence at the time of the disaster and can prove current ownership through heirship will be eligible to apply for Program assistance.

If an owner occupant of a property damaged by Typhoon Mangkhut and/or Super Typhoon Yutu has passed away, their heirs may apply for Program assistance, provided they are able to submit evidence the damaged property was also the heir's primary residence at the time of one of the storms.

Heirs who were not occupants at the time of either disaster event are not eligible for Program assistance.

(c) Conformance to Property Standards: All assisted properties that are rehabilitated with CDBG-DR assisted funds must meet the program's established rehabilitation standards (see APPENDIX A.2). The Rehabilitation Standards are the program's guidelines of acceptable construction methods and materials to be used when performing rehabilitation and the quality standards that the property must meet when all rehabilitation work is completed.

NMHC's CDBG-DR Written Rehabilitation Standards shall detail the methods, materials and requirements that the housing must meet upon completion of rehab, including all of the following:

(1) Health and Safety - identifying all life-threatening deficiencies that must be addressed immediately if the housing is occupied [24 CFR 92.251(b)(1)(i)];
(2) Major systems – requiring that, upon project completion, each major system, as defined in 24 CFR 92.251(b)(1)(ii), had a remaining useful life of a minimum of 1 year, or for a longer period as specified by the NMHC, or the major system was rehabilitated or replaced as part of the rehabilitation [24 CFR 92.251(b)(1)(ii)];
(3) Lead-based paint [24 CFR 92.251(b)(1)(iii)];
(4) Disaster mitigation (if applicable) – requiring the property meet the disaster mitigation requirements [24 CFR 92.251(b)(1)(vi)];
(5) State and local codes, ordinances and zoning requirements [24 CFR 92.251(b)(1)(vii)];
(6) Minimum deficiencies that must be corrected based on inspectable items and areas in HUD's Uniform Physical Condition Standards [24 CFR 92.251(b)(1)(viii)].

After rehabilitation or reconstruction is complete, NMHC shall make the rehabilitation standards available to the Department of Public Works (DPW) inspectors and the inspectors shall use them as a guide to certify that completed work was done accordingly. This certification will become part of the applicant record.

(d) Local/State, National, or International Codes: Upon completion of rehabilitation or reconstruction work, the CDBG-DR assisted owner-occupied rehabilitation property must meet the 2018 International Building Code (2018) enacted by law and updates approved by regulation by the CNMI Department of Public Works Building Safety Office, zoning laws, and International Energy Conservation Code as adopted by the CNMI government. The property must also meet the Green Building and Energy Efficiency Standards as outline in the attached documents, consistent with the Federal Register Notice requirements.

(e) Upon completion of rehabilitation work, the CDBG-DR assisted owner-occupied rehabilitation property must meet accessibility requirements, where applicable;-.

(f) To ensure affordability for CDBG-DR funds invested, NMHC shall place a restrictive covenant on the property. The restrictive covenant shall be maintained for no less than the term of the affordability period.

(g) NMHC will execute a written agreement with the grantee/home owner that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, address or legal description of the property, and duration of the agreement. Additionally, address or legal description of the property must be indicated in the applicable written agreement.

~~(e)~~(h) During the term of the grant, the homeowner shall be required to maintain, at their own expense, adequate property insurance on the mortgaged property. This insurance must provide coverage for fire, earthquake, typhoon, and, where applicable, flood damage. The policy shall insure the property for its full replacement value, and the homeowner must ensure that the coverage remains active and in good standing throughout the entire grant period.

Requests for relief from this insurance requirement due to financial hardship will be reviewed on a case-by-case basis. Homeowners seeking such consideration must submit documentation demonstrating their financial circumstances. Any waiver or modification of the insurance requirement shall be granted solely at the discretion of the NMHC.~~The homeowner must also maintain, at their own expense, property insurance on the property covering fire, earthquake, and typhoon. An insurance waiver may be granted, in whole or in part, to homeowners who show financial hardship.~~

~~(f)~~(i) Principal Residence and Annual Recertification:

(1) CDBG-DR 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 CDBG-DR-funded project, and throughout the NMHC affordability period. In order to maintain compliance with the affordability restrictions, grantee(s) shall be recertified annually for principal residency throughout their grantee affordability period. An annual recertification for principal residency notices and form shall be sent to homeowners/grantees to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the 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) A written agreement between the homeowner and NMHC shall also incorporate this requirement;

(iii) Temporary subleases are not allowed.

(2) Annual recertifications are conducted in order for homeowners to maintain compliance with the affordability restrictions. For individuals who have received assistance through the Reconstruction of their residence, the annual certification process will also include, as part of the annual review, verification of the non-occupancy of any other structure located on the same property.

(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 Grant Specialist shall verify the grantee(s) principal residence and, as necessary, to take photos and document the status of the residential unit.

(4) Affordability periods during which the homeowner must maintain the home as his/her primary residence are as follows:
   a. Rehabilitation 5 years
   b. Reconstruction 10 years

(5) Extended Terms: Should a financial hardship beyond the homeowner's control exists, a request for a waiver of the repayment provisions of the affordability requirement can be considered. The grantee(s) must provide NMHC with documentation justifying their inability to meet the affordability term while at the same time providing an adequate standard of living for his/her/their family. 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 grantee's physician must complete the homebuyer/homeowner program disability eligibility verification to certify the grantee's medical condition;
   (5) Temporary relocation (provided that at least one of the original household members is still residing in the assisted unit); or
   (6) Natural disaster.

§ 100-100.4-235 Use of Grant Funds

(a) (1) The grant funds will be used to assist existing homeowners to repair, rehabilitate, or reconstruct owner-occupied housing units affected by the storms for the primary purpose of correcting dwelling deficiencies ensuring a safe and healthy living condition, and preserving and extending the physical life of the dwelling. All corrections shall conform to the 2018 International Building Code enacted by law and any updates approved by regulation by the

CNMI Department of Public Works Building Safety Office, zoning laws, International Energy Conservation Code as adopted by the CNMI government, and also ensure that it meets the NMHC HOME/CDBG-DR Rehabilitation Standards as adopted by the NMHC Board.
(2) Special purpose homeowner repairs such as weatherization, emergency repairs, and accessibility may only be undertaken within a more comprehensive scope of work that brings the housing unit up to standard.

(b) (1) Rehabilitation - This includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a new foundation. Rehabilitation may include adding rooms outside the existing walls of a structure.
(2) Adding a housing unit is considered new construction and is not eligible.

(c) Reconstruction - In most instances, applicant(s) requesting assistance under this program live in substandard homes which are often unsafe and unsanitary. Many of which are termite infested and dilapidated to the point where a complete tearing down of the unit would be most appropriate. These types of structures would most likely endanger the households during storms and other calamities. Reconstruction refers to rebuilding a structure on the same lot where the housing unit is standing at the time of the storms. CDBG-DR funds may be used to build a new foundation or repair an existing foundation. Reconstruction may take place on the same foundation that the existing structure was on. Reconstruction may take place anywhere on the lot. During reconstruction, the number of rooms per unit may change, but the number of residential units may not.

(d) Luxury items and improvements are not eligible, including but not limited to: barbecue pits, bathhouses, exterior hot tubs, saunas, whirlpool baths, swimming pools, satellite dishes, tennis courts, and granite counter tops. Any additions or alterations to provide for commercial use are not eligible.

§ 100-100.4-240 Eligible Costs

CDBG-DR funds can be used to cover the hard rehabilitation costs necessary to meet required rehabilitation standards and associated "soft costs." CDBG-DR funds may be used to pay for property improvements that are considered standard for the area. However, non-essential luxury or cosmetic improvements to the property are not permitted.

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

(2) Soft costs include the following:
- (i) Financing fees;
- (ii) Preliminary title report (PTR) and lender's title policy, if applicable;
- (iii) Recordation fees, transaction taxes;
- (iv) Legal and accounting fees;
- (v) Appraisals;
- (vi) Architectural/engineering fees, including specifications and job progress inspections;
- ~~(vii)~~ Project costs incurred by the grantee that are directly related to a specific project.
- (vii)

~~(b)~~

~~(1)~~(3) NMHC shall set aside $7,950.00 (more or less, depending on current costs) per project from the program budget to assist each qualified rehab or recon grantee to pay for the following grant closing fees and other related costs. This form of assistance shall not be in any way, a part of the rehab grant amount extended to the client. Grantees 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 grantee should NMHC determine that grantee(s) are not in compliance with NMHC affordability restrictions.

(1)	$5,000.00	Utility connection*;
(2)	$2,000.00	First annual premium for hazard insurance;
(3)	$250.00	Recordation of covenant;
(4)	$100.00	Preliminary title report (PTR);
(5)	$600.00	Appraisal (if applicable)
	$7,950.00	Total

*Grantee must ensure that there are no outstanding issues with the utility company.

~~(2)~~(4) 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).

Part 300 - Grant Application Process

§ 100-100.4-301 Confidentiality

As is NMHC's practice, all applicant information is kept confidential and shall be made available only to the applicant, the applicant's authorized representative; HUD and the Comptroller General of the United States, any of their representatives, have the right of access to any pertinent books, documents, papers or other records of the participating jurisdiction, state recipients, and subrecipients, in order to make audits, examinations, excerpts, and transcripts; and authorized NMHC personnel.

§ 100-100.4-305 Discrimination Prohibited

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

§ 100-100.4-310 Pre-Qualification Interview

(a) Before an applicant can be given a formal application, the interviewing program specialist must conduct a pre-qualification interview to initially determine an applicant's eligibility for assistance. A Homeowner Rehabilitation and Reconstruction Program Pre-Qualification Interview Worksheet shall be completed by the interviewing program specialist.

(b) The information collected from the applicant during these processes subject to verification. As a result, applicants whose threshold eligibility elements cannot be verified may later be determined ineligible for the program.

(c) The following documentation is required to determine eligibility (see File Checklist):
- (1) Completed application
- (2) Valid current ID (applicant and co-applicant)
- (3) Proof of citizenship
- (4) Documentation of principal residency – date of storm
- (5) Proof of ownership
- (6) Income documentation
- (7) Tie to disaster documentation
- (8) Documentation for duplication of benefits determination (FEMA, SBA, private insurance, charity)
- (9) Current mortgage statement
- (10) Receipts or other documentation of repairs made by applicant with funds provided
- (11) Power of attorney (if applicable)
- (12) Communication designee (if applicable)
- (13) Homestead permit and/or deed (if applicable)

§ 100-100.4-315 Eligibility Notification

Once the applicant(s) has been pre-qualified and have been later determined eligible for the program, NMHC shall officially notify the applicant(s) in writing of their eligibility. Such notification shall be mailed no later than five (5) working days after the determination and shall contain a listing of additional information to be submitted for completion of the applicant's file. Eligible applicant(s) shall be given thirty (30) calendar days to submit the additional information requested. Applicant(s) who do not submit all pending information before the thirty (30) calendar day deadline, shall have their application(s) file placed in the inactive files.

§ 100-100.4-320 Ineligible Applicants

All ineligible applicants shall be notified in writing of their ineligibility. Such notification shall be mailed no later than five (5) working days after the determination of ineligibility and shall include a description/reason of such determination. Those found ineligible may appeal such determination to the Corporate Director within ten (10) working days from the date of receipt of the ineligibility notice. The Corporate Director will then review the appeal and render a decision within thirty (30) days from the date of receipt of the appeal letter. Ineligible applicants may further appeal the Corporate Director's decision pursuant to 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

§ 100-100.4-325 Initial Inspection of Residence

Initial inspections shall be conducted by NMHC's A&E firm contractor(s) or project manager and in coordination with the program specialists or an NMHC representative to identify and verify deficiencies noted by eligible homeowners/applicants. NMHC personnel conducting the inspections shall note deficiencies in written form and shall document (i.e., obtain pictures) the condition of the unit. Such inspections shall also verify the eligibility and be the basis in estimating the costs of the rehabilitation activities requested and in developing the scope of work for the rehabilitation project. The applicant and the inspection personnel (A&E firm), as well as the responsible program specialist, shall work cooperatively to develop the scope of work for the project. The rehab scope of work needs to adequately describe the work to be performed so the housing will meet NMHC's written rehabilitation standards at completion. The scope of work must be an eligible activity as described in § 100-100.4-235. The A&E firm providing the scope of work will also provide NMHC with an estimated cost of repairs that will serve as the independent cost estimate against which construction bids will be evaluated. The scope of work shall be provided to three (3) NMHC-approved contractors by the grantee(s) who shall prepare a cost breakdown estimate for the project. The estimates shall then be submitted along with the applicant(s) choice of contractor for the project upon submission of his/her/their grant application. If the applicant(s)'s choice of contractor is not on NMHC's approved contractor listing, the contractor shall be vetted prior to award of the contract. With regard to reconstruction projects, NMHC may provide pre-approved house plans to the applicant that best fit the footprint of the destroyed home. NMHC may, at its own discretion, select the appropriate contractor for the applicant if the rehab project is deeply subsidized using additional CDBG-DR funds. Deeply subsidized means additional funding assistance on top of the underwritten funding assistance.

§ 100-100.4-330 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.

(1) 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.

(b) For those homes deemed to have been completed before January 1, 1978, they must be checked for lead in one of two ways, or both:

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

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

(d) For those homes that were completed before January 1, 1978, the following forms must be completed by the contractor:

(1) Lead Hazard Evaluation Notice;
(2) Notice of Lead Hazard Reduction;
(3) Relocation Screening Sheet for Projects with Lead Hazard Reduction Activities;
(4) Protection of Occupants' Belongings and Worksite Preparation for Projects with Lead Hazard Reduction Activities; and
(5) Property Owner/Rehab Contractor Contract Addendum Reduction of Lead Paint Hazards

(e) The following are required activities to address lead-based paint;

(1) NMHC-issued Notifications
  (i) Lead Hazard Information Pamphlet—Occupants, owners, and purchasers must receive the EPA/HUD/Consumer Product Safety Commission (CPSC) lead hazard information pamphlet, or an EPA-approved equivalent.
  (ii) Notice of Lead Hazard Evaluation or Presumption—Occupants, owners, and purchasers must be notified of the results of any lead hazard evaluation work or the presumption of lead-based paint or lead hazards.
(2) Notice of Lead Hazard Reduction Activity—Occupants, owners, and purchasers must be notified of the results of any lead hazard reduction work.
(3) Lead Hazard Evaluation—Evaluation methods include visual assessments, paint testing, and risk assessments.

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

§ 100-100.4-335 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58)

(a) CDBG-DR rehabilitation activities to be undertaken by NMHC are subject to the environmental review requirements at 24 C.F.R. Part 58. NMHC is the responsible entity and is responsible for ensuring that the environmental review process is satisfied before CDBG-DR funds are committed to specific project site.

(b) Rehabilitation of homeowner housing may be categorically excluded per 24 C.F.R. §58.35(a)(3) when the following conditions are met:
(1) The building is for residential use and has one to four units;
(2) The density will not increase beyond four units; and
(3) The land use will not change.

(c) Reconstruction of a single-family unit in a new location on the same lot is classified as new construction for the purposes of environmental review. Reconstruction of homeowner housing may be categorically excluded per 24 C.F.R. § 58.35(4)(i) when it is an individual action (reconstruction only) on a one to four family dwelling and there are no more than 4 dwelling units on any one site.

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

(1) Complete the Rehab Environmental Review (RER) (which includes the Notice of Intent to Request Release of Funds for Tiered Projects and Programs, submitting a RROF to HUD, and obtaining the ATUGF from HUD), in accordance with 24 CFR 58; and,
(2) Complete the Tier 2 Site Specific Review - RER Appendix A when an individual grant application is received before approving any site-specific grant for each structure, document and implement the mitigation of impacts as necessary, and keep all supporting documents in the Environmental Review Record as evidence of compliance.

§ 100-100.4-340 Rehabilitation or Reconstruction Grant Application

(a) Applicants determined eligible for assistance will be provided a Rehabilitation or Reconstruction Grant Application. A checklist of all required documentation for submission is attached to the grant application. Preliminary requirements include:

(1) Certificate of title/deed/homestead permit/lease agreement;

(2) Property map and sketch of direction to property;
(3) Program eligibility release form
(4) 1040 tax form for the previous tax year;
(5) Latest two (2) months of pay stubs;
(6) Verification of employment;
(7) Current loan statement or loan payment record;
(8) Most recent savings account statement (TCD, bonds, form passbook, money market accounts);
(9) The last six (6) months checking account statement available;
(10) Profit sharing plan (bank or duty-free employees);
(11) Most recent retirement plan statement;
(12) Current certification of child care expenses;
(13) Current Certificate of Compliance from Division of Revenue and Taxation;
(14) Judgments (if any); divorce statement and/or probate decree;
(15) Verification of medical expenses (transportation and medication);
(16) Verification of full-time student status;
(17) Business income tax forms for three (3) previous years, if applicable;
(18) Verification of Social Security or SSDI benefits;
(19) Verification of pension and annuities;
(20) Verification of Veterans Affairs benefits;
(21) Most current financial statements, if applicable.

(b) A duplication of benefits verification will also be performed to determine actual grant assistance.

§ 100-100.4-345 Application Intake and Processing

§ 100-100.4-350 Verification of Income

As part of determining income eligibility (to determine income eligibility, NMHC needs to consider the income of ALL household members), the applicant(s) shall provide NMHC with an executed Program Eligibility Release Form to conduct a third-party verification, if needed.

§ 100-100.4-355 Administration, Approval, Appeals Process

(a) Program Administration

(1) The Housing Administrator is tasked in implementing and managing of related tasks. The Housing Administrator shall supervise program specialists in grant origination, underwriting and closings under the Homeowner Rehabilitation and Reconstruction Program. The Duplication of Benefits (DOB) analysis will also be conducted by the CDBG-DR Housing Administrator to determine net financial assistance to be provided to the Homeowner.

(2) Under the direction of the CDBG-DR Housing Administrator, a CDBG-DR Grant Supervisor and/or a Grant Specialist shall review and verify all applicants' income, assets, liabilities, title reports, and any other requested reports and documentation. Upon completion of the review process, the Grant Specialist shall prepare a grant write-up containing his/her recommendations.

(3) The Grant Supervisor shall review each submitted application, ensure all supportive documentation is in place and complete, and concur or make any necessary recommendations to the Housing Administrator prior to the Housing Administrator making the final decision on the grant application.

(b) Grant Review & Approval

Under the direction of the Housing Administrator, a grant specialist shall review and verify all applicants' income, title reports, and any other requested reports and documentation. Upon completion of the review process, the grant specialist shall prepare the grant document.

(1) The Grant Supervisor shall review the grant application for concurrence before submitting the same to the Housing Administrator for a final decision. Final approval or denial of any grant shall be made by the Housing Administrator except as follows:

(i) If the Housing Administrator is off-island or on extended leave at the time the grant is submitted to him/her for a final decision, then the Acting Housing Administrator may make the final decision to approve or deny the grant; or

(2) For purposes of these policies, off-island or extended leave shall be defined as an absence or leave that extends for more than three (3) working days after the grant is submitted to the Housing Administrator for his or her final decision.

(3) A written notice of the final decision shall be provided to the applicant and a copy/report of the decision shall be provided to the NMHC Corporate Director for informational purposes.

(c) Grant Denial Appeals Process

(1) Applicants denied assistance under this program may appeal the final decision to the NMHC Corporate Director by submitting their appeal in writing to the Housing Administrator within ten (10) calendar days of the written notice of the final decision.

(2) Any appeal submitted must indicate the basis for the appeal and include any supporting documents. Upon receipt of an appeal, the Housing Administrator shall submit the same to the Corporate Director for review and action.

(3) Possible Outcomes:

a Upheld Denial: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.

b Reversal of Denial: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.

c Further Action: If the appeal is complex, a hearing or meeting may be scheduled.

(4) Hearing (if requested/applicable)

a Scheduling: If the applicant requests a hearing, the agency should schedule it within 30 days or as soon as possible.

b Location: The hearing can be held in person or virtually, depending on the circumstances.

c Representation: The applicant may be allowed to bring a representative, such as a lawyer, advocate, or family member, to assist with the hearing.

d Presentation of Evidence: Both the applicant and the agency can present evidence or make arguments related to the denial.

e Neutral Hearing Officer: The Corporate Director or a neutral party should preside over the hearing to ensure fairness.

(5) Decision on Appeal

a Issuance of Decision: After the hearing or review, the Corporate Director should issue a written decision, which should include:

i A summary of the hearing or review process.

ii The findings of fact.

iii The rationale for the decision.

iv Information on next steps, if applicable (such as the right for judicial review).

b If a Hearing Officer presides over the appeal, the Hearing Officer will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties the ability to submit exceptions to the Hearing Officer's recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).

c Timeframe: The decision should be made within a reasonable time after the hearing or review was conducted.

d Under 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

§ 100-100.4-360 Homeowner Counseling Session

All applicants for grant assistance must attend a Homeownership/Homebuyer Education and Counseling Session that will be provided by NMHC. On or before August 1, 2021, NMHC employees providing housing counseling will be HUD certified housing counselors, and NMHC will have applied directly to HUD and received approval, or NMHC will have applied to a HUD-approved intermediary and received approval by the entity to be its affiliate. NMHC shall notify the applicant(s) of the date, time, and location of the session. The education and counseling session shall be scheduled after the grant has been preliminarily approved and may be conducted before or on the day that NMHC issues the commitment letter to the applicant(s). The counseling session

shall include a discussion of the terms and conditions of the grant, educate the homeowner(s) of their financial responsibilities, the importance of budgeting, making timely payments, foreclosure prevention, as well as home maintenance and repair measures. Acceptable delivery method for housing counseling may be in-person, phone, or internet. Duration of the housing counseling is four (4) hours. Upon completion of the housing counseling, the grant recipients will receive a counseling certificate and this counseling certificate is valid for 2 years. Funding for housing counseling will come from project-related soft costs.

NMHC shall inform applicant(s) at the time of their submission of their application of the required homeowner counseling session and again in written form when NMHC notifies the applicant(s) of NMHC's preliminary approval of their grant request. Failure to attend the required Homeownership/Homebuyer Education and Counseling Session may be grounds for denial or cancellation of assistance.

§ 100-100.4-365 Commitment Letter

Once the grant application has been approved by the Housing Administrator, the responsible grant specialist shall prepare the Commitment Letter for the Housing Administrator's signature. The Commitment Letter is a binding agreement between NMHC and the grantee(s) wherein it discloses the terms and conditions of the grant including that the housing is the principal residence of an income qualified homeowner; the amount of the grant, the rehabilitation work to be performed; the completion date; and the property standards that must be met.

(a) After the Commitment Letter has been signed and dated by the Housing Administrator, the responsible program specialist shall schedule the applicant(s) to come in and also sign and date the document should they agree with the terms and conditions.

(b) NMHC must reexamine the household's income eligibility if the determination was made more than six (6) months before signing the Commitment Letter.

(c) NMHC must set up the activity in DRGR following execution of the grant agreement and commitment of CDBG-DR funds.

§ 100-100.4-370 Preliminary Title Report (PTR)

(a) The responsible program specialist shall order a preliminary title report (PTR) on behalf of the applicant(s). The purpose in obtaining a title report is to ascertain ownership of the proposed property is verified and there are no liens that will cloud the title.

(b) A title search and review of recorded ownership information is conducted to verify that the property to be assisted with CDBG-DR funds is held in one of the eligible forms of ownership.

(c) The responsible program specialist shall obtain the preliminary title report (PTR) by submitting an email request to the local title companies. The project will be granted on a first come, first served basis to the company agreeing to the rate set by NMHC.

(a)

Part 400 - Rehabilitation

§ 100-100.4-401 Performing Rehabilitation Work

(a) NMHC's Architecture and Engineering firm will be responsible for the development of the scope of work and determination of an estimated cost of repairs in advance of procuring bids for construction.

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

(c) Selection of Contractor. The homeowner(s) shall have the right to select a contractor to perform the rehabilitation work, provided that the contractor's quotation and after rehab value does not exceed the independent cost estimate provided by the A/E firm plus or minus 10%. The contractor must be an NMHC-approved contractor or if not an approved contractor, then NMHC must vet the contractor prior to award of the project. Should it exceed the grant amount, the homeowner shall negotiate with the contractor in reducing the contract amount. If the contractor is not willing to lower the contract amount, then the grantee shall select his/her/their next choice. Once the homeowner and contractor agree to the project and cost, the homeowner shall submit a contractor selection notice notifying NMHC of his/her/their selection.

(d) 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 or reconstruction 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, NMHC will monitor the construction process and, at any time the contractual provisions are not followed, NMHC shall meet with the homeowner and contractor to discuss the dispute and come to a mutual agreement. 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, and holidays);
(5) Contractor will provide the performance bond, 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 and that the rehab must start within 12 months of NMHC executing the commitment letter with the grantee;
(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; and
(12) Description of the work to be performed so that inspections can be conducted and, for rehabilitation, so that housing will meet NMHC's rehabilitation standards.

(e) Contractor Notification and Pre-Construction Requirements. Once NMHC is in receipt of the homeowner's contractor selection notice, NMHC shall notify the contractor of the homeowner's selection of their company. NMHC shall inform the contractor of the scheduled pre-construction conference and shall likewise inform the contractor of the required construction documents for submission as listed below.

(1) Building permit (if applicable);
(2) Zoning permit (if applicable);
(3) Earthmoving and erosion control permit (if applicable);
(4) Construction contract;
(5) Performance and payment bonds;
(6) Plans and specification approved by DPW;
(7) Private inspector's contract (if applicable).

(f) Project Duration –Rehabilitation projects should be completed within twelve (12) months following execution of the CDBG-DR Written Agreement. Reconstruction projects should be completed within twelve (12) months following execution of the CDBG-DR Written Agreement. Contract extensions may be granted in extenuating circumstances upon approval of NMHC.

(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 the contractor's payment. An original and a copy of the request 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, and/or homeowner's acceptance of the project. In addition, each billing submitted must include pictures of the progress of the project and a copy of the payment schedule.

(2) Payment schedule shall be as follows:
- (i) 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;
- (ii) Payment request number 2 shall not be more than 25% of the contract amount;
- (iii) Payment request number 3 shall not be more than 25% of the contract amount;
- (iv) Payment request number 4 shall not be more than 25% of the contract amount;
- (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 DPW's 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 inspection report, certificate of acceptance from the homeowners, geotesting results if applicable, proof of Green Standards implementation, pictures of the project's interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable and house keys with duplicates.

(3) Change Order Procedures. From time to time, homeowners 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.
- (ii) Upon receipt of the notification, the contractor must cease work at the project site and obtain NMHC's approval of the change order request. A/E firm or NMHC staff will review change order for cost reasonableness. Upon approval the contractor shall then provide NMHC with the 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 grant agreement will be revised to reflect the new amount. 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 homeowners 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 with justification, 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 at the homeowner's costs with such inspection to be handled in accordance with § 100-100.4-240.

(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 accessibility requirements (where applicable) must be adhered to. Homeowners, through their contractors, must ensure that they are familiar with these requirements. NMHC may rely on inspections performed by a qualified person.

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

Part 500 - Fraud, Waste and Abuse

§ 100-100.4-501 Eligibility Certification

Homeowner certifies that he/she has provided complete, accurate, and current information regarding household income, residency, occupancy, and any other documentation required to demonstrate Homeowner's eligibility to receive CDBG Disaster Recovery funds.

Any activity carried out with CDBG-DR funds involving residential rehabilitation is considered to benefit LMI persons only to the extent such housing will, upon completion, be occupied by such persons.

The Homeowner hereby affirmatively certifies that their material representations which have been relied upon by NMHC as essential to its determination of the eligibility of the Homeowners to receive the grant funds have been truthfully, satisfactorily and adequately provided to NMHC.

The Homeowner agrees and attests to the fact that if any of the representations made are intentionally or willfully false or fraudulent, NMHC may immediately declare the Homeowner in default of ~~this~~ his/her Grant Agreement, allowing for remedies as provided for under ~~this~~ that grant agreement and the law.

§ 100-100.4-505 Default

Any one or more of the following events shall constitute an event of default under ~~this~~ the grant agreement:

a. Failure to perform any covenant or promise under ~~this~~ the Grant Agreement, or making any representation or warranty in ~~this~~ the Grant Agreement, or in the application for the grant, or in any report, certificate, financial statement or other instrument furnished in connection with the property, which is false or misleading in any material respect.
b. Seizure or foreclosure of the property or assets of the Homeowner pursuant to process of law or be respect of legal self-help, unless said seizure or foreclosure is stayed or bonded within thirty (30) days after the occurrence of same; or
c. If any other event of default has occurred and remains uncured under any other agreement entered into between NMHC and the Homeowner.

§ 100-100.4-510 Remedies Upon Default

Upon the existence of any event of default, NMHC, after giving notice and reasonable opportunity to cure the default may, in its sole discretion, do any of the following, alone or in combination:

a. Terminate ~~this~~ the Grant Agreement;
b. Withhold grant funds not yet paid at the time of default during such time as an event or events of default remain uncured;
c. File an action at law against the Homeowner to obtain a judgment against the Homeowner to recover the full amount of all grant funds paid; or
d. Pursue any other remedies against the Homeowner including any civil and criminal remedies allowed by law.

NMHC's rights under Default shall survive termination of the Grant Agreement. Failure to insist on the prompt performance by Homeowner of Homeowner obligations pursuant to ~~this~~ the Grant Agreement is not a waiver by the NMHC of any of its rights hereunder.

Suspected Fraud, Waste and Abuse cases shall be handled in accordance with the Northern Marianas Housing Corporation's Fraud, Waste and Abuse Policy, as amended.

§ 100-100.4-515 Disposition of Fraud Cases

Upon completion of the review and investigation process, NMHC shall determine the appropriate administrative action based on the facts, evidence obtained, and the stage of assistance provided under the applicable housing program. Administrative remedies may include repayment

obligations, conversion of assistance, termination of participation, recapture of funds, referral to law enforcement, and any other action permitted under federal regulations, program requirements, and applicable laws.

The following case scenarios may apply:

A. No Confirmation of Fraud

If the investigation determines that there is insufficient evidence to substantiate fraud, waste, or abuse, the case shall be closed with no adverse administrative action taken against the applicant or participant. NMHC may retain documentation of the investigation and findings for monitoring and compliance purposes.

B. Confirmation of Fraud – Closed Loan – No Housing Unit Constructed – Property Purchased

If fraud is confirmed after loan closing and no housing unit has been constructed, but program funds were used to acquire real property, NMHC may require the applicant or participant to reimburse the Corporation for:

- The cost of the property acquisition;
- All closing costs and related transaction expenses;
- Any administrative or program-related costs incurred by NMHC; and
- Any additional costs allowable under applicable program regulations and agreements.

NMHC may also pursue recapture, collection efforts, legal remedies, or referral to appropriate authorities.

C. Confirmation of Fraud – Closed Loan – No Property Purchased

If fraud is confirmed after loan closing and no property was acquired or housing unit constructed, NMHC may require repayment of:

- Closing costs;
- Administrative expenses;
- Fees paid on behalf of the applicant or participant; and
- Any disbursed program funds associated with the transaction.

Additional administrative or legal actions may also be taken, as appropriate.

D. Confirmation of Fraud – Closed Loan – Housing Unit Constructed – Loan Conversion

If fraud is confirmed after construction or rehabilitation of a housing unit has been completed, and the assistance was originally provided in the form of a grant or grant-convertible loan, NMHC may:

- Convert the assistance to a repayment loan;
- Require full or partial repayment of funds provided;

- Record or enforce liens or other security instruments against the property;
- Terminate continued participation in the program; and/or
- Pursue any additional remedies available under federal regulations, written agreements, or applicable law.

Repayment terms, interest, affordability requirements, and enforcement actions shall be determined by NMHC in accordance with program policies, HUD requirements, and applicable funding regulations.

In all cases involving confirmed fraud, NMHC reserves the right to refer the matter to the appropriate federal, Commonwealth, or local authorities for civil, administrative, or criminal enforcement actions.

§ 100-100.4-520 Grant to Loan Conversion

When instances of fraud, waste, or abuse are identified and substantiated in accordance with established review and compliance procedures, the Agency is required to recapture all improperly expended grant funds and remit those amounts to the U.S. Department of Housing and Urban Development (HUD). In such cases, a grant-to-loan conversion is implemented as a mechanism to facilitate repayment.

Through this process, the original grant agreement—along with all other associated terms and conditions—are terminated and replaced with new loan agreements. The converted loan establishes defined repayment terms, including the total amount owed and a fixed repayment period, thereby ensuring the Agency's compliance with federal requirements while providing a structured path for the applicant to satisfy the debt.

§ 100-100.4-525 Eligible Repayment Costs

The Agency determines the "Eligible Repayment Costs" that are converted from grant to loan terms based on the types of expenses originally covered by the grant agreement.

These costs are categorized as Hard Costs, Soft Costs and Grant Closing Fees and related costs outlined in § 100-100.4-240(1)(2)(3) and Optional Relocation Costs such as temporary rental assistance, utilities (power, water, sewer), trash disposal fees, storage, moving in/out fees.

§ 100-100.4-530 Repayment Terms

Repayment Period

The maximum repayment term shall not exceed 360 months, unless the repayment term is amended or revised and approved by the Corporate Director to accommodate requests for relief from borrowers who have been determined not able to repay their obligations, with the amended or revised repayment terms not to exceed an additional 60 months. A balloon payment is required for any unpaid principal, interest, fees, etc. remaining at the end of the repayment term.

Interest Rate Chart

Household Income Categories	Interest Rate
Extremely Low-Income (30%)	1%
Very Low-Income (50%)	2%
Low-Income (80%)	3%
120% of Median Income	4%

Interest Rate Determination

The interest rate applied to each grant-to-loan conversion may vary based on the applicant's annual gross household income.

NMHC shall use HUD's Section 8 of Part 5 Technical Guidelines as the basis in calculating annual gross household income.

NMHC will verify income of all household members using at least 3 months of source documentation such as wage statements, interest statements, and SSI documents.

The area median income for the CNMI was established by HUD for the CDBG-DR program and is revised on an annual basis. NMHC shall comply with any revisions that the U.S. Congress enacts. The most current income limits can be found at:
https://www.huduser.gov/portal/datasets/il/il2022/2022summary.odn.

Late Charges

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

Prepayment of Loan

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

Security

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

- NMHC will execute a written agreement with the applicant that will specify the use of CDBG-DR funds, description of the project, roles and responsibilities, compliance with affordability period requirements, qualifications for affordable homeowner housing, monitoring, the purchase price, date by which housing must be acquired, address or legal description of the property, and duration of the agreement. Additionally, the purchase price,

date by which housing must be acquired, address or legal description of the property must be indicated in the applicable written agreement.

- During the term of the loan, the applicant shall also be required to maintain, at their expense, property insurance on the mortgaged property for fire, earthquake, typhoon, and flood damage (if applicable) covering the replacement value of all properties at a minimum equal to the loan amount. Financial hardships will be reviewed on a case-by-case basis.

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

Principle Residence and Annual Recertification

Shall apply in accordance to §100-100.4-215(g)(1)(2)(3).

§ 100-100.4-535 Affordability Restrictions

Long Term Affordability

Shall apply in accordance to §100-100.4-601.

§ 100-100.4-540 Right of First Refusal

Shall apply in accordance with §100-100.4-601(b).

§ 100-100.4-545 Recapture

Shall apply in accordance with §100-100.4-601(c).

§ 100-100.4-550 Distressed Applicants

Distressed applicants are those who are having a difficult time meeting their monthly loan payments due to external circumstances beyond their control.

These circumstances include:

- Reduction-in-force;
- Reduction in pay;
- Family medical emergency (including death of an immediate family member: siblings, child(ren), spouse, and in-laws); parents;
- Medical condition (including career-ending injury) that causes the applicant to discontinue employment. The borrower's physician must complete the Homebuyer/Homeowner Program Disability Eligibility Verification to certify the borrower's medical condition; or
- Natural disaster.

§ 100-100.4-555 Types of Assistance

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

- Reduction-in-force. Monthly loan payments may be deferred for a period of up to twelve months. Late charges would not accrue. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Reduction in pay. Monthly loan payments may be deferred for a period of up to twelve months. If this approach is still deemed unaffordable, the current term may be extended and reamortized with an additional sixty (60) months.

- Family medical emergency. Monthly loan payments may be deferred for a period of up to twenty-four (24) months. Late charges would not accrue. The current term may be extended and reamortized with an additional sixty (60) months.

- Medical condition that causes borrower to discontinue employment - Principal amount may be forgiven incrementally (based on term).

- Natural Disaster. Monthly loan payments may be deferred for a period of up to six (6) months in the event of a natural disaster, such as fire, typhoon, earthquake, flood, and local or pandemic spread of disease. Final decisions regarding requested deferments shall be made by the Corporate Director. Late charges shall not accrue during deferment. Borrowers may be eligible for a deferment upon written request accompanied by acceptable evidence of negative impact caused by the natural disaster. Further, in order to qualify for a deferment, the Borrower's loan and hazard insurance must be up to date.

- Other Hardships. Any other claimed financial hardship outside of the aforementioned five listed hardships shall be brought to the Corporate Director for review and decision.

- Denial of assistance may be appealed to the NMHC Board.

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

- Penalty Waiver. Accrued penalty fees for delinquent borrowers may be waived to assist them in making their accounts current.

- Loan Assumption
  i. Death of a homeowner/borrower: Upon the death of the borrower which occurs within the affordability period, the entire unpaid balance of the loan shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the loan by the heirs of the borrower if a final decree in the probate of the borrower identifies the heirs and approves distribution to them of the improved

property and the loan, and if the heirs themselves would qualify as a new applicant for the loan.

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

§ 100-100.4-560 Foreclosure

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

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

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

  i. Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

If NMHC forecloses on its own loan, NMHC cannot spend any additional CDBG-DR funds to acquire the property.

§ 100-100.4-565 Mitigation to Foreclosure

Items Needed to Cancel Foreclosure and Reinstate Account To cancel foreclosure and reinstate account, the Borrower shall:

(a) In accordance with 2 CMC § 4536(a), pay the entire amount then due under the terms of the mortgage other than such portion of principal as would not then be due had no default occurred, and reasonable attorney's fees actually incurred.

(b) Pay delinquent account current inclusive of one month advance payment.

(c) Have the homeowner(s) submit a written proposal on how he/she will maintain the account in good standing.

(d) Submit paid in full receipt of homeowner(s)' insurance coverage for fire and earthquake.

(e) Submit 2-3 recent check stubs and/or verification of benefits

§ 100-100.4-570 Loan Satisfaction and Lien Release

Upon full repayment of a loan established through grant-to-loan conversion, the Agency shall take all necessary steps to formally acknowledge satisfaction of the debt, release any secured interest in the property, and ensure compliance with all applicable federal requirements, including those of the U.S. Department of Housing and Urban Development.

The Agency shall ensure that all actions related to loan payoff and lien release are completed in a timely, accurate, and documented manner to protect both the applicant and the Agency's legal and financial interests.

Part 600 - Affordability

§ 100-100.4-601 NMHC Affordability Restrictions

(a) Long Term Affordability: NMHC has elected to impose NMHC affordability requirements that require that assisted properties remain affordable for a specific period of time, depending on the nature of the activity funded:

Program	Minimum Length of the Affordability Period
Rehabilitation	5 years
Reconstruction	10 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 grant repayment

(2) Affordability and Special Exceptions

(i) 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 CDBG-DR assistance is sold during the NMHC affordability period, NMHC recapture provisions apply to ensure the continued provision of affordable homeownership.

(ii) Grantees may submit a written request to temporarily defer the affordability period for up to sixty (60) months. Requests may be considered for the following reasons:

- Military-related leave;
- Medical leave requiring extended off-island medical treatment and care; and/or
- Higher education when an accredited institution requires relocation.

In cases where extended leave is necessary and another family member continues to occupy the assisted property, the deferral may still be granted, provided that occupancy requirements are met and supporting documentation is submitted for review.

All requests must be documented and submitted in writing for evaluation and approval by the Corporate Director.

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

(c) Recapture. NMHC will ensure that it recoups all or a portion of the assistance provided to the homeowner(s) if the housing unit ceases to be the principal residence of the homeowner(s) for the duration of the period of affordability. Subsidy amounts (in the form of grants) that directly benefited the property owner are subject to recapture. Recapture is capped at what is available out of net proceeds for agreements. Net proceeds are defined as the sales price less superior non CDBG-DR debt (if any) less closing costs. NMHC shall utilize the following recapture options:

Reduction during NMHC Affordability Period. NMHC may reduce the grant amount to be recaptured on a pro rata basis for the period the homeowner(s) has/have owned and occupied the housing unit measured against the required NMHC affordability period; however, homeownerbuyer(s) must occupy the housing unit at at least halfway into the affordability period, whichever is greater, in order to qualify for this recapture option. For example, if the CDBG-DR subsidy is $60,000 with 10-year affordability and the owner sells the property in the 8th year of ownership the recapture amount will equal $12,000. ($60,000/10 years affordability period x 2 years remaining = $12,000 recapture.)

(d) When the recapture requirement is triggered due to a voluntary or involuntary sale during the period of affordability and there are no net proceeds or the net proceeds are insufficient to repay

the CDBG-DR investment due, NMHC may recapture an amount less than or equal to the net proceeds available.

(e) Legal Instruments to Enforce Recapture. NMHC must use deed restrictions, land covenants, or other similar legal documents approved by HUD to enforce these recapture restrictions as approved by HUD. These requirements will also be included in grant agreements.

Part 700 - Conveyance

§ 100-100.4-701 Sale, Conveyance, or Transfer of Property

(a) Enforcement of the terms of the recapture provisions as set forth in the written agreements/commitment letters is triggered upon the sale, conveyance, or transfer of title of the rehabilitated real property under this program during the NMHC affordability period which may not necessarily result in the repayment of all CDBG-DR assistance. Upon sale of the home and enforcement of the recapture provisions, the affordability period will terminate.

(b) At the sole discretion of NMHC, a title transfer will only be permitted through the laws of descent or upon selling the property, provided that NMHC has been properly informed and the same has consented to such sale. If should any of these occur, one must submit his/her intention to sell the property and request for the NMHC Corporate Director's approval for the transfer of title. If the title changes hand through the laws of descent during the affordability period, the affordability period may not terminate and continue with the new homeowner if the new homeowner satisfies the eligibility requirements. The new homeowner may assume the affordability period if the new homeowner meets the eligibility requirements. If the title changes hand through the laws of decent during the NMHC affordability period and the new homeowner does not meet the eligibility requirements, NMHC will enforce the terms of recapture set forth in the commitment letter and enforced with recorded deed restrictions or land covenants. Upon enforcement of the recapture provisions, the NMHC affordability period will terminate.

Part 800 - ~~Assumption~~ Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.4-801 ~~Grant~~ Assumption of a Grant

(1) Death of a grantee: Upon the death of the grantee which occurs within the affordability period, the entire unpaid balance of the grant shall be immediately due and payable. Title transfer without sale triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant. The Corporate Director may allow assumption of the grant by the heirs of the grantee if a final decree in the probate of the grantee identifies the heirs and approves distribution to them of the improved property and the grant, and if the heirs themselves would qualify as a new applicant for the grant.

(2) At the sole discretion of the NMHC, the grant may be assumed by a legal heir of a deceased grantee(s) of the CDBG-DR-assisted unit. This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all CDBG-DR Program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and will be subject to income and asset verification.

(3) Default for Violation of Grant Agreement and/or Restrictive Covenant. In situations where a default is imminent, the Corporate Director may allow a grantee to have a CDBG-DR eligible immediate relative (i.e., mother, father, brother, sister, son, daughter) assume the grant, all for the purpose of preserving the affordability period.

(a) Default. NMHC may use its right of first refusal, as set forth in the grant documents, written agreement with homeowner, and restrictive deed or land covenant, to reclaim the housing to preserve affordability. Default triggers the CDBG-DR recapture agreement enforceable through the restrictive deed or land covenant.

(b) Recapture in the Event of Default. If the CDBG-DR assisted property is subject to recapture terms, NMHC has three options:

(i) Recapture Option 1: NMHC will recapture and pay to the CNMI CDBG-DR account the net proceeds from the foreclosure sale of the property in accordance with the recapture terms; or

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

~~(a)~~ Recapture Option 3: NMHC will allow the homeowner in default to repay the entire amount of the CDBG-DR investment and own the property free and clear. In this event, the affordability period will be terminated. ~~Death of a Grantee – Immediately upon notification to NMHC of a grantee's death, the surviving grantee or a family member or representative shall submit a copy of the death certificate.~~

~~(1) In situations where there exists a surviving co-applicant, that applicant may stay in the home for the duration of the grant affordability period.~~

~~(2) If both grantees are deceased, NMHC may allow for a qualified heir to occupy the home upon probate court decree which shall be provided to NMHC.~~

~~(i) This assumption exception is permitted where transfer of title is through the laws of descent provided that the heir is of legal age, meets all program eligibility requirements and has a full, undivided interest in the real property. The heir will be required to fill out an application and execute a grant agreement update and will be subject to a can income verification.~~

~~(ii)~~ (iii) ~~The heir or heirs of the deceased will be responsible in maintaining the property as they await the probate decree. Once they are in receipt of the decree, they must submit it to NMHC so that NMHC will prepare an amendment to the grant agreement.~~

Part 1000 Ethics

§ 100-100.4-1001 Conflict of Interest

(a) Under no circumstances shall any immediate family members (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild); brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person, elected or appointed officials of the CNMI government, NMHC's Board of Directors, its officers, agents, and employees may participate in any CDBG-DR assisted projects or units including the procurement of materials, or have an interest in any contracted services, or be a beneficiary in any proceeds. Other provisions in 24 C.F.R. § 92.356 shall apply. Conflict of interest applies to covered persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with CDBG-DR funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities. Covered persons may not obtain a financial interest or financial benefit from a CDBG-DR activity, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-DR assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

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

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the participating jurisdiction's or state recipient's attorney that the interest for which the exception is sought would not violate state or local law.

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

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

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

Part 1100 - Miscellaneous

§ 100-100.4-1101 Acronyms Reference Section

[For Rehab and Reconstruction Program Policies and Procedures]

(a) AIA—American Institute of Architects

(b) AMI—Area Median Income

(c) CD—Corporate Director

(d) CDBG-DR – Community Development Block Grant Disaster Recovery

(e) CFR—Code of Federal Regulations

(f) CNMI—Commonwealth of the Northern Mariana Islands

(g) CPSC—Consumer Product Safety Commission

(h) DCD—Deputy Corporate Director

(i) DEQ—Department of Environmental Quality

(j) DPW—Department of Public Works

(k) EA—Environmental Assessment

(l) GFE—Good Faith Estimate

(m) HOME Program—U.S. HUD Homeownership Investment Partnerships Program

(n) LEP—Limited English Proficiency

(o) LMI—Low Moderate Income

(p) MBE—Minority-Owned Business Enterprise

(q) NAHA—National Affordable Housing Act

(r) NEPA—National Environmental Policy Act

(s) NMHC—Northern Marianas Housing Corporation

(t) NTP—Notice to Proceed

(u) PII—Personally Identifiable Information

(v) PITI—Principal, Interest, Taxes, and Insurance

(w) PJ—Participating Jurisdiction

(x) PTI—Payment-to-Income Ratio

(y) PTR—Preliminary Title Report

(z) RER—Rehab Environmental Review

(aa) RESPA—Real Estate Settlement Procedures Act

(bb) SCRA—Service Members Civil Relief Act

(cc) SSI—Supplemental Security Income [Social Security]

(dd) TCD—Time Certificates of Deposits

(ee) TILA—Truth in Lending Act

(ff) U.S. HUD—United States Department of Housing and Urban Development

(gg) USDA RD—United States Department of Agriculture Rural Development

(hh) USPAP—Uniform Standard of Professional Appraisal Practice

(ii) VOE—Verification of Employment

(jj) WMBE—Women-owned or minority-owned business enterprise

Definitions:

Adjusted Gross Income (AGI): AGI is an individual's total gross income minus specific deductions. Adjusted income is derived by subtracting any of the five allowed deductions that apply to household from the household's annual (gross) income. For elderly or disabled households, deductions for the type of household, dependent childcare, medical and disability assistance expenses are allowed; family households may deduct dependent, childcare and disability assistance expenses.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the program. May also be referred to as Area Median Family Income (AMFI) in other program documents.

Beneficiary: An individual, person, family or household receiving advantage or assistance from the CDBG-DR funding.

Builder/Contractor: (Used interchangeably) A person who contracts to reconstruct or repair houses and or supervise building operations.

Case Management: The collaborative process of providing services that include assessment, planning, facilitation, coordination and advocacy for reconstruction or rehabilitation to individual homeowner applicants to ensure they fully understand the Program's housing solutions, resulting in clear and transparent determination of eligibility, reconstruction or rehabilitation options, assistance award amounts, the construction management process, documentation and ongoing compliance requirements. Case Managers will work to decrease barriers for homeowners to participate in the program wherever possible. Case Workers will explain the Program's solutions and provide information on the Reconstruction/Rehabilitation process in standardize formats.

Common Area Under Roof: The total area under the common roof is primarily interior, conditioned spaces and, for single-story homes is equal to the footprint of the house. The term is also synonymous with the eligible area. Exterior spaces such as detached porches and garages are considered *ineligible* areas.

Damage Assessment: A report resulting in a physical inspection of the housing unit to document damage from the event. The assessment must be conducted by a certified or licensed inspector and is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives. Damage assessments must include a final estimated cost of repairs according to local code, an assessment of cost-effectiveness of each

recommended activity (reconstruction or rehabilitation), mold remediation and the total amount of assistance needed to bring the home up to code at completion.

Demolition: The clearance and proper disposal of dilapidated building and improvement materials.

Duplication of Benefits: The amount determined by the Program that would represent financial assistance covering costs that have been received from another source for the same need. The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source for the same need. A Duplication of Benefit amount determined by the Program would result in the reduction of an award amount.

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable federal and territorial laws. 24 CFR Part 58 Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities as well as Related Federal Laws and Authorities Listings under 24 CFR 50.4 and 58.6 will be followed.

Estimated Cost of Repair (ECR): The report resulting from a damage assessment detailing the estimated project costs necessary to repair /or reconstruct the home to the minimum housing rehabilitation for mitigation and elevation efforts to reduce the impact of future storms.

Federal Emergency Management Agency (FEMA): The agency of the United States Department of Homeland Security standards, and costs with the primary purpose of coordinating the response to a disaster that has occurred within the United States and that overwhelms the resources of local authorities.

FEMA-Designated High-Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in the 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Flood Hazard Area: The land area covered by the floodwaters of the base flood is the Special Flood Hazard Area (SFHA) on NFIP maps. The SFHA is the area where the National Flood Insurance Program's (NFIP's) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies. The SFHA includes Zones A, AO, AH, A1-30, AE, A99, AR, AR/Al-30, AR/AE, AR/AO, AR/AH, AR/A, VO, Vl-30, VE, and V.

Flood Insurance: The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood

Insurance Program (NFIP). For property owners to be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

"'100-year floodplain" - the geographical area defined by FEMA as having one percent chance of being inundated by a flooding event in any given year.

"500-year floodplain" - the geographical area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family (including a family that consists of a single individual), two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the combined income of the household.

Individual Mitigation Measures (IMM): Activities designed to mitigate and/or reduce risk beyond the pre-disaster condition of a housing unit when the activities are above and beyond federal, state, or local units, and the payment of flood insurance are not IMM activities. Examples of IMM activities include elevation above the base flood elevation level, or the addition of storm shutters, disaster proof windows, roof straps, etc. as long as those improvements are not required to comply with local code requirements and did not exist on the housing unit prior to the disaster damage.

Low- to Moderate-Income (LMI) National Objective: Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD, shall be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Major or Severe Damages: $8,000 or more of FEMA inspected real property damage or 1 foot or more of flood water on the first floor. Inspection documentation must be maintained in the project file (a copy of the FEMA inspection, or photographic evidence of the flood water damage).

Manufactured Housing Unit (MHU): A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, and 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Minimum Housing Standards: Assisted properties will meet the following standards upon project completion: each living unit will be used and maintained individually, having access such that it is unnecessary to pass through any other living unit, will include utilities and a water supply and will meet the CNMI building codes in place at the time of assistance. Fixtures and finishes will be of "standard" and not "luxury" quality.

Mitigation: Improvements made to a property specifically to reduce the possibility of future property damage, personal and commercial hardship, as well as long lasting monetary burden. For example, creating a flood mitigation program such as an acquisition of at-risk flood-prone property/housing, and elevation of housing in high-risk floodplains are too visible and effective mitigation projects that can be taken to make residents and communities safe in the face of natural disasters.

Modular Home: A home built-in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

National Flood Insurance Program (NFIP): The National Flood Insurance Program aims to reduce the impact of flooding on private and public structures by providing affordable insurance to property owners, renters and businesses and by encouraging communities to adopt and enforce floodplain management regulations.

New Construction: The site preparation for, and the construction of, an entirely new residential structure in a location that did not previously contain a residential structure.

Reconstruction: Demolition and rebuilding of a residential structure, including a modular housing unit, on the same lot and in substantially the same footprint and manner as the previous housing unit (whether demolished with CDBG-DR assistance, or demolished prior to Program application). This activity also includes replacing an existing substandard site-built, modular housing, or manufactured housing unit (MHU). The number of units may not be increased, and the total square footage of the reconstructed structure may not be substantially increased beyond the original principal residence square footage. However, the number of rooms within a unit may be increased or decreased based on the applicant's current household size.

Rehabilitation: Repair or restoration of a storm-damaged housing unit to applicable CNMI building and construction codes, and minimum property standards for a residential dwelling.

Single Family Home: A single unit containing any group of rooms located within a dwelling and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping and cooking. A single-family home may be detached or attached to another single unit.

Subrogation Agreement: An agreement executed by the homeowner beneficiary agreeing to repay any duplicative assistance if the homeowner beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Substantial Damage: Storm damage sustained by a structure whereby the cost of restoring the structure to its pre-storm damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred (44 CFR 59.1). Substantial damage includes properties that were fully destroyed by the storm events. A substantially damaged determination may be made by a Commonwealth government official or floodplain manager, or the determination may be made by the CDBG-DR Program based on the Estimated Cost to Repair.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): URA applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program projects. The objective of the URA is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to involuntary displacements from residential units (49 CFR Subpart B) and acquisition or multifamily damaged/occupied activities that require the relocation of tenants.

Since participation in the Homeowner Reconstruction and Rehabilitation Program is voluntary, permanent relocation compensation is not available to the property owners.

However, NMHC must assure that the Uniform Relocation Act requirements will be followed and that both displaced occupants and any current occupants if any of the project are identified. These occupants are entitled to advisory services, in the form of notices and counseling, moving and/or storage expenses, and coverage of all displacement costs for temporary or permanent relocation pursuant to formula and applicable Federal Register notices. The program will monitor displaced and current tenants and maintain records from the inception of the project. Failure to do so can lead to unexpected and substantial costs and work delay.

Demonstrable Hardship - A demonstrable hardship is a substantial change in an applicant's financial situation that will prohibit or severely affect their ability to provide a minimal standard of living or the basic necessities of life including food, housing, clothing and transportation without causing economic distress well beyond mere inconvenience as shown by objective evidence. A demonstrable hardship must be occurring after the named storms. The demonstrable hardship must be of a severe, involuntary and unexpected nature. It must not be one that is generally shared by other applicants affected by the named storms. Examples of demonstrable hardships may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. None of the listed examples above, individually or taken together, automatically establish a demonstrable hardship nor is the listing above exhaustive as there may be other factors relevant to the issue of demonstrable hardship in a particular case. If an applicant believes that they are in the state of demonstrable hardship and that the demonstrable hardship causes them to not comply with any of the program policies, they may present their existence of a demonstrable hardship to their case worker (housing or grant specialist) and the Program will evaluate on a case-by-case basis after review of all of the

circumstances. Applicants claiming a Demonstrable Hardship shall be required to provide evidence of such claimed Demonstrable Hardship to the case worker.

Not Suitable for Rehabilitation – properties where the cost of rehabilitation exceeds the after-rehab appraisal and there is not a compelling historical or community justification to save the property.

Urgent Need National Objective: An activity that addresses an urgent need, defined as a situation where existing conditions pose serious and immediate threat to the health or welfare of the community and are recent or recently became urgent. The Territory, along with any and all subrecipient (s), must document no funds are available and costs cannot be financed for the activities. The CDBG certification requirements set forth in 24 CFR 570.208(c) and 570.489(d) have been waived per 83 FR 5844. The Territory and the subrecipients must document how each activity, program. and/or project funded under this National Objective category responds to a disaster-related impact. (See 24 CFR 570.208(c) and applicable Federal Register Notices which are 83 FR 5844 and 83 FR 40314.)

§ 100-100.4-1105 Homeowner Rehabilitation

Records Management

NMHC will comply with 24 CFR Part 5.2, Compliance with the Privacy Act, which requires the safeguarding of personally identifiable information (PII) by:

- Minimizing the use of PII on program documents and records.
- Providing access to PII only to those who require it for official business.
- Securing PII appropriately for paper or electronic forms.
- Training for data security and compliance with the Privacy Act will be provided to all employees and contractors (if applicable) as part of their on boarding process.

In accordance with HUD regulations, as a grantee and recipient of CDBG-DR funds, NMHC follows the records retention as cited in 2 CFR Part 200.333-337, which includes financial records, supporting documents, statistical records and all other pertinent records are maintained for five (5) years after closeout of the grant between HUD and NMHC.

APPENDIX A.1: Crosscutting Requirements

1.1 Crosscutting Requirements

1.2 Fair Housing

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

Projects must also assess how planning decisions may affect members of protected classes, racially and ethnically concentrated areas, as well as concentrated areas of poverty; will promote the availability of affordable housing in low-poverty, non-minority areas where appropriate; and will respond to natural hazard-related impacts. Program staff will use demographic, geographic, and social vulnerability analyses to determine any positive or negative impacts to protected classes. Should a project present negative impacts, project scope or design will be re-assessed to mitigate such impacts.

1.3 Environmental Review

Early environmental coordination must be completed to ensure effective implementation of all CDBG-DR Programs. CDBG-DR funding is contingent upon compliance with both local and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders. In general, NMHC serves as the lead agency for purposes of NEPA.

HUD's Environmental Review process allows grantees to serve as the "Responsible Entity" to assume environmental review responsibilities under NEPA. As the grantee, NMHC serves as the Responsible Entity (through authorization from the Governor) as it relates to environmental review responsibilities under NEPA. Within NMHC, Environmental Review Staff will be responsible for performing environmental reviews and compiling the Environmental Review Records (ERR). Reviews are conducted either directly or using qualified environmental service contractors. NMHC 's Corporate Director, as the Certifying Officer, is ultimately responsible with certifying that NMHC's environmental reviews follow NEPA and HUD environmental regulations.

Federal Register Notice FR-6182-N-01 authorizes recipients of CDBG-DR funds under the Appropriations Act to adopt any environmental review, approval, or permit performed by a Federal agency for the same project to satisfy responsibilities with respect to environmental review, approval, or permit. The other agency's environmental review must cover all project

activities funded by the HUD recipient for each project. NMHC will notify HUD in writing of its decision to adopt another agency's environmental review. NMHC will also retain a copy of the review in its environmental records. Further information concerning the specific HUD requirements for the adoption of other Federal agency environmental reviews can be found in the HUD Memorandum dated March 4, 2013, *Adoption of FEMA and Other Federal Environmental Reviews Processing for Hurricane Sandy Supplemental Appropriation (H.R. 152) Activities.* Additional information on the environmental review process in general is set forth in Section § 100-100.4-335, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

1.4 Labor Standards

The Davis-Bacon and Related Acts (DBRA) applies to all federally-funded or assisted construction contracts in excess of $2,000. This may apply to projects that are fully or partially funded with CDBG-DR, including FEMA or FHWA match programs. In matched projects, only the scope of the CDBG-DR portion of the project are subject to crosscutting requirements DBRA requires all workers employed by contractors or subcontractors on CDBG-DR programs, be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with DBRA, as amended. DBRA also requires that workers on federally-assisted projects are paid not less than weekly.

Wage information for labor under CDBG-DR programs will be tracked in detail by both NMHC and relevant Implementing Partners and subrecipients throughout the life of the Program. Compliance for this requirement may be tracked in the following ways:

1. Additional NMHC Program staff hired to track wages and verify contractor and agency compliance
2. External contractor hired by NMHC to track DBRA compliance
3. Enhanced TA provided to Implementing Partners to track DBRA compliance

Davis Bacon applies to the rehabilitation of residential property only if the property contains eight (8) or more units under common ownership, on same or contiguous lots, or with common financing, Residential property that contains seven (7) or fewer units is exempt. Although the statute refers to the rehabilitation of residential property, this exemption has been interpreted to include the new construction of residential property containing seven (7) or fewer units. Typically, single-family homeowner properties are excluded under this exemption.

For prime contracts in excess of $100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, NMHC must follow the reporting requirements per HUD and U.S. Department of Labor (DOL) regulations. This requirement also extends to NMHC subrecipients, Implementing Partners, and contractors.

The Fair Labor Standards Act of 1938 (FLSA), as amended, establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half

times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards are applicable to the entire construction contract whether or not CDBG-DR funds finance only a portion of the project.

1.5 Limited English Proficiency

Federal Executive Order 13166 requires NMHC and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP) and/or deaf/hard of hearing. Compliance with this requirement is detailed in NMHC's Language Action Plan (LAP) and will be coordinated and tracked by the Monitoring and Compliance division at NMHC. Depending on the program, NMHC, Implementing Partners, sub-recipients, and subcontractors will share the following expectations to comply with this Executive Order:

1. Document Translation: All documents defined as "vital documents" will be translated into Chamorro or Carolinian by NMHC, Implementing Partners, and sub-recipients. A "vital document" is defined as a document that includes information regarding eligibility requirements, applications and instructions, program eligibility determinations, and appeals procedures. NMHC may aid ensure this requirement is met.
2. Where required, seek feedback from the community the project serves (advocacy groups serve vital role).

Language maps provided in the Language Action Plan will be used to determine the project's location and subsequent language context and if proactive LEP outreach will be required. These maps will be included as part of the Project Assessment Form used by NMHC to review the eligibility, priority level, and impacts of a potential project.

1.6 Minority and/or Women-Owned Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned and Women-Owned Business Enterprises (M/ WBEs). Following procurement guidelines under 2 CFR 200.321, NMHC must make efforts to ensure that all subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance encourage participation in contracts and other economic opportunities by small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms whenever possible. NMHC will accept a MWBE certification from another state, local or regional, DPW, SBA HUB Zone, SBA 8-A certification (economically disadvantaged and 51% locally-owned), and other eligible certification processes. Documentation and goals regarding M/WBE percentages and reporting will be determined in the contracting agreements.

1.7 Section 3 Economic Opportunities

Section 3 is triggered when the award of CDBG-DR funds for new construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities, a d the

project or contract exceeds $200,000.

Section 3 of the Housing and Urban Development Act of 1968 is to "ensure that employment and other economic opportunities generated by certain U.S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed to low and very low income individuals, especially recipients of government assistance for housing and to businesses which provide economic opportunities to low and very low income individuals."

The Section 3 program requires that recipients of HUD CDBG-DR funds, to the greatest extent feasible, provide (a) employment and training, and (b) contracting opportunities for low- or very-low-income residents in connection with construction projects in their neighborhoods.

It also specifically encourages economic opportunities for households who are recipients of government assistance for housing. NMHC and all administering entities will follow and require relevant contractors to follow Section 3 requirements in contracting.

Section 3 applies to the CNMI, as recipient of HUD funding, as well as to subrecipients or Implementing Partners/Sub-recipients receiving HUD funding exceeding $200,000. Whenever any portion of HUD funding is invested into projects involving housing construction, demolition or rehabilitation, commercial/private improvements for economic development, or other public construction (e.g., roads, sewers, community centers, and public facilities), the requirements of Section 3 apply.

In conjunction with construction activity, Section 3 applies to projects that are fully or partially funded with CDBG-DR assistance, including projects that are financed in conjunction with territory, local, or private matching or leveraged funds, provided that the Section 3 monetary threshold requirements are met. In particular:

- In conjunction with construction activities, Section 3 applies to contractors or subcontractors if the total project or contract amount is $200,000 or more. Once it is determined that Section 3 applies to a project, the requirements apply to all contracts for construction work arising in connection with that project including those not funded with CDBG-DR assistance. Contractors or subcontractors are required to comply with the Section 3 regulations in the same manner as the Commonwealth; and
- "Section 3-covered contract" includes professional service contracts, provided that the work to be performed is generated by the expenditure of funds in furtherance of Section 3 covered work (e.g., housing construction, housing rehabilitation, and other public construction), arising relating to construction projects. Professional service contracts that may constitute Section 3-covered contracts include construction contract oversight, engineering, architectural, environmental and property evaluation, construction progress and draw inspections, and prevailing wage labor compliance. Contracts with contractors that require advance degrees are not required to report labor hours.

The regulations pertain all covered projects and include the following reporting requirements:

- All project labor hours
- All Section 3 worker labor hours
- All Targeted Section 3 labor hours

HUD as established the following benchmarks for all covered contracts:

- Section 3 workers – 25% of total labor hours
- Targeted Section 3 workers – 5% of total labor hours

When NMHC awards CDBG-DR funds to other governmental departments, nonprofit organizations, subrecipients or other funded entities, NMHC will require they document how reasonable attempts were made to reach numerical goals set forth at 24 CFR Part 135.30. NMHC will inform its Implementing Partners and other funded entities of the requirements of Section 3, including the language required to be inserted into all construction-related contracts, assist them and their contractors with achieving compliance, and monitor their performance with respect to the Section 3 objectives and requirements.

Implementing Partners/Sub-recipients will receive training on this requirement and methods of compliance, technical assistance from Program staff, and continual monitoring from NMHC. Currently, a Section 3 Plan is under development, the details of which will be included in an update to this manual.

1.8 System for Award Management (SAMs)

SAM is the federal System for Award Management and is a requirement for doing business with the U.S. government. All vendors are required to register in SAM in order to be awarded contracts under the CDBG-DR program. Vendors are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Vendors must update or renew their registration annually to maintain an active status.

1.9 Uniform Relocation and Real Property Acquisition Act (49 CFR 24)

The Uniform Relocation Assistance and Real Property Acquisition Act (URA), is a federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The phrase "program or project" is defined in 49 CFR Part 24 as, "any activity or series of activities undertaken by a federal agency or with federal financial assistance received or anticipated in any phase of an undertaking in accordance with the federal funding agency guidelines."

The objectives of the URA are:

- To provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects;
- To ensure relocation assistance is provided to displaced persons to lessen the emotional

and financial impact of displacement;

- To ensure that no individual or family is displaced unless decent, safe, and sanitary (DSS) housing is available within the displaced person's financial means;
- To help improve the housing conditions of displaced persons living in substandard housing; and,
- To encourage and expedite acquisition by agreement and without coercion.

49 CFR 24.101(c)(1) provides that the subpart B requirements also apply to the acquisition of permanent and/or temporary easements necessary for the project. However, 49 CFR 24.101(c)(2) provides an exception for the acquisition of temporary easements which exclusively benefit the property owner.

1.10 Voluntary (Optional) Relocation Assistance

NMNC intends to provide voluntary relocation assistance to homeowners who must vacate their homes while repairs or reconstruction occur. Refer to the RARAP policy for details on how this program will be implemented and administered.

APPENDIX A.2: Construction Standards

NMHC's CDBG-DR Written Rehabilitation Standards shall detail the methods, materials, and requirements that the housing must meet upon completion of rehab, including all of the following:

(1) **Exigent Health and Safety (EHS).** Identifying all life-threatening deficiencies[1] that present a direct threat to life or well-being, e.g., that are likely to cause severe injury or reduction in physical or mental ability. These EHS life-threatening deficiencies include: locked emergency/fire exit egress, missing/broken electrical cover plates/switches/outlets, inoperable smoke detectors, and exposed wires/missing covers. See Attachment B.

(2) **Major Systems.** Requiring that, upon project completion, each major system, as defined by federal regulation, had a remaining useful life of (one) 1 year, or for a longer period as specified by NMHC, or the major system was rehabilitated or replaced as part of the rehabilitation. Major systems are: structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning. For rental housing, the participating jurisdiction's standards must require the participating jurisdiction to estimate (based on age and condition) the remaining useful life of these systems, upon project completion of each major systems. For multifamily housing projects of 26 units or more, the participating jurisdiction's standards must require the participating jurisdiction to determine the useful life of major systems through a capital needs assessment of the project. For rental housing, if the remaining useful life of one or more major system is less than the applicable period of affordability, the participating jurisdiction's standards must require the participating jurisdiction to ensure that a replacement reserve is established and monthly payments are made to the reserve that are adequate to repair or replace the systems as needed. For homeownership housing, the participating jurisdiction's standards must require, upon project completion, each of the major systems to have a remaining useful life for a minimum of (one) 1 year or the major systems must be rehabilitated or replaced as part of the rehabilitation work[2].

(3) **Lead-based Paint.** NMHC's standards must conform with HUD's lead-based paint requirements at 24 CFR part 35[3].

(4) **Disaster Mitigation (if applicable).** Require the property to meet the disaster mitigation requirements, e.g., housing to be improved to mitigate the impact of potential disasters (e.g., earthquake, hurricanes, flooding, and wildfires) in accordance with State and local codes, ordinances, and requirements[4] such as the 2018 International Building Code or most current building code adopted by the CNMI Department of Public Works Building Safety Office, zoning laws (note: zoning is currently applicable to Saipan only), International Building Code, etc.

[1] 24 CFR 92.251(b)(1)(i)
[2] 24 CFR 92.251(b)(1)(ii)
[3] 24 CFR 92.251.(b)(1)(iii)
[4] 24 CFR 982.251(b)(1)(vi)

(5) **State and Local Codes, Ordinances, and Zoning Requirements.** NMHC's standards must require the housing to meet all applicable State and local codes, ordinances, and requirements in accordance to the 2018 International Building Code or most current building code adopted by the CNMI Department of Public Works Building Safety Office, zoning laws (note: zoning is currently applicable to Saipan only), International Energy Code, or, in the absence of a State or local building code, the International Building Code.

(6) **Uniform Physical Conditions Standards.** NMHC's standards must reflect upon completion, the CDBG-DR-assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.705. HUD will establish non-life threatening and minimum deficiencies that must be corrected under NMHC's standards based on inspectable items and inspected areas from HUD-prescribed physical inspection procedures (Uniform Physical Conditions Standards) pursuant to 24 CFR 5.705[5]. See Attachment B.

GENERAL NOTES:

1. **Scope Verification.** The contractor shall field verify locations, sizes, and quantities of work required for the project. Any quantities provided by NMHC need to be field verified for accuracy and exact installation requirements.

The contractor is responsible for coordinating with an in-house or third-party Architectural and Engineering (A&E) firm for their project design, proposal, and scope of work for review and certification as required.

2. **Tools, Material, and Equipment.** The contractor will supply all tools, materials, and equipment required to perform the Scope of Work unless otherwise specified.

3. **Permits, Inspections, and Testing.** Contractors and Subcontractors shall be responsible for all permits including but not limited to, the Saipan Zoning Board, the Bureau of Environmental and Coastal Quality (BECQ), and the Department of Public Works (DPW), inspections, testing, fees and licensing as pertaining to the law, ordinances, and regulations and as required to complete their respective Scopes of Work in this Agreement. The contractor shall pay for the entire cost of any remedial work resulting from a failed inspection.

4. **Taxes.** The contractor shall be responsible for all federal, state, and local taxes imposed directly or indirectly for its Services required to fill this Agreement.

5. **Insurance.** The contractor shall provide and maintain General Liability and Worker's Compensation insurance throughout the Term of this Agreement and Project duration. The contractor shall provide certificates of insurance or other acceptable evidence of insurance (i.e.,

[5] 24 CFR 92.251(b)(1)(viii)

payment and performance bond) in the amount of 100 percent of the rehabilitation contract sum upon execution of this Agreement.

6. **Clean-Up.** The contractor is responsible for daily cleanup of all areas where work is performed and disposal of debris.

NMHC PROJECT PROPOSAL STANDARD REQUIREMENTS:

a) Contractors and/or A&E firms are to conduct assessments of the client's existing home and property condition, existing home structural condition, existing plumbing and drainage system conditions, and existing electrical condition. The contractor and/or A&E firm will also need to verify the home's existing power pole drop line and water meter locations for planning purposes and reference in the scope of work development.

Also, the contractor will identify any potentially life-threatening conditions to include but not limited to:

- Lead-Based Paint
- Asbestos
- Mold
- Structural issues/failures

b) The contractor and/or A&E firm is responsible for securing as-built measurements of the home and project site for conversion to AutoCAD format for planning, layout renovation, and development of the rehabilitation scope of work.

c) Only contractors on NMHC's approved contractor listing are eligible to work on home grant clients' new or rehab home projects.

Note: Interested contractors not currently listed on NMHC's contractor listing must first submit all documents as listed on the request for qualifications notice to be added to the contractor listing and become eligible to work on housing projects.

d) The contractor is responsible for applying for all permits necessary for a new house construction proposal or renovation, extension, rehab project for a regular home or disability home project for the record.

e) The contractor is responsible for having all project design drawings reviewed and certified by a licensed A&E firm. The contractor will utilize the certified drawings to apply for the DPW Building Permit as required.

f) The contractor is responsible for complying with all DPW Building Safety Code requirements including but not limited to: inspections, report documentation, and testing reports throughout the

construction process for new, rehab, renovation home projects for regular home or disability home construction, extensions, or house conversions to disability home compliance projects.

g) The Contractor is responsible for gathering and maintaining all project records and documentation required by DPW for the issuance of the Certificate of Occupancy upon project completion. Copies of all reports are also to be submitted to NMHC.

h) The contractor is required to conduct a pre-final inspection of the project with the homeowner and NMHC officials, before final inspection with DPW Building Safety inspectors, to test all the building systems and finishing work.

i) Any major systems, as defined below, installed by the contractor shall have a warranty of no less than (one) 1 year. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner. Should it be determined at any time during the 1-year warranty period that a major system failure was a result of the work completed by the contractor then the contractor will be obligated to repair the failure.

j) All other rehabilitation work performed by the contractor shall have a warranty period of no less than 1 year, beginning on the date of the Certificate of Occupancy issued by the Department of Public Works. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner.

Major systems as defined by 24 CFR 92.251(b)(1)(ii)] – Structural support; roofing; cladding and weatherproofing (e.g., windows, doors, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

ZONING REFERENCES AND REQUIREMENTS:

a) Contractors are required to apply for all zoning permit(s)/clearance(s) required for a home renovation or rehabbing project, including any new home extension projects. Contractors will need to ensure full compliance with all zoning setback requirements.

Example: For any extension in the front of the house, the extension should be 15' feet away from the front property line to the new front wall extension. For the left or right-side, the zoning setback requirements are 10' feet away from the boundary line to a new building wall extension. And for the rear setback, zoning requires 20' feet clearance away from the rear property line. Any failure to meet these requirements may result in the home client having to pay for zoning variance fees.

b) Should a new septic tank and leaching field be required, the DEQ office setback requirements are a minimum, per regulations at any angle from the property line for both the septic tank and leaching field.

Note: New septic tanks should be constructed, per regulations, from the house. DEQ also has regulations on Septic tanks and leaching fields that need to be adhered to.

SITE WORK:

a) All debris including abandoned vehicles, scrap material, metal objects, trash, vegetation, and other objects that pose a safety and/or health threat, as determined by the local jurisdiction or person qualified to make such a determination, must be removed from the property before the start of construction.

b) Any identified lead-based paint hazards must be abated by the contractor per the guidelines outlined in 24 CFR 92.251(b)(1)(iii).

c) Any ground-level hazards i.e., potholes around the home must be backfilled to finish grade elevation to prevent tripping hazards.

d) If required, any existing boundary fencing around the house/project site that can be repaired must be restored to a safe condition. If the fencing poses safety and/or health hazard then it must be immediately removed from the project site.

Note: Repairing of an existing boundary fence does not alleviate the contractor from installing the required protective hoarding around the house/project site.

PEST CONTROL:

a) Termite control shall be applied by a reliable and licensed termite control company familiar with local soils and termite control conditions and licensed by the Division of Environmental Quality.

    1. The contractor shall apply for all permits necessary for pest treatment.

b) The contractor shall attain a certification of 2-year warranty and retreatment should ground nesting of termite occurs within the 2 years at no cost to the homeowner.

c) The contractor shall apply termite treatment for any new construction, renovation, rehab, and extension project as required.

FOUNDATIONS:

a) Footings will be designed for an assumed allowable soil bearing capacity of 3,000 PSI

b) All structural fill beneath footings and slab-on-grade shall be placed 12 inches thick on 8-inch maximum layers. Foundation Backfill will be compacted to 95% compaction maximum dry density.

c) Any soft spots encountered during excavation operations for foundations shall be over excavated till hard dirt limits, then backfilled with suitable material and properly compacted to 95%.

d) Compaction tests for the foundation shall be required and paid for by the homeowner if not included in the contract after receiving the compaction test result for the record. The tests must be performed by a licensed soil testing firm.

CONCRETE AND REINFORCEMENT:

1. All concrete shall develop a minimum compressive strength at the end of 28 days as follows:

• Foundation	3,000 PSI	Max slump	@4 inches
• Beams, Walls & Columns	3,000 PSI	Max Slump	@4 inches
• Suspended Roof Slab	3,000 PSI	Max Slump	@4 inches
• Slab on Grade	2,500 PSI	Max Slump	@5 inches
• Sidewalk / Pathway	2,000 PSI	Max Slump	@5 inches
• Driveway & Car Parking	3,000 PSI	Max Slump	@4 inches

Note: For a concrete flat rooftop on the middle portion, pour 7½" thick concrete slab, sloping to all corners of the house's downspouts or drainage passageways at 5" finish. A 2½" slope to be applied in the middle of the rooftop to prevent water ponding on the rooftop.

TESTING:

1. Compression Tests: All concrete placed for foundations, structural slabs, beams, and columns shall have a minimum of three cylinders taken for every 50 cubic yards of concrete placed or for any one concrete placement. Concrete cylinders shall be tested for compressive strength at a testing laboratory. Two compression tests shall be performed at 14 days and one compression test at 28 days for each set of three cylinders taken.
2. Slump tests @ 5"- 6": A slump test shall be taken in the presence of the architect or engineer for each batch of concrete delivered to the job site and shall be taken before placing any concrete. In the event a slump test fails, the entire batch of concrete shall be rejected, including removal of concrete already placed, without cost to the homeowner for the record.
3. Additional water to concrete mixture batch at the job site shall not be permitted.
4. All materials and workmanship shall conform with the 2018 International Building Code requirements for residential projects. All contractors must comply with the code for receiving the finished project's Certificate of Occupancy.

MAINTAIN MINIMUM CONCRETE COVERAGE FOR REINFORCING STEEL AS FOLLOWS:

1. For concrete cast against and permanently exposed to earth @ 3"
2. Concrete exposed to earth or weather no. 5 rebar or smaller @ 1 ½"
3. Concrete not exposed to earth or in contact with ground slabs & walls @ ¾"
4. Concrete not exposed to earth or in contact with beams & columns @ 1 ½"
5. Reinforcement of new walls and columns shall be dowelled to supporting footings, beams, columns and walls with bars of the same size and spacing as vertical and horizontal bars

STRIPPING OF FORMS AND SHORES:

1. For foundation forms, it can be removed after 24 hours after pouring curing time. For Walls and Columns forms, they should be removed after 48 hours minimum. For concrete roof beams and roof slabs, forms should be removed after 14 days minimum. All forms can be removed after 28 days of the date.
2. All concrete shall be kept moist for a minimum of 7 days immediately after placing by the use of wet burlap, fog spraying, curing compounds, and other approved methods an architect or engineer.
3. No heavy construction load is permitted more than 50% of the specified design load within the 28 days of concrete placement. In cases, do not overload more than the specified design load after the 28 days of placement. No concentrated load is permitted except over supporting columns and walls.

CONCRETE BLOCK WALL:

1. Masonry units shall have a factory's minimum compressive strength of 1,000 PSI.
2. Masonry units shall be sound, dry, clean, and free from cracks when placed in the structure.
3. Where masonry unit cutting is necessary, all work should be neat and true.
4. The maximum aggregate size shall be 3/8" for pouring CMU block cells.
5. Concrete block units shall be laid in the common bond pattern unless otherwise shown.
6. For wall thickness 4", 6" and 8", use No. 4 vertical rebars @ 16" on center typical.
7. Horizontal bars are placed at every two layers of blocks all around w/No.3 rebars typical.
8. For all corner walls, vertical bars install three No.5 vertical rebars on each side from the corner out @2' feet typical.

9. For all intersection walls, vertical bars install four No.5 vertical rebars one in center of T and one on each side out @2' feet typical.

10. For all end walls install two No.4 vertical bars w/No.3 bars C-ties @ 12" O.C. typical.

Note: Any new door or window to be opened up on an existing concrete house wall, construct a new lintel beam at 12" out from each side on top by 8" height by wall thickness typical and new 4" thick concrete sidings on both sides of window edging typically for door openings.

11. "Dur-O-Wal" reinforcement shall be continuous around all walls, corners, and intersections and shall lap @ 12" minimum splicing for all vertical rebar extension for all walls to roof beam level as required.

12. All CMU block cells shall be solidly filled with cement grout. Grout all cells below slab on grade. Typical unless noted otherwise.

13. When plastering roofbeams and columns. Apply concrete bonding into your cement mixture and paintbrush the portions before plastering.

14. Any hollow sound on existing and newly plastered walls found on walls to be chipped removed out and re-plaster all hollow walls detected to its solid sound plaster condition.

Note: To be inspected and verified for approval for the record.

15. For painted finish. Apply muriatic acid on newly plastered walls. Wash down, dry up before applying two primer coats on newly plastered walls, and then apply two coated final painting finish. For existing concrete wall paint scrape and water blast all bubbling peeling out paint on walls, ceilings, etc. Apply one primer coat on existing dirty/stained washed walls before applying its new final paint color.

16. Any hollow sound on the existing floor, wall and counter ceramics, chip out and remove. Install new floor, wall, and counter ceramic with no hollow sound on the ceramic finishing work.

Note: To be inspected and verified for approval for the record.

CONCRETE WALL AND CONCRETE ROOF STRUCTURE EXTENSION:

a) For rehabbing an existing semi-concrete house to construct a new concrete roof structure on top, the contractor will construct new 8"x12" concrete columns with a 10" thick foundation concrete pouring by 30" square column footings. If the existing house is longer than 20', the contractor will construct another new column in between or in the middle for more structural support. The specifications are only for a house renovation with concrete roof ceiling height at 8' to 9' flooring finish to roof ceiling finish. For a 10' roof ceiling or over, the contractor will construct a 12"x12"

size concrete columns for all with a 10" thick concrete pouring by 36" square column footings. Rebar sizes are standard sizes approved from its building permit plans as specified. See construction drawings for rebar sizes and dimensions.

Note: To refurbish/renovate a damaged roof on an existing semi-concrete house, replacing or repairing a tin roof will not be accepted as a rehab project. All eligible applicants must have their rooftop converted solid concrete mitigate any future disasters as outlined in 24 CFR 92.251(b)(1)(vi) and to comply with the rehab program requirement for homeowner insurance.

Note: The existing CMU walls to be used as existing concrete wall partitions. Do Not depend on the existing wall as wall bearing walls for the record. It will only serve as a non-bearing wall. The new concrete columns are designed to carry the new 5" thick concrete roof slab with new 17"x8" or 10" concrete roof beams that are specified in the structural construction drawings for the record.

PLUMBING STANDARD NOTES:

1. Install a new ¾" ball valve at the existing CUC water meter box facing the house. Secure with cover level to the existing grade. (For emergency shut off valve).
2. Run a new ¾" PVC cold water line into the house project. (Following the Plumbing Floor Plans and Specifications). NOTE: Ensure PVC pipes are stored properly, covered out of the sunlight. Pipes that are left out, uncovered can degrade which will shorten their lifespan.
3. For cold water lines, use PVC water pipes and for hot water lines, use CPVC water pipes.
4. For the waste line, use ABS pipes for all drainage waste line.
5. Make sure that the electric water heater has a Pressure Relief valve down at 12" above ground level. This is to ensure that should the water heater tank be over-pressured; the valve opens to relieve the pressure in the tank and prevent tank explosion.
6. Check slopes of waste/soil lines. Pipping below 3" diameter shall be sloped at ¼" per foot. Piping over 3" shall be sloped at 1/8" per foot for the proper sloping waste line to the septic tank as required in the plumbing code.
7. Lay new water lines higher than sewer/waste lines to prevent contamination. Provide sand cushion around any plumbing piping. Keep water lines away from soil/sewer lines if in the same trench by at least 24".
8. Install new air chambers for all fixture supply piping. Use 18" air chamber, one size larger than branch piping.
9. Testing of water lines pressures for 100 PSI for one hour without any drop in water pressure. Retest all leaky joints. Submit all test results together with the rest of the closing reports.
10. Static testing of waste lines and vent lines to 10' static head for at least one hour. Retest all leaky joints when detected until it has no more leak for the record. Submit all test results together with the rest of the closing reports.

11. Always check that the flow of the waste/soil lines is correct. The vent line is directed to the rooftop at 18" above the roofline. For sewer line, use long sweep elbow or tee.
12. Whenever a water closet is installed, make sure there is a minimum 2" vent thru roof at 18" above the rooftop.
13. Provide floor drains on 2nd or higher floors for housekeeping.
14. Clearwater lines and waste lines away from foundation footings, columns, and beams.
15. Do not install/embed water lines in concrete. Provide piping chase or sleeves.
16. Provide shut off valves at strategic points in the water lines.
17. For propane gas lines, use galvanized piping for LPG gas lines. Encased LPG piping in PVC piping, if piping is installed underground. Use a One bigger size PVC pipe to sleeve the galvanized pipe inside before pouring under the slab.
18. Always provide strap around water heaters, gas tanks to prevent it from moving during an earthquake.
19. Provide cushion sleeves around any piping penetrating through concrete walls and floors.
20. Provide 36" standpipe for washer and P-trap shall be above ground readily accessible. Do not install P-trap under the ground.
21. Provide P-traps for floor drains, shower drains, kitchen sinks, and lavatories.
22. Provide ground or floor cleanouts at every 50'. Provide cleanouts to every angle as required in the plumbing code for preventive maintenance.
23. Do not install sewer lines in the same trench as water lines. Where there is crossing, concrete encase the sewer line 10' at 10" around the line to the end of crossing. Sewer lines should be always located deeper than the water lines in a trench.
24. For a long stretch of hot water piping lines, provide a loop comprising of elbows to offset expansion for safety purposes.
25. Provide 2" high overflow piping above a flat rooftop in addition to roof drains.
26. Provide supports for piping under slabs.
27. Provide vent piping 10' away horizontally from any window or door. Preferably, install a vent to terminate above the roof at 18" above finish rooftop.
28. The contractor shall be responsible for chipping existing concrete floors and walls to install new plumbing piping. The contractor is responsible also to restore floor slabs and walls to the original condition. These are part of the rehab and renovation work process. All extra work shall not be an additional cost to the homeowner. Everything should be included in the contract.
29. Standard sizes for water, soil/waste, and vent lines for each fixture are as follows:

Fixture:	Cold Water:	Hot Water:	Soil/Waste:	Vent:
Floor Drain			2" ABS	2" ABS
Water Closet	½" PVC		3" or 4" ABS	2" ABS
Urinal	¾" PVC		2" ABS	2" ABS
Kitchen Sink	½" PVC	½" CPVC	2" ABS	2" ABS
Lavatory	½" PVC	½" CPVC	2" ABS	2" ABS
Shower	½" PVC	½" CPVC	2" ABS	2" ABS
Dirty Kitchen Sink	½" PVC	½" CPVC	2" ABS	2" ABS

Note: Always tighten, secure, brace, and clamp all wall-mounted fixtures properly. Provide concrete splash boxes for drainage downspouts.

30. ENERGY STAR Heat Pump Water Heaters (HPWH) are required for domestic water heating equipment, with a minimum UEF (Uniform Energy Factor) of 3.75. HPWH must have sufficient air circulation around their installed location to meet the manufacturer's specifications, or ductwork must be installed to provide sufficient air, again, per manufacturer's specifications. An approved alternative to HPWHs would be the most energy-efficient in-stock water heater.

ELECTRICAL STANDARD NOTES:

1. The contractor is responsible for obtaining permits for temporary power hook up including applying and paying hookup and monthly use fees for their use for the project without cost to homeowners for the record.
2. GFCI outlets to be installed in any kitchen counter at 4' min. away from the sink.
3. Use the GFCI outlet for the restroom wall outlet. Do not use a regular outlet.
4. Use the GFCI outlet for the outside wall outlet with a weatherproof cover typical.
5. Design for outlets should be limited to 8 outlets for a 20-amp single pole breaker.
6. Design for lights should be limited to 8 lights for a 20-amp single pole breaker.
7. Provide at least one outlet in the hallway for housekeeping use.
8. Installing new electrical boxes shall include an adapter, lock nut, and bushing. Bushing shall be insulated.
9. The service entrance conduit shall be galvanized steel per CUC requirements.
10. Conduits underground shall be PVC.
11. For any exposed conduits it shall be a rigid aluminum or galvanized steel.
12. Conduits inside building in-ceiling or exposed may be electrical metallic tubing-EMT.

13. Minimum size for homerun shall be ¾" conduit for easy pulling.
14. For computer circuits, make sure the ground wire is isolated.
15. All power circuit conduit shall have ground wire.
16. Follow electrical wires standard color-coding per National Electrical Code. For residential rehab, projects shall be a 120/240 Volt system, 1 phase:

Phase A-color Black Phase B-color Red Neutral color: White Ground color: Green

Note: The neutral and grounding colors shall be the correct color wire throughout without any exception. Avoid color coding with electrical tape. Electrical hazard.

17. Splicing shall be the plastic pressure type connectors. For larger wires, splicing shall be terminal lugs type.
18. Any conduit crossing roadways or in traffic areas shall be embedded in concrete, or located per NEC. The minimum conduit depth is 18" to top of the conduit.
19. Separate communications conduits from power conduits by at least 12" laterally. The minimum conduit size shall be ¾" conduit. Provide pull wire in every empty communications conduit extending 12" at both ends for computer and TV. line connections.
20. Contractor to coordinate with telephone/internet company to seek the advice of where hand holes or access panels may be located for ease of pulling and service.
21. Be sure to apply rust spray paint to all electrical boxes before embedding them in concrete.
22. Position outlets on a horizontal orientation.
23. Where to put new light switches, place them right after opening a door on the closest wall at 4' height typical.
24. Light switches to be set on a vertical position at 4' height center of electrical boxes.
25. Conduits underground outside the house building shall have warning tape at 12" below grade.
26. Maximum bends in conduits shall be limited to three (3).
27. Standard Breaker amp size and its proper wire size use to prevent power shortage and fire for health and safety measures.
28. For reference, a 20-amp circuit breaker has a total of 1,920 Watts.
29. For a single-pole 20-amp circuit breaker, use No. 12 solid wires. Separate outlets and lights circuit breaker switch.
30. Use No. 12 solid wires for receptacle outlets. A limit of 8-outlets per 20-amp single pole circuit breaker switch.

31. Use No. 12 solid wires for light fixtures. A limit of 8-lights per 20amp single pole circuit breaker switch.
32. Use a 20-amp single pole circuit breaker with a No. 12 solid wire. For 110 volts air conditioning separately, use a ½" electrical conduit from the panel box to outlet location.
33. Use a 30-amp double pole circuit breaker with a No. 10 solid wire. For 220 volts air conditioning separately, use a ¾" electrical conduit from the panel box to the outlet location
34. Use a 50-amp double pole circuit breaker with No. 6 stranded wires in a 1" electrical conduit for electrical range.
35. Use a 20-amp single pole circuit breaker with a No. 12 solid wire. For a refrigerator separately, use a ½" electrical conduit from the panel box to outlet location.
36. Use a 20-amp single pole circuit breaker with a No. 12 solid wire, for computer station separately, use a ½" electrical conduit from the panel box to outlet location.
37. Use a 30-amp double pole circuit breaker with a No. 10 solid wire. For 220 volts Electric Water Heater separately, use a ¾" electrical conduit from the panel box to outlet location.
38. For reference information, using a 100amp double pole circuit breaker use a # 2 wire.
39. A 125-amp double pole circuit breaker uses a # 1 wire.
40. A 150-amp double pole circuit breaker uses a # 1/0 wire.
41. A 175-amp double pole circuit breaker uses a # 2/0 wire.
42. A 200-amp double pole circuit breaker uses a # 3/0 wire.
43. Make sure any electrical splicing to be connected uses an electrical connector, not electrical tape.
44. Make sure to tighten all loose connections properly.
45. Provide 4" high concrete pad for mounting an electrical water heater equipment. Allow for 4" extra distance on the width and length of the water heater.
46. Exposed conduits in exposed areas shall be painted to match the adjacent wall finish.
47. All equipment and disconnect switch in weather shall be sealed waterproof.
48. All testing work shall be performed by the contractor and the contractor shall pay for all water, fuel, electricity, instrument, and personal.
49. The contractor shall submit a written guarantee certificate warranting all materials and workmanship free of defects for one year from the date of acceptance.
50. The contractor must submit As-Built drawings of the electrical system after project along with Certificate of Occupancy

ELECTRICAL MOUNTING HEIGHT REQUIREMENTS FOR ELECTRICAL:

1.	Meter Box Height	5'-6" from finish grade to center of the meter box
2.	Panel Box Height	5'-0" from finish floor to top of the panel box
3.	Light Switches Height	48" from finish floor to center of the elect. Box
4.	Outlet Height	12" from fin. floor, for ADA outlet height 15"- 48"
5.	Fire Alarm Height	5'- 6" from finish floor to center of the pull box
6.	Fire Alarm Horn/Bell Height	7'- 6" from finish floor to center of the box
7.	Disconnect Switch	5'- 6" from finish floor to the center of the box

ELECTRICAL GENERAL NOTES:

1. All electrical work shall be per the applicable sections of the National Electrical Code (NEC) latest edition, and the rules and regulations of the Dept. of Public Works and the Commonwealth Utilities Corporation.
2. All equipment and materials shall be UL listed where the listing is available for that type of equipment or conform to ANSI or NEMA standards.
3. Workmanship shall conform to the construction practices recommended by the American Electricians, Handbook by Croft, and shall be subject to the approval of the agency who has jurisdiction and the electrical engineer.
4. Conduit shall be EMT (indoor dry) locations concealed above ground, rigid aluminum (exposed installations, PVC (underfloor slab or grade, and inside concrete). Flexible conduit shall be jacketed type and per NEC 350.
5. Wiring shall be typed THWN, THW, XHHN, 600 volts. The conductor shall be copper.
6. Minimum size conduit shall be ½" inch diameter unless otherwise noted; minimum wire size shall be #12 AWG. Do Not Use #14 wires.
7. Electrical work shall be under the full supervision of a master electrician or a professional electrical engineer licensed to practice in the CNMI.
8. Panelboard shall be complete with bus bars, enclosure trim, molded case circuit breakers, bolt-on type branch circuit breakers, grounding, and neutral terminal lugs, panel board director, and keys. The laminated nameplate shall be provided on the front cover of the panel board or transformer.
9. All electrical devices and equipment exposed to weather shall be weatherproof.

10. Any device may be relocated within 10' of the location shown in the plans subject to the direction by the electrical engineer. Any such relocation shall be performed without additional cost to the homeowner.

11. The electrical contractor shall coordinate with a mechanical contractor for exact locations of water lines and waste lines before rough-in work.

12. Grounding:

    a. Metallic enclosures, raceways, and electrical shall be grounded per NEC 250. Provide green ground wire in every raceway per NEC Table 250-95.

    b. Grounding connection of the grounded circuit conductor (Neutral) shall be made only at the service disconnection means per NEC 250-23(a). Grounding on the neutral shall not be made on the load side of the service disconnect. The neutral shall not be made on the load side of the service disconnect. The neutral conductor shall be insulated from all equipment enclosures or any grounded parts. Bonding of the neutral bus to the ground bus in sub-panels shall be removed.

13. The electrical panel board and main switchboard, power meter box shall be furnished completely assembled from the factory.

14. Contractor to provide all labor, materials, equipment, tools, and all necessary materials including wire connectors, tapes, markers, etc. to accomplish the work shown in the plans. The cost of permits shall be the contractor's responsibility.

15. Minimum service clearance in front of the main switchboard shall be 4'.

16. Testing: Operation, Insulation Resistance, Grounding Tests.

FINISH MATERIAL STANDARDS:

Flooring Standards:

(a) For the living room, dining room, kitchen room, hallways, and bedrooms floor, the finish is to be plastered level with a vinyl tile or ceramic tile finish (depending on cost and durability).

(b) For the standard restroom floor finishing, to be a ceramic finish with white cement grouted finish. The restroom floor ceramic must be approved nonslip type of ceramic finish.

Note: Ceramic color should be the client's choice of ceramic color on the contractor's approved standard min. ceramic size.

(c) For all concrete stoops, landings and sidewalks floor finish, to be plastered sweep finish and for the carport, floor finish to be plastered fine finish.

Note: Plaster the sides of the concrete sidewalks, landings, ramps, and garage floorings.

Door Standards:

(a) For the exterior front entry door, use a 1¾" thick x 36"x 6'-8" solid core decorative door with heavy-duty door hinges, regular doorknob, deadbolt with keys, painted varnish finish, and door bottom with threshold and a door stopper on the back.

Note: Use a lever-type doorknob for a disability or elderly rehab home project.

(b) For any exterior exit door, use a 1¾" thick x 32"x 6'-8" min. regular solid core door with heavy-duty door hinges, regular doorknob with a deadbolt, painted varnish finish, and door bottom with threshold and a door stopper on the back.

Note: For disability or elderly rehab home project, use a lever type door knob with keys and a 36" size regular solid core door.

(c) For bedroom doors, use a 1½" thick x 36", 34", 32", or 30"x 6'-8" min. regular hollow-core door with light-duty door hinges and regular doorknob w/no key type and door painted with a varnish finish and a door stopper installed on the back.

(d) Aluminum Typhoon Shutters. Homeowners may include if the rehabilitation budget is sufficient, the installation of aluminum typhoon shutters on the exterior main entrance and rear exit doors of the housing unit. All alluminum typhoon shutters shall meet or exceed the wind rating outlined in the 2018 International Building Code (IBC).

- Typhoon shutters must be accordion-type with lock and key.
- Use 3"x1/4" screws to bolt the typhoon shutters to the concrete wall. The minimum number of screws is 3 per side.

Note: For a disability rehab home project, use a lever type door knob with keys only on 36" door size.

Window Standards:

(a) Living room window min. size 4'x4' sliding glass window with a ¼" thick safety tempered glass with aluminum frame. 4 screws on each side.
(b) Kitchen window min. size 3'x3' sliding glass window with a ¼" thick safety tempered glass window with aluminum frame. 3 screws on each side.
(c) Dining room window min. size 3'x4' Height with a ¼" thick safety tempered sliding glass window with aluminum frame. 3 screws on each side and 4 screws each on top and bottom.
(d) Bedroom window must have at least one set 4'x4' sliding glass window (For egress, in case of fire) with a ¼" thick safety tempered glass window with aluminum frame. 4 screws on each side.
(e) Restroom window min. standard size. 2'x2' sliding glass window with a ¼" thick safety tempered glass window with aluminum frame. 2 screws on each side.
(f) Seal all window edgings inside and outside
(g) All windows shall also include window screens

(h) Frame Color to be Clients choice of color
(i) Install new typhoon metal brackets at the outside walls for all windows w/painted finish
(j) Use 3"x1/4" screws to bolt the sliding windows to the concrete wall. The minimum number of screws per window is mentioned above.
(k) Aluminum Typhoon Shutters. Homeowners may include if the rehabilitation budget is sufficient, the installation of aluminum typhoon shutters on all housing unit windows.

- Typhoon shutters must be accordion-type with lock and key.
- Use 3"x1/4" screws to bolt the typhoon shutters to the concrete wall. The minimum number of screws is 3 per side.

Note: All aluminum typhoon shutters shall meet or exceed the wind rating outlined in the 2018 International Building Code (IBC).

Faucet Standards:

(a) Kitchen Sink Faucet to be a regular faucet type.

Note: For disability or elderly Rehab Home Project to be a lever faucet set type.

(b) Restroom Lavatory Sink Faucet to be a regular faucet type.

Note: For disability or elderly Rehab Home Project to be a lever faucet set type.

Regular and Disability Rehab Home Projects Standard Finishes:

(a) For disability, concrete sidewalk & landing size requirements. Concrete sidewalk width 36" min. and for landing size 5' sq. no less.

Note: Sidewalks and landings that are higher than 7" above existing grade during rehab work, requires all sides to be backfilled at 4" finish grade at 1' level and slope out at 4' on both sides to existing grade elevation, otherwise install new aluminum hand railings within 33" to 36" height along the hazard sidewalk, ramps and landings pathway.

Note: For regular rehab home projects sidewalks, same at 36" and for landing 36" sq. is allowable.

(b) For the front entry and exit doors outside, construct a 5' sq. concrete stoop floor landing at ½" lower from the finished house floor elevation.
(c) The restroom floor elevation should be ½" lower from the inside house flooring. Also, for the shower room flooring is ½" lower than the restroom flooring as required.
(d) Install hand railings along any sidewalks or pathways and landings that are higher than 7" above finish grade.
(e) Construct a new concrete ramp at a ratio of 1" drop = 1' slope.

(f) Install smoke alarms in bedrooms and hallways as required by Building Safety Code. Smoke alarms must be hard-wired smoke alarms and that the smoke alarms are interconnected.
(g) Install water sprinklers with warning fire light signals for impairment of client individuals only.
(h) In designing a new rehab disability home layout extension or for reconstructed disability house floor plan design, consider a 3' clear passage for a wheelchair to maneuver from the entry of the house to the inside of the house. Ensure that in your design layout, take into consideration the furniture space in planning for wheelchair accessibility, through bedrooms, restroom(s), living room, kitchen, dining, and for exiting the exit door to the outside of the house with no hazards along for emergency purposes as required.
(i) Disability lavatory height should be set at 34" maximum.
(j) disability water closet height from the finished floor to the toilet seat is within 17" to 19". Note: For regular standard toilet height is 15" from the finished floor to the toilet seat.
(k) Install a new 2' ADA grab bars on the back of ADA toilet centered, 2' length on shower faucet wall and 42" on the side shower wall at height within 33" to 36".
(l) Install ADA medicine cabinet at 40" from the finished floor to the bottom of the medicine cabinet.

Note: For regular standard medicine cabinet height is 64" from the finished floor to center of the medicine cabinet.

(m)Install a towel hanging bar within 36" to 48" for disability or regular restroom.
(n) Install a toilet paper holder to the nearest wall at 19" above the finished floor and a maximum of 36" from the rear wall.
(o) Rehab finishing projects paint colors to be the home client's choice of paint color for all paint finishing work.

All technical reference information applies to all building systems standard needs for new house construction, rehabilitation project, renovation project and house conversion to disability home compliance project that meet all current CNMI local building code regulations and meet Housing Quality Standards (HQS) and Uniform Physical Condition Standards (UPCS) requirements.

The HUD CPD Green Building Retrofit Checklist will also be included in the rehabilitation standards (Attachment A). "CPD recognizes that not all elements of the checklist will be applicable in all climates and geographies. Because of this, CPD will consider exceptions to these standards based on climate or geography, if a grantee identifies the specific standards that aren't applicable, including offering alternatives if available, and CPD's Office of Environment and Energy accepts the grantee's request."

Other building systems may be accepted provided that they meet or exceed the standards mentioned above. Third-party certifications or specific standard testing methods are required to substantiate or validate the claims.

Attachment A:

HUD CPD Green Building Retrofit Checklist

The CPD Green Retrofit Checklist promotes energy efficiency and green building practices for residential retrofit projects. Grantees must follow the checklist in its entirety and apply all measures within the Checklist to the extent applicable to the particular building type being retrofitted. The phrase "when replacing" in the Checklist refers to the mandatory replacement with specified green improvements, products, and fixtures only when replacing those systems during the normal course of the retrofit.

Note: CPD recognizes that not all elements of the checklist will be applicable in all climates and geographies. Because of this, CPD will consider exceptions to these standards based on climate or geography, if a grantee identifies the specific standards that aren't applicable, including offering alternatives if available, and CPD's Office of Environment and Energy accepts the grantee's request.

WATER AND ENERGY CONSERVATION MEASURES

☐ **Water-Conserving Fixtures**
Install or retrofit water conserving fixtures in any unit and common facility, use the following specifications: Toilets-- 1.28 gpf; Urinals-- 0.5 gpf; Showerheads-- 2.0 gpm; Kitchen faucets-- 2.0 gpm; and Bathroom faucets-- 1.5gpm. [gpf = gallons per flush; gpm = gallons per minute]

☐ **ENERGY STAR Appliances**
Install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators, if these appliance categories are provided in units or common areas.

☐ **Air Sealing: Building Envelope**
Seal all accessible gaps and penetrations in the building envelope. If applicable, use low VOC caulk or foam.

☐ **Insulation: Attic** (if applicable to building type)
For attics with closed floor cavities directly above the conditioned space, blow in insulation per manufacturer's specifications to a minimum density of 3.5 Lbs. per cubic foot (CF). For attics with open floor cavities directly above the conditioned space, install insulation to meet or exceed IECC levels.

☐ **Insulation: Flooring** (if applicable to building type)
Install ≥ R-19 insulation in contact with the subfloor in buildings with floor systems over vented crawl spaces. Install a 6-mil vapor barrier in contact with 100% of the floor of the crawl space (the ground), overlapping seams and piers at least 6 inches.

☐ **Duct Sealing** (if applicable to building type)
In buildings with ducted forced-air heating and cooling systems, seal all penetrations of the air distribution system to reduce leakage in order to meet or exceed ENERGY STAR for Homes' duct leakage standard.

☐ **Air Barrier System**

Ensure continuous unbroken air barrier surrounding all conditioned space and dwelling units. Align insulation completely and continuously with the air barrier.

☐ **Radiant Barriers: Roofing**
When replacing or making a substantial repair to the roof, use radiant barrier sheathing or other radiant barrier material; if economically feasible, also use cool roofing materials.

☐ **Windows**
When replacing windows, install geographically appropriate ENERGY STAR rated windows.

☐ **Sizing of Heating and Cooling Equipment**
When replacing, size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or 2012 ASHRAE Handbook--HVAC Systems and Equipment or most recent edition.

☐ **Domestic Hot Water Systems**
When replacing domestic water heating system(s), ensure the system(s) meet or exceed the efficiency requirements of ENERGY STAR for Homes' Reference Design. Insulate pipes by at least R-4.

☐ **Efficient Lighting: Interior Units**
Follow the guidance appropriate for the project type: install the ENERGY STAR Advanced Lighting Package (ALP); ***OR*** follow the ENERGY STAR MFHR program guidelines, which require that 80% of installed lighting fixtures within units must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; ***OR*** when replacing, new fixtures and ceiling fans must meet or exceed ENERGY STAR efficiency levels.

☐ **Efficient Lighting: Common Areas and Emergency Lighting** (if applicable to building type)
Follow the guidance appropriate for the project type: use ENERGY STAR-labeled fixtures or any equivalent high-performance lighting fixtures and bulbs in all common areas; ***OR*** when replacing, new common space and emergency lighting fixtures must meet or exceed ENERGY STAR efficiency levels. For emergency lighting, if installing new or replacing, all exist signs shall meet or exceed LED efficiency levels and conform to local building codes.

☐ **Efficient Lighting: Exterior**
Follow the guidance appropriate for the project type: install ENERGY STAR-qualified fixtures or LEDs with a minimum efficacy of 45 lumens/watt; ***OR*** follow the ENERGY STAR MFHR program guidelines, which require that 80% of outdoor lighting fixtures must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; ***OR*** when replacing, install ENERGY STAR compact fluorescents or LEDs with a minimum efficacy of 45 lumens/watt.

INDOOR AIR QUALITY

☐ **Air Ventilation: Single Family and Multifamily** (three stories or fewer)
Install an in-unit ventilation system capable of providing adequate fresh air per ASHRAE 62.2 requirements.

☐ **Air Ventilation: Multifamily** (four stories or more)
Install apartment ventilation systems that satisfy ASHRAE 62.2 for all dwelling units and common area ventilation systems that satisfy ASHRAE 62.1 requirements. If economically feasible, consider heat/energy recovery for 100% of corridor air supply.

☐ **Composite Wood Products that Emit Low/No Formaldehyde**
Composite wood products must be certified compliant with California 93120. If using a composite wood product that does not comply with California 93120, all exposed edges and sides must be sealed with low-VOC sealants.

☐ **Environmentally Preferable Flooring**
When replacing flooring, use environmentally preferable flooring, including the FloorScore certification. Any carpet products used must meet the Carpet and Rug Institute's Green Label or Green Label Plus certification for carpet, pad, and carpet adhesives.

☐ **Low/No VOC Paints and Primers**
All interior paints and primers must be less than or equal to the following VOC levels: Flats--50 g/L; Non-flats--50 g/L; Floor--100 g/L. [g/L = grams per liter; levels are based on a combination of the Master Painters Institute (MPI) and GreenSeal standards.]

☐ **Low/No VOC Adhesives and Sealants**
All adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants must comply with regulation 8, rule 51, of the Bay Area Air Quality Management District.

☐ **Clothes Dryer Exhaust**
Vent clothes dryers directly to the outdoors using rigid-type duct work.

☐ **Mold Inspection and Remediation**
Inspect the interior and exterior of the building for evidence of moisture problems. Document the extent and location of the problems, and implement the proposed repairs according to the Moisture section of the EPA Healthy Indoor Environment Protocols for Home Energy Upgrades.

☐ **Combustion Equipment**
When installing new space and water-heating equipment, specify power-vented or direct vent combustion equipment.

☐ **Mold Prevention: Water Heaters**
Provide adequate drainage for water heaters that includes drains or catch pans with drains piped to the exterior of the dwelling.

☐ **Mold Prevention: Surfaces**
When replacing or repairing bathrooms, kitchens, and laundry rooms, use materials that have durable, cleanable surfaces.

☐ **Mold Prevention: Tub and Shower Enclosures**
When replacing or repairing tub and/or shower enclosures, use non-paper-faced backing materials such as cement board, fiber cement board, or equivalent in bathrooms.

☐ **Integrated Pest Management**
Seal all wall, floor, and joint penetrations with low-VOC caulking or other appropriate sealing methods to prevent pest entry. [If applicable, provide training to multifamily buildings staff.]

☐ **Lead-Safe Work Practices**
For properties built before 1978, if the project will involve disturbing painted surfaces or cleaning up lead contaminated dust or soil, use certified renovation or lead abatement contractors and workers using lead-safe work practices and clearance examinations consistent with the more stringent of EPA's Renovation, Repair, and Painting Rule and HUD's Lead Safe Housing Rule.

☐ **Radon Testing and Mitigation** (if applicable based on building location)
For buildings in EPA Radon Zone 1 or 2, test for radon using the current edition of American Association of Radon Scientists and Technologists (AARST)'s Protocols for Radon Measurement in Homes Standard for Single-Family Housing or Duplexes, or AARST's Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings. To install radon mitigation systems in buildings with radon level of 4 pCi/L or more, use ASTM E 2121 for single-family housing or duplexes, or AARST's Radon Mitigation Standards for Multifamily Buildings. For new construction, use AARST's Reducing Radon in New Construction of 1 & 2 Family Dwellings and Townhouses, or ASTM E 1465.

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
Fencing and Gates	Damaged/Failing/Leaning	
	Holes	
	Missing Sections	
Grounds	Erosion/Rutting Areas	
	Overgrown/Penetrating Vegetation	
	Ponding/Site Drainage (affecting unit)	
Health and Safety	Air Quality – Sewer Odor Detected	

	Air Quality – Propane/Natural Gas/Methane Gas Detected	
	Electrical Hazards – Exposed Wires/Open Panels	
	Electrical Hazards – Water Leaks on/near Electrical Equipment	
	Flammable Materials – Improperly Stored	
	Garbage and Debris – Outdoors	
	Play Equipment – Broken or Damaged	
	Hazards – Other (e.g., outbuildings)	
	Hazards – Sharp Edges	
	Hazards – Tripping	
	Infestation – Insects	
	Infestation – Rats/Mice/Vermin	
Mailboxes/Project Signs	Mailbox Missing/Damaged	
	Signs Damaged	
Driveways	Cracks	
	Potholes/Loose Material	
	Settlement/Heaving	
Retaining Walls	Damaged/Falling/Leaning	
Storm Drainage	Damaged/Obstructed	
Walkways/Steps	Broken/Missing Hand Railing	
	Cracks/Settlement/Heaving	
	Spalling	

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
Doors	Damaged Frames/Threshold/Lintels/	

	Trim	
	Damaged Hardware/Locks	
	Damaged Surface (Holes/Paint/Rusting/Glass)	
	Damaged/Missing Screen/Storm/Security Door	
	Deteriorated/Missing Caulking/Seals	
	Missing Door	
Foundations	Cracks/Gaps Spalling/Exposed Rebar	
	Cracks/Gaps Spalling/Exposed Rebar	
Health and Safety	Electrical Hazards – Exposed Wires/Open Panels	
	Electrical Hazards – Water Leaks on/near Electrical Equipment	
	Flammable/Combustible Materials – Improperly Stored	
	Garbage and Debris – Outdoors	
	Hazards – Other	
	Hazards – Sharp Edges	
	Hazards – Tripping	
	Infestation – Insects	
	Infestation – Rats/Mice Vermin	
Lighting	Broken Fixtures/Bulbs	
Roofs	Damaged Soffits/Fascia	
	Damaged Vents	
	Damaged/Clogged Drains	
	Damaged/Torn Membrane/Missing Ballast	
	Missing/Damaged Components from	
	Downspout/Gutter	
	Ponding	
Walls	Cracks/Gaps	
	Damaged Chimneys	

	Missing/Damaged Caulking/Mortar	
	Missing Pieces/Holes/Spalling	
	Stained/Peeling/Needs Paint	
Windows	Broken/Missing/Cracked Panes	
	Damaged Sills/Frames/Lintels/Trim	
	Damaged/Missing Screens	
	Missing/Deteriorated Caulking/Seals/Glazing Compound	
	Peeling/Needs Paint	
	Security Bars Prevent Egress	

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
Bathroom	Bathroom Cabinets - Damaged/Missing	
	Lavatory Sink - Damaged/Missing	
	Plumbing - Clogged Drains	
	Plumbing - Leaking Faucet/Pipes	
	Shower/Tub - Damaged/Missing	
	Ventilation/Exhaust System – Inoperable (if applicable	
	Water Closet/Toilet - Damaged/Clogged/Missing	
Ceiling	Bulging/Buckling	
	Holes/Missing Tiles/Panels/Cracks	
	Peeling/Needs Paint	
	Water Stains/Water Damage/Mold/Mildew	
Doors	Damaged Frames/Threshold/Lintels/Trim	
	Damaged Hardware/Locks	
	Damaged/Missing Screen/Storm/Security Door	

	Damaged Surface - Holes/Paint/Rusting/Glass	
	Deteriorated/Missing Seals (Entry Only)	
	Missing Door	
Electrical System	Blocked Access to Electrical Panel	
	Burnt Breakers	
	Evidence of Leaks/Corrosion	
	Frayed Wiring	
	GFI - Inoperable	
	Missing Breakers/Fuses	
	Missing Covers	
Floors	Bulging/Buckling	
	Floor Covering Damage	
	Missing Flooring Tiles	
	Peeling/Needs Paint	
	Rot/Deteriorated Subfloor	
	Water Stains/Water Damage/Mold/Mildew	
Health and Safety	Air Quality - Mold and/or Mildew Observed	
	Air Quality - Sewer Odor Detected	
	Air Quality - Propane/Natural Gas/Methane Gas	
	Detected	
	Electrical Hazards - Exposed Wires/Open Panels	
	Electrical Hazards - Water Leaks on/near Electrical	
	Equipment	
	Flammable Materials - Improperly Stored	
	Garbage and Debris - Indoors	
	Garbage and Debris - Outdoors	
	Hazards - Other	
	Hazards - Sharp Edges	
	Hazards – Tripping	
	Infestation - Insects	
	Infestation – Rats/Mice/Vermin	
Hot Water Heater	Inoperable Unit/Components	
	Leaking Valves/Tanks/Pipes	
	Pressure Relief Valve Missing	
	Rust/Corrosion	

Attachment B: Uniform Physical Condition Standards for Single Family Housing Rehabilitation – Requirements for Site

Inspectable Item	Observable Deficiency	Type and Degree of Deficiency That Must Be Addressed
HVAC System	Inoperable	
	Misaligned Chimney/Ventilation System	
	Noisy/Vibrating/Leaking	
	Rust/Corrosion	
Kitchen	Cabinets - Missing/Damaged	
	Countertops - Missing/Damaged	
	Dishwasher/Garbage Disposal –	
	Leaking/Inoperable	
	Plumbing - Clogged Drains	
	Plumbing - Leaking Faucet/Pipes	
	Range Hood/Exhaust Fans - Excessive	
	Grease/Inoperable	
	Range/Stove - Missing/Damaged/Inoperable	
	Refrigerator- Missing/Damaged/Inoperable	
	Sink – Damaged/Missing	
Laundry Area (Room)	Dryer Vent – Missing/Damaged/Inoperable	
Lighting	Missing/Inoperable Fixture	
Outlets/Switches	Missing	
	Missing/Broken Cover Plates	
Patio/Porch/Balcony	Baluster/Side Railings Damaged	
Smoke Detector	Missing/Inoperable	
Stairs	Broken/Damaged/Missing Steps	
	Broken/Missing Hand Railing	
Walls	Bulging/Buckling	
	Damaged	
	Damaged/Deteriorated Trim	
	Peeling/Needs Paint	
	Water Stains/Water Damage/Mold/Mildew	
Windows	Cracked/Broken/Missing Panes	
	Damaged/Rotting Window Sill	
	Missing/Deteriorated Caulking/Seals/Glazing Compound	

	Inoperable/Not Lockable	
	Peeling/Needs Paint	
	Security Bars Prevent Egress	

APPENDIX A.3: Environmental Review

ENVIRONMENTAL REVIEW

Policy and Procedures

CDBG-DR requires that an environmental review be completed for every activity before funds (even non-CDBG-DR funds associated with the activity) are committed or expended. Such environmental reviews must comply with the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed at 24 CFR Part 58. An environmental review must be conducted considering federal laws, authorities, and regulations which address noise, air quality, historic properties, floodplains, wetlands, water quality, solid waste disposal, manmade hazards, farmlands protection, wild and scenic rivers, coastal areas, endangered species and others. In accordance with 24 CFR Part 58, recipients, owners, developers, sponsors or any other third-party partners cannot take any physical actions on a site, begin construction, commit, expend, or enter into any legally binding agreements that constitute choice limiting actions for any HUD or non-HUD funds before the environmental review process has been completed and the jurisdiction has received a Release of Funds approval.

Tier I Review: Target Area Assessment

The Northern Marianas Housing Corporation (NMHC) may conduct a tiered environmental review under 24 CFR 58.15 for its CDBG-DR Action Plan. A tiered environmental review allows for a general assessment of the impacts of an activity on the environment prior to identification of a specific site. The Tier 1 review addresses and analyzes those environmental impacts related to the proposed activities that might occur on a typical site within the geographic area. The Tier 1 review also assesses project effects related to a longer list of environmental factors (e.g., compatibility with surrounding land uses, conformance with zoning plans, nuisances that affect site safety, displacement of people or businesses, solid waste management, etc.). All environment compliance requirements satisfactorily resolved in this first level of review, meaning findings of no significant impact or impact requiring mitigation, are excluded from any additional examination or consideration once the Tier 1 review is completed. The Tier 1 review identifies those compliance requirements that cannot be resolved until specific project locations become known. Site specific issues that cannot be resolved in a Tier 1 review may include: aboveground storage tanks that present a safety hazard to buildings and occupants of buildings; new residential units located in close proximity to the airport which generates high levels of noise; soils that are not suitable for multifamily structures; asbestos removal that may be necessary; or other potential impacts. The Tier 2 Site Specific Review will address such issues.

Tier II: Site Specific Project Review

A review for each individual property is required once sites are selected. The Tier 2 review focuses only on the environmental compliance requirements that could not be resolved in the Tier 1 Target Area Assessment. The NMHC or Implementing Partners (recipients of DR funds) performs the Tier 2 review. When NMHC identifies specific properties or sites within the target area and is ready to obligate funds (e.g., to buy a property, finance repairs, demolish a structure, etc.) it will use the written standards, checklists and narratives set forth in the Tier 1 review process to determine if there are any environmental issues associated with the site. This Site-Specific Project Review documents in writing that compliance

standards for the specific project are met, and that required mitigation measures, if any, will be incorporated into the project. The Tier 2 review must be completed before funds (including non-CDBG-DR funds) are committed or expended on the project. The Tier 2 Site Specific Project Review will be maintained in the project files.

Environmental Procedures

STEP 1: Environmental Review Determination

In accordance with above internal review procedures, the Project Manager and/or Housing Administrator will review the program/project scope of work and determine at what level of environmental review needs to be conducted. The environmental consultant will provide technical assistance and support on complex environmental issues. The NEPA classifications that will be determined are listed below:

1. **Exempt – Subject to Related Laws at 24 CFR 58.34**
   Activities that by their very nature will have no physical impact upon the environment are exempt from NEPA requirements as well as Part 58.5. In these cases, NMHC does not need to check for compliance with the requirements or perform an environmental review, consultation, or other action under NEPA. Some examples from NEPA requirements include:

   - Environmental studies, plans & strategies
   - Administrative & management expenses
   - Inspections & testing properties
   - Engineering or design costs
   - Technical assistance & training
   - Any of the CEST activities at §58.35(a) if Federal laws and authorities at §58.5 are not triggered

2. **Categorically Excluded, not Subject to 58.5. (24 CFR 58.35)**
   Activities in this section are categorically excluded from the requirements at 58.5, due to HUD's determination that such activities will not alter any conditions that would require a NEPA review or a compliance determination under 58.5. When performing a categorically excluded activity not subject to 58.5, NMHC does not need to publish a Notice of Intent/Request for Release of Funds (NOI/RROF). Following the award of program funds, no further approval from HUD will be needed with respect to environmental requirements. Examples of categorically excluded, not subject to NEPA requirements are:

   - Tenant-based rental assistance
   - Supportive services
   - Operating costs including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment and other incidental costs
   - Economic development activities not associated with construction or expansion of

existing operations
- Activities to assist homeowners~~buyers~~
- Affordable housing pre-development costs
- Supplemental assistance of previously-approved project

3. Categorically Excluded Subject to 58.5

Any of the categorically excluded activities in 58.35 are exempt from NEPA, provided that there are no circumstances that require compliance with any other federal law and authorities cited in 58.5. Using the statutory checklist, and after consulting with applicable agencies and organizations, NMHC can designate an activity as exempt if it can show that none of the federal laws and authorities are triggered through funding this activity. The statutory checklist deals with non-NEPA regulation which grantees must adhere to such as historic and wildlife preservation, floodplain management, noise control, etc. Examples of categorically excluded, subject to NEPA requirements are:

- Acquisition, repair, improvement, reconstruction or rehabilitation of public facilities and improvements when:
  - Facilities and improvements are in place
  - No more than 20% change in size or capacity
  - No change in land use
- Removal of architectural barriers that restrict accessibility
- Rehabilitation of buildings and improvements:
  - Residential Structures of 1 – 4 units: no more than 4 units; no change in land use; cannot increase into floodplain or wetland
  - Multifamily Residential Structures: unit density does not change more than 20%; no change in land use; cost of rehab is less than 75% of replacement cost after rehabilitation
  - Commercial, Industrial and Public Buildings: size and capacity does not increase by more than 20%; no change in land use
- Individual action on up to four dwelling units (One 4-unit structure or four 1- unit structures or any combination in between):
- Individual action on a project of five or more housing units when sites are more than 2000 feet apart and no more than four units on any one site.
- Acquisition, disposition or finance of existing structure or vacant land if retained for same use.
- Combination of any of the above activities.

4. Subject to an Environmental Assessment (24 CFR 58.36)

If a project is not exempt or categorically excluded under the above sections, NMHC must prepare an Environmental Assessment (EA). An EA is a concise public document that includes all the evidence and analysis supporting the NMHC's decision as to whether an environmental impact statement is warranted or if an activity will result in no significant impact to the environment. Examples when environmental assessments are needed are:

- New Construction (more than five (5) units);

- Construction of Public Facilities;
- Infrastructure Development;
- New construction, demolition and/or reconstruction of five or more single family units on scattered sites that are less than 2,000 feet apart;
- Extending the footprint of a single-family unit into the floodplain or wetland area or expanding the footprint of a structure that is already in a floodplain or wetland area;
- Major rehabilitation or reconstruction of multifamily residential units that increases or decreases the unit density more than 20 percent;
- Conversion of a non-residential structure to create a residential use;
- Acquisition of land for development of a housing subdivision;
- Activities that are normally exempt or categorically excluded but have an extraordinary circumstance that requires further review.

NMHC must file the completed checklist and a statement in the Environmental Review Record.

5. **Subject to an environmental impact statement (24 CFR 58.37)**
   If a project is subject to a full EA and is determined to have a potentially significant impact on the human environment, then an Environmental Impact Statement (EIS) is required. An EIS is also required if the project fits at least one of the following criteria:

   - It would provide a site or sites for or result in the construction of hospitals or nursing homes containing more than 2,500 or more beds;
   - It would remove, demolish, convert or substantially rehabilitate 2,500 or more existing housing units or would result in the construction or installation of 2,500 or more housing units;
   - It would provide enough additional water and sewer capacity to support 2,500 or more additional housing units.

The Loan/Grant Supervisor or Project Supervisor must concur on the final environmental review determination (such as "Conversion to Exempt" or issuance of a "FONSI"). Depending on the type of project, the grant specialist, construction inspector, or administrative assistant receives the environmental review document log, scan, and digitally file in the NMHC shared drive to ensure all environmental records are maintained together.

STEP 2: Preparation of Environmental Review

Once the level of environmental review is determined, the loan/grant supervisor or project supervisor will include the determination in the Environmental Assessment file. The loan/grant supervisor or project supervisor will prepare environmental records.

The estimated timeframe, depending on consultations require for completing Environmental Process is as follows:

Environmental Determination	Estimated Timeline for Preparation
Exempt	1 Day
Categorically Excluded not Subject to 58.5	1 Day
Categorically Excluded Subject to 58.5	30-75 Days
Environmental Assessment	45-100 Days
Environmental Impact Statement	1-2 Years

Tiered Environmental Review

Environmental Reviews may be tiered to avoid repetition. Tiered reviews are used to identify and evaluate issues ripe for decision, excluding issues not relevant to the program, policy or project. They are appropriate when:

- Evaluating a policy or proposal
- Early Stages of Development
- When site-specific analysis is not feasible and more narrowed and focused review is better done at a later date
- *Tiered environmental reviews are not appropriate for projects requiring an Environmental Assessment.*

This review is conducted to achieve both compliance and speed because it does not require upfront identification of assisted properties.

In short, a tiered review focuses on a specific geographical area to address and analyze environmental impacts related to the proposed activities that might occur on the typical project site within that area. The specific addresses/locations of the individual properties are not known at this time. However, once individual project sites are located, any remaining environmental compliance issues that could not be resolved until project locations became known are completed according to standards for approval previously established for the target area. NMHC's tiered review focuses on scattered sites located throughout a particular targeted area.

The Tier 1 addresses all laws and authorities possible and establishes a plan (narrative) for the site-specific or subsequent review. NMHC must publish a public notice of intent to request a release of funds (NOI/RROF) and submit RROF as described in Step 3.

The Tier 2 site-specific review does not require a public notice or RROF required unless there are unanticipated impacts or impacts that are not adequately addressed in the Tier 1 review.

8-Step Decision Making Process for Projects in the Floodplain

1. Determine whether the action is located in a 100-year floodplain (or a 500-year floodplain for critical actions).

2. Notify the public for early review of the proposal and involve the affected and interested public in the decision-making process.

3. Identify and evaluate practicable alternatives. Identify the project site selection criteria and consider several alternative sites and actions:
   A. Locate the project within the floodplain
   B. Consider modifying the project
   C. Obtain a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR)

   or

   A. Locate the Project Outside of the Floodplain
   B. Consider other sites
   C. Consider no action or alternative actions that serve the same purpose

4. Identify Potential Direct and Indirect Impacts of Associated with Floodplain Development.

5. Where practicable, design or modify the proposed action to minimize the potential adverse impacts to lives, property, and natural values within the floodplain and to restore, and preserve the values of the floodplain.

6. Re-evaluate the Alternatives.

7. Determination of No Practicable Alternative

8. Implement the Proposed Action

STEP 3: Publication of Notice of Intent (NOI) Request for Release of Funds (RROF) and Finding of No Significant Impact (FONSI)

Categorical Exclusions

NMHC will publish a Notice of Intent to Request a Release of Funds (NOI/RROF) for projects that are Categorically Excluded Subject to §58.5 and projects requiring EAs, using the HUD recommended format. At a minimum, NMHC staff shall publish the NOI/RROF notice in a newspaper of general circulation and on the CDBG-DR website. Additionally, the following shall be notified:

1. Individuals and groups known to be interested in the activities
2. Appropriate tribal, local, State and Federal agencies

NMHC must consider the comments and make modifications, if appropriate, in response to the comments, before it certifies and submits the RROF to HUD. The public comment period is 7 days when published, counting from the day after the publication.

Environmental Assessments (EA)
If NMHC makes a Finding of No Significant Impact from an EA, it must prepare a Finding of No Significant Impact (FONSI) notice, using the HUD recommended format. At a minimum, NMHC staff shall publish the FONSI/NOI/RROF combined notice in a newspaper of general circulation and on the CDBG-DR website. Additionally, the following shall be notified:

1. Individuals and groups known to be interested in the activities
2. Appropriate tribal, local, State and Federal agencies

The FONSI public comment period is 15 days when published, counting from the day after the publication. NMHC typically publishes a FONSI notice at the same time it publishes the NOI/RROF. If the notices are released as a combined notice, the combined notice shall clearly indicate that it is intended to meet two separate procedural requirements; and, advise the public to specify in their comments which "notice" their comments address. The public comment period is 15 days when published, counting from the day after the publication.

NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 500514, Saipan, MP 96950-0514
Email: nmhc@nmhc.gov.mp
Website: http://www.nmhcgov.net

Tels: (670) 234-9447
234-6866
Fax: (670) 234-9021

PUBLIC NOTICE

PROPOSED AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION FRAUD, WASTE, AND ABUSE POLICY

Notice of Intended Action: The Board of Directors of the Northern Marianas Housing Corporation intends to amend the NMHC Fraud, Waste, and Abuse Policy pursuant to the Administrative Procedure Act, 1 CMC § 9104(a). If adopted, these Amendments to the 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: The proposed Amendments are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 2 CMC § 4433(t).

Terms and Substance: The proposed Amendments to the NMHC Fraud, Waste, and Abuse Policy affect the regulations relating to replacing the Lead Compliance Official with the Lead Fraud Official throughout the policies and procedures; the responsibility of the FWA Review Panel; to clarify responsibilities of roles under section 4. Review Procedures; to clarify the process under section 7. Agency Decision; to clarify responsibilities of roles, processes and outcomes under Section 8. Appeal Process; and to add a new section on Conflict of Interest.

Citation of Related and/or Affected Statutes, Rules and Regulations. The Amendments modify the regulations set forth for aligning processes for effective identification, prevention, reporting and processing of Fraud, Waste, and Abuse.

Directions for Filing and Publication: These proposed Amendments to the Northern Marianas Housing Corporation Fraud, Waste, and Abuse Policy 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; the Public Notice of Proposed Adoption shall be 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 Zenie P. Mafnas, Corporate Director, NMHC, to the following address, fax or email address, with the subject line "Proposed Amendments to the NMHC Fraud, Waste, and Abuse Policy:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021
Email address: zpmafnas@nmhcgov.net

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

Submitted by: _____ 06/10/2026
Merced "Marcie" M. Tomokane — Date
Chairperson
NMHC Board of Directors

Received by: _____ 6/10/2026
Jean Paul B. Reyes — Date
Special Assistant for Administration

Filed and
Recorded by: _____ 6.12.2026
Esther R.M. San Nicolas — Date
Commonwealth Registrar

Pursuant to I CMC § 2153(e) and I CMC § 9104(a)(3) the proposed Amendments to the NMHC Fraud, Waste, and Abuse Policy 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)).

_____ 6/11/2026
Edward Manibusan — Date
Attorney General

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NUTISIAN PUPBLIKU

MANMAPROPONI NA TINILAIKA GI NORTHERN MARIANAS HOUSING CORPORATION FRAUD, WASTE, AND ABUSE POLICY

Nutisia i Ma'intensiona na Aksión: I Kuetpun Mandirektot gi Northern Marianas Housing Corporation ha intensiona para u amenda i NMHC Fraud, Waste, and Abuse Policy sigun gi Åkton Administrative Procedure, I CMC § 9104(a). Yanggin ma'adåpta, esti siha na Tinilaika gi Regulasion siempri umifektibu gi dies (10) dihas gi halum kalendåriu dispues di pupblikasion nu i Nutisian Adåptasion gi halum Rehistran Commonwealth dispues di compliance yan i I CMC §§ 9102, 9104(a), yan 9105(b).

Åturidåt: I maproponi na Tinilaika siha manmacho'gui gi papa' i aturidåt nu i Kuetpun Mandirektot, ginen Kabesiyun-ñiha, para u macho'gui i areklamentu yan regulasion siha sigun gi 2 CMC § 4433(t).

I Tema yan Sustånsian i Palåbra siha: I maproponi na Tinilaika siha gi NMHC Fraud, Waste, and Abuse Policy ha afekta i regulasion ni umasosiåt ya para hu man na halom nuebu na replacing the Lead Compliance Official with the Lead Fraud Official throughout the policies and procedures; the responsibility of the FWA Review Panel; to clarify responsibilities of roles under section 4. Review Procedures; to clarify the process under section 7. Agency Decision; to clarify responsibilities of roles, processes and outcomes under Section 8. Appeal Process; and to add a new section on Conflict of Interest.

Sitasión i Asosiåt yan/pat i Manina'fekta na Statutes, Areklamentu yan Regulasion siha: I maproponi na Tinilaika siha ni umasosiåt ya para hu man na halom nuebu na aligning processes for effective identification, prevention, reporting and processing of Fraud, Waste, and Abuse.

Direksion siha para u Mapo'lu yan Pupblikasion: Esti i maproponi na Tinilaika siha gi Northern Marianas Housing Corporation Fraud, Waste, and Abuse Policy debi na u mapupblika gi halum i Rehistran Commonwealth gi halum seksion i maproponi yan nuebu na ma'adåpta na regulasion siha (1 CMC § 9102(a)(1)) yan u mapega gi hålum mankumbinienti na lugåt gi halum i Civic Center yan i hålum ufisinan gubietnamentu siha gi kada distritun senadot; i Nutisian Pupbliku put i Maproponi na Adaptasion debi na gi finu' Inglis yan i dos na lingguåhi natibu. (I CMC § 9104(a)(1)).

Upiñon siha: I intirisao na petsona siha siña muna'hålum tinigi' upiñon siha put i manmaproponi na Tinilaika siha guatu gi as Zenie P. Mafnas, Corporate Director, NMHC gi sigienti na address,

fax, pat email address, yan i råyan suhetu "Maproponi na Tinilaika siha gi NMHC Fraud, Waste, and Abuse Policy:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021
Email address: zpmafnas@nmhcgov.net

I upiñon, infotmasion yan kuntestasión siha debi na u fanhålum gi hålum trenta (30) dihas ginin i fetchan pupblikasion esti na nutisia. 1 CMC § 9104(a)(2). Kumu guaha maseha håfa na kuestion-mu, siña un ågang i NMHC gi numirun tilifon gi 234-6866/234-9447, 234-7689.

Nina'halum as: _____ Fetcha: 06/10/2026
Merced "Marcie" M. Tomokane
Kabesiyu
Kuetpun Mandirektot NMHC

Rinisibi as: _____ Fetcha: 6/10/2026
Jean Paul B. Reyes
Ispisiåt Na Ayudånti Para I Atministrasion

Pine'lu yan
Ninota as: _____ Fetcha: 6.12.2026
Esther R.M. San Nicolas
Rehistran Commonwealth

Sigun gi I CMC § 2153(e) yan 1 CMC § 9104(a)(3) i maproponi na Tinilaika siha gi Regulasion NMHC Fraud, Waste, and Abuse Policy ni chechettun guini maribisa yan maninaprueba komu para u fotma yan ligåt sufisienti ginen i Abugådu Hiniråt iya CNMI yan debi na u mapupblika (1 CMC § 2153(f) (pupblikasion nu areklamentu yan regulasion siha)).

_____ 6/11/2026
Edward Manibusan
Abugådu Hiniråt
Fetcha

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ARONGORONGOL TOULAP

PWOMWOL LIIWEL NGÁLI NORTHERN MARIANAS HOUSING CORPORATION FRAUD, WASTE, AND ABUSE POLICY

Arong reel Ipighil Mwóghut: Board-il Directors me Northern Marianas Housing Corporation rebwe ipighil liiweli NMHC Fraud, Waste, and Abuse Policy sángi Administrative Procedure Act, 1 CMC § 9104(a). Ngáre a adopted ló, Liiwel kkaal ngáli Mwóghútúghút kkaal llól seigh (10) ráál mwiril akkatééwow mellól Commonwealth Register ebwe bwunguló Arongorongol Adoption mwiril yaal angúúngú fengál me 1 CMC §§ 9102, 9104(a), me 9105(b).

Bwángil: Reel pwomwol Liiwel kkaal ebwe arongowow faal bwángil Board of Directors, sángi layúr Chairperson, ebwe arongowow allégh me mwóghutughut sángi 2 CMC § 4433(t).

Kkapasal me Aweeweel: Pwomwol Liiwel ngáli yaar NMHC Fraud, Waste, and Abuse Policy ee liiweli mwóghutughut ikka ee schuu ngáli replacing the Lead Compliance Official with the Lead Fraud Official throughout the policies and procedures; the responsibility of the FWA Review Panel; to clarify responsibilities of roles under section 4. Review Procedures; to clarify the process under section 7. Agency Decision; to clarify responsibilities of roles, processes and outcomes under Section 8. Appeal Process; and to add a new section on Conflict of Interest.

Citation reel Milikka ee Schuu me/ngare "Affected Statutes", Allégh me Mwóghutughut: Reel pwomwol Liiwel ikka ee schuu ngáli aligning processes for effective identification, prevention, reporting and processing of Fraud, Waste, and Abuse.

Afal reel Ammwelil me Akkatééwowul: Ikkaal pwomwol Liiwel ngáli Northern Marianas Housing Corporation Fraud, Waste, and Abuse Policy ebwe arongolong lóll Commonwealth Register llól tálil ffél mwóghutughut ikka ra adóptáálil (1 CMC § 9102(a)(1) me ebwe a appaschetá llól bwuley kka efil mellól civic center bwal llól government offices llól ghal ikkey senatorial district; ebwe lo Arongorongol Toulap reel Pwomwol Liiwel kkaal ebwe llól English me mwáliyasch (1 CMC § 9104(a)(1)).

Kkapas: Schóó kka re tipáli rebwe isiisilong ischil kkapas reel iyeel pwomwol liiwel kkaal rebwe isch ngáli Zenie P. Mafnas, Corporate Director, NMHC, ngáli féléfél iye amwirimwiritiw, fax ngáre email address, ebwe lo wóól subject line bwe "Proposed Amendments to the NMHC Fraud, Waste, and Abuse Policy".

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514

Saipan, MP 96950
Fax: 234-9021
Email address: zpmafnas@nmhcgov.net

Kkapas, data, views, ngáre angiingi ebwe toolong llól eliigh (30) ráál mwiril yaal akkatééwow arongorong yeel. 1 CMC § 9104(a)(2). Ngáre eyoor yóómw aiyegh, faingiló NMHC me 234-6866/234-9447/234-7689.

Isáliyalong: _____ Ráál: 06/10/2026
Merced "Marcie" M. Tomokane
Chairperson
NMHC Board of Directors

Bwughiyal: _____ Ráál: 6/10/2026
Jean Paul B. Reyes
Special Assistant ngáli Administration

Ammwelil: _____ Ráál: 6.12.2026
Esther R.M. San Nicolas
Commonwealth Register

Sángi 1 CMC § 2153(e) me 1 CMC § 9104(a)(3) ra takkal amwuri fischiiy me átirowa ppwommwol Liiwel ngáli Mwóghutughutúl Procurement ikka e appasch bwe aa ffil reel ffééról me legal sufficiency sángi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow (1 CMC § 2153(f) (akkatééwowul allégh me mwóghutughut)).

_____ _____
Edward Manibusan Ráál
Soulemelemil Allégh Lapalap

NORTHERN MARIANAS HOUSING CORPORATION

FRAUD, WASTE, AND ABUSE POLICY

VERSION ~~1~~2

~~May 30, 2025~~June 15, 2026

The policies stated in this manual are current as of ~~May 30, 2025~~June 15, 2026. This Manual represents the current version of the Northern Marianas Housing Corporation's (NMHC) policies which provide general guidance for the operation of Fraud, Waste and Abuse. All manuals will be reviewed periodically and updated. Therefore, users are strongly encouraged to visit our website: www.nmhcgov.net to access the latest version.

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Purpose

The purpose of this Fraud, Waste, and Abuse Policy is to establish guidelines and procedures for the identification, prevention, and reporting of fraudulent activities within the Northern Marianas Housing Corporation. This policy aims to protect the integrity of the agency's programs and to ensure that services are provided fairly and equitably to all eligible individuals and families.

Scope

This policy applies to all employees, contractors, and agents of Northern Marianas Housing Corporation, as well as applicants and recipients of housing assistance.

Overview

The Northern Marianas Corporation assures that it has instituted proficient financial and internal controls to safeguard funds, to ensure sound, optimal, and timely expenditure of funds, and to detect and prevent fraud, waste, and abuse. Accordingly, this policy governs and applies to any action relating to any irregularity, or suspected irregularity, involving employees, consultants, vendors, contractors, sub-recipients, sub-grantees, applicants or outside agencies conducting and/or performing official business with employees of such agencies, and/or any other parties with a business relationship with the NMHC.

Definitions

Fraud: The intentional deception or misrepresentation made by an individual or entity with the knowledge that the deception could result in some unauthorized benefit to themselves or others.

Waste: The use of resources without efficiency or effectiveness causing a loss in program integrity.

Abuse: Behavior that is inconsistent with the contractual, statutory, or regulatory standards monitored by Northern Marianas Housing Corporation, which may lead to an unauthorized benefit.

ACTIONS THAT CONSTITUTE FRAUD, WASTE, AND ABUSE

Actions constituting fraud waste and abuse are, but not limited to:

- Impropriety in the handling or reporting of money or financial transactions;
- Obtaining contracts through collusion and conspiracy;
- Theft or embezzlement;
- False statements, illegal commissions, or kickbacks;
- Any deceitful, dishonest or fraudulent act;
- Misappropriation of funds, securities, supplies, or other assets;
- Profiteering as a result of insider knowledge of the Corporation's activities;
- Disclosing confidential and proprietary information to outside parties;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Corporation.

- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar suspicious or related irregularity.

NMHC's paramount commitment is to preserve and safeguard the public trust and adopt and promote systematic ethical organizational behavior by providing clear and compelling guidelines and assigning responsibility for the development of adequate controls and impartial conduct of investigations. Any investigative activity required will be conducted freely without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Corporation.

Policy Statement

The Northern Marianas Housing Corporation (NMHC or Corporation), administers federal funds to fulfill its mission of providing fair and equal opportunity for safe, decent, sanitary, and affordable housing in the most efficient and responsive manner, especially to very-low, low, and moderate-income persons, elderly, and disabled. Critical to its sound administration is the corresponding fiduciary obligation to develop sufficient internal controls to provide reasonable assurance that housing programs and services are properly managed pursuant to applicable laws, regulations, and policies.

Responsibilities

Corporate Director: Responsible for implementing the policy and ensuring training and awareness.

Lead ~~Compliance~~ Fraud Official:

- -Monitor adherence to this policy, conduct investigations, and report findings to the Corporate Director.
- Conduct comprehensive review of applicant files and make recommendations to the respective Program Manager/Administrator.

Internal Auditor (DR):

- To support management in its effort to establish an organizational culture systemwide that emphasizes good moral character and encourages prudent judgment, sound moral ethics, honesty, objectivity, and integrity in all levels and processes;
- To assist management with the evaluation of internal controls used to detect and mitigate fraud, waste and abuse and to make recommendations to continually strengthen internal controls;
- To evaluate the organizational risk for fraud, waste and abuse and pursue fraud, waste and abuse investigations;
- To assess the effectiveness of the control environment, its processes and procedures that mitigate the occurrence of fraud, waste and abuse on an ongoing and continuous basis;
- To make recommendations to management for improvement of key areas that expose a risk for fraud, waste and abuse;
- To maintain a professional, conducive environment with an open line of communication with the Corporate Director and the CNMI Governor to facilitate the reporting of any and all fraudulent activities, behaviors, actions, or areas that present a risk of fraud, waste and abuse;

- To swiftly investigate incidences of fraud, waste, and abuse and to timely report such occurrences to the Corporate Director and the CNMI Governor.

NMHC Staff: Required to report any suspected fraud and to participate in training on fraud prevention procedures.

NMHC Fraud, Waste, and Abuse Review Panel: ~~Will conduct comprehensive review of applicant files and will make recommendations to the respective Program Manager/Administrator.~~A review panel appointed by the Corporate Director to review and hear the appeal.

Steps to Address Applicant Fraud

1. Identification and Prevention

Eligibility Verification: Conduct thorough eligibility verification processes for all applicants, including background checks and income assessment.

Public Awareness: Inform the public about fraud, waste, and abuse, and provide clear communication on the consequences of fraudulent activities.

Employee Training:
Comprehensive fraud training for all NMHC employees will be provided on a regular basis through training seminars, online webinars, conference calls, or other reasonable means and will be repeated periodically to keep employees alert to the potential for fraud, waste, and abuse. Fraud, waste, and abuse training is designed to meet the following objectives:

- To help establish a sound anti-fraud culture.
- To educate employees about fraud, waste and abuse, what to look for, and how to report it.
- To heighten employee awareness, which increases the likelihood that fraud, waste, and abuse will be reported.
- To send a message that the Corporation is proactively mindful of transparency and accountability at all levels organization wide, detecting and deterring fraud, that deceitful acts and dishonest behavior will be detected, and that perpetrators will be held accountable and punished accordingly.

2. Monitoring and Reporting

Data Analysis: Regularly analyze data for discrepancies or patterns indicative of fraud, including income inconsistencies and duplicate applications.

Commitment to Confidentiality and Anonymity: The Corporation will attempt to ensure that anonymity of the reporter is safeguarded and maintained. When one reports, he/she must be mindful of the following concerning confidentiality and anonymity:

- Even if you report anonymously, once the report has been made and the investigation begins, your coworkers or others who are familiar with the situation you are reporting may still be able to guess your identity.

- Whether you report anonymously or not, the Corporation will treat your report confidentially.
- It is not possible to guarantee absolute confidentiality in all circumstances. In certain cases, disclosure to others inside or outside the Corporation may be required by law.

Whistleblower Protection

Retaliation against an employee who, in good faith, filed a report of alleged fraud, waste, or abuse or who participated in an investigation, is a violation of this Policy. The Corporation's paramount priority is to uphold ethical and good moral character in preserving transparency and practicing accountability to protect and account for all funds and assets.

3~~. Procedures~~. Procedures for Reporting Internal Reporting

Any employee who has knowledge of or who has good reason to suspect that fraud, waste, or abuse has occurred shall adhere to the procedures outlined below.

When suspected fraudulent activity, waste, or abuse is observed by, or made known to, an employee, the employee shall immediately report the activity to the Lead ~~Compliance~~ Fraud Official. An employee may also report fraudulent activity, waste, or abuse via the NMHC or CDBG-DR Division Fraud Hotline and the HUD OIG. The employee shall not make any attempt to investigate the suspected activity prior to reporting it. An employee shall not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present, or future investigation. An employee must be able to provide adequate information to support an investigation. Mere speculation does not suffice. The report must be made in good faith. An employee who knowingly makes a false or bad faith complaint will be subject to disciplinary and/or legal action.

External Reporting

The Corporation ca not compel citizens and customers (non-employees) to report suspected instances of fraud, waste, or abuse. However, the Corporation strongly encourages them to do so by:

- Calling the NMHC Fraud Hotline at 670-989-3900
- Emailing Fraudhotline@nmhcgov.net
- Submitting the complaint form available online at http://www.cnmi-cdbgdr.com or http://www.nmhcgov.net.
- HUD Office of Inspector General at 1-800-347-3735 or via email at HOTLINE@hudoig.gov.

4. Review Procedures

Initial Assessment: Upon receiving a report of suspected fraud, the NMHC Lead ~~Compliance~~ Fraud Official shall gather initial facts, conducts an investigation, and report~~s~~ his/her findings to the ~~Fraud, Waste, and Abuse Review Panel (FWARP)~~Program Manager/Housing Administrator.

Types of Documents to Collect in the Initial Assessment Note: NMHC Lead ~~Compliance~~ Fraud Official shall request for additional documents, as necessary. Dependent on what stage of the housing assistance process an applicant may be when the suspected fraud was reported, certain documents below may not apply:

a. Application Form
   - Completed housing assistance application form, including details about all household members.

b. Identification Documents
   - Government-issued IDs: Copies of photo IDs (e.g., driver's licenses, state IDs, passports) for all household members.
   - Social Security Cards: Social Security numbers for all household members may also be needed for income verification and eligibility checks.

c. Proof of Residency
   - Lease Agreements: Current lease or rental agreements that list all household members.
   - Utility Bills: Recent utility bills (electricity, water, gas) showing the name and address of the applicant and any other household members.

d. Income Verification
   - Pay Stubs: Recent pay stubs for all working household members.
   - Wage Verification Letters: Letters from employers confirming employment and earnings if pay stubs are not available.
   - Tax Returns: Most recent tax returns or W-2 forms for all adult household members.
   - Public Assistance Documents Documentation of any received assistance (e.g., SSI,food stamps) for household members.

e. Birth Certificates and Legal Documentation
   - Birth Certificates: Copies of birth certificates can provide proof of relationship and age for minor household members.
   - Custody/Guardianship Papers: Legal documentation if the applicant is a guardian or caretaker for another person.

f. Affidavit or Declaration
   - Affidavit of Household Composition: A sworn statement listing all household members, affirming the accuracy of the information provided

g. Self-Declared Income and Asset Documentation**
   - Income and asset declarations completed by each adult household member, providing a fuller picture of financial stability.

h. References or Verification Files
   - Character References: Personal references or previous landlords can help validate the household's claims about residence and composition.
   - Home Visit or Interview Documentation
     - Home Visit Notes: If applicable, any notes or findings if a housing agency conducts a home visit to verify household composition.

Verifications
Cross-Validation: Data from different documents should be cross-verified to ensure consistency.

Periodic Updates: Require households to update their information regularly, especially if there have been changes in family composition.

Privacy Compliance: Ensure that all documents are handled in compliance with privacy laws and regulations, such as the Fair Housing Act and the Privacy Act.

~~After gathering information and conducting an investigation, the NMHC Lead Compliance Official will forward his/her findings and recommendation to the Fraud, Waste, and Abuse Review Panel.~~

5~~. Fraud~~. Fraud Involving the Non-Disclosure of Household Members

NMHC may further review the household member in question (individual who was not disclosed in the household composition), should a suspected fraud report be received. The following documents will be requested by the NMHC Lead ~~Compliance~~ Fraud Official:

a. Affidavit or Written Statement
   - Affidavit from the Applicant: The applicant can provide a sworn statement affirming that the individual in question does not reside with them.
   - Affidavit from Neighbors or Other Witnesses: Statements from neighbors, friends, or family members testify that the individual does not live at the residence.

b. Third-Party Verification
   - Landlord or Property Manager Statements: A confirmation from the landlord or property management confirming that the individual is not listed on the lease or does not reside at the address.
   - Utility Company Statements: Documentation from utility companies indicating that the individual does not have an account registered at the residence.

c. Documentation Evidence
   - Mail and Official Correspondence: Mail addressed to the individual at a different address, including utility bills, bank statements, or government correspondence.
   - Voter Registration Records: If the individual is registered to vote at a different address, this can serve as proof of residency elsewhere.
   - Employment Records: Pay stubs or employment letters indicating the individual's primary work location is outside the residence in question.

d. Inspections or Home Visits
   - Home Visit Observations: Observations made during a home visit by housing agency staff can provide evidence. For example, if the individual's personal belongings or vehicles are not present.
   - Photographic Evidence: Photos of the living space that do not show the individual's belongings or any indication of their residence.

e. Social Media and Public Records
   - Social Media Activity: Posts or check-ins that may indicate the person lives at a different address.
   - Public Records: Other public records, such as court documents or property tax records, showing the individual's primary residence.

f. Financial Documentation
   - Bank Statements: Bank statements showing transactions that indicate the individual spends a significant amount of time at a different address or is maintaining an account elsewhere.

g. Interview Process
   - Interviews of Residents: Conduct interviews with other residents in the household or neighbors to ascertain the living situation accurately.
   - Address Confirmation: Asking the individual in question for their current address and proof of residence (e.g., lease, utility bills, etc.).

6~~. Fraud~~. Fraud Involving the Non-Disclosure of Additional Income

a. Affidavit from the Applicant: The applicant can provide a sworn statement affirming that their income is true and accurate
b. Third-Party Verification (e.g. Enterprise Income Verification (EIV) and other forms of verifications)

7. Agency Decision

~~The applicant will be informed of their file being under review by the FWA Review Panel and informed about the opportunity to present supporting documents or be represented by counsel during the FWA Review Panel.~~

~~The FWA Review Panel will conduct a comprehensive review of the application file, which may include interviews, further document reviews, and site visits. The review panel will be composed of NMHC Management and Staff.~~

~~Panel Hearing: The FWA Review Panel will provide the applicant with notice of the upcoming review and the opportunity to present evidence or supporting documents. The FWA Review Panel will then review the documentation and preside over the Panel Hearing proceeding, if applicable. The FWA Review Panel will maintain detailed records of the review process, including findings, evidence collected, and actions taken. The FWA Review Panel will decide on the matter and will forward their~~Upon forwarding the findings and recommendations to the designated program manager/administrator, ~~T~~the designated program manager/administrator will then issue the agency decision to the applicant/client.

Notification of Agency Decision
The applicant will receive written notification of the Final Agency Decision.
The notice should include:

- The specific reasons for the decision;
- Information on their right to appeal and how to appeal of the decision; and
- A contact person or office for questions or further clarification.

Administrative Action: ~~If fraud is confirmed, take appropriate administrative actions, including the conversion of grants to loans (specifically CDBG-DR), possibility of terminating housing assistance and demanding repayment of funds.~~Upon completion of the review and investigation process, NMHC shall determine the appropriate administrative action based on the facts, evidence obtained, and the stage of assistance provided under the applicable NMHC-administered program. Administrative remedies may include repayment obligations, conversion of assistance, termination of participation, recapture of funds, referral to law enforcement, and any other action permitted under federal regulations, NMHC-administered program requirements, and applicable laws.

Referral to Authorities: If applicable, refer the case to law enforcement or other appropriate authorities for criminal prosecution.

8. Appeal Process

Right to Appeal: An Applicant must file an appeal of the final agency decision by submitting their appeal in writing to the Corporate Director within ten (10) calendar days of the written notice of the final decision.

The Corporate Director shall appoint an FWA Review Panel to review and hear the appeal.

Any appeal submitted must indicate the basis for the appeal and include any supporting documents. If a client fails to submit an appeal within ten (10) calendar days, the appeal shall not be considered.

Appeal

- **Acknowledgment**: Upon receiving the appeal request, the Corporate Director should confirm receipt of the appeal in writing and refer the appeal to the FWA Review Panel.
- **Review Process**: The ~~Corporate Director~~FWA Review Panel should review the appeal and any information provided.
  - This could include:
    - The documents which supported the administrative decision as well as new material presented.
    - Re-examining the eligibility criteria.
    - Considering any new evidence or mitigating circumstances.
    - Checking for administrative errors in the original decision.
    - Hold a hearing to preside over the appeal~~, if requested~~
- ~~**Possible Outcomes**:~~
  - ~~**Upheld Denial**: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.~~
  - ~~**Reversal of Denial**: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.~~
  - ~~**Further Action**: If the appeal is complex, a hearing or meeting may be scheduled.~~

Hearing ~~(if requested/applicable)~~

Scheduling: If the applicant requests a hearing, the agency should schedule it within 30 days or as soon as possible.

- **Location**: The hearing can be held in person or virtually, depending on the circumstances.
- **Representation**: The applicant may be allowed to bring a representative, such as a lawyer, advocate, or family member, to assist with the hearing.
- **Presentation of Evidence**: Both the applicant and the agency can present evidence or make arguments related to the denial.
- ~~**Neutral Hearing Officer**~~**FWA Review Panel**: The ~~Corporate Director or a neutral party~~FWA Review Panel should preside over the hearing to ensure fairness.

- ~~If a Hearing Officer presides over the appeal, the Hearing Officer~~ The FWA Review Panel will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties with the ability to submit exceptions to the FWA Review Panel ~~Hearing Officer's~~ recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).

Possible Outcomes:

- **Upheld Denial**: If the original decision is confirmed, the applicant should be notified with a clear explanation of why the decision stands.
- **Reversal of Denial**: If the decision is overturned, the applicant should be granted housing assistance, and they should receive written confirmation.

Decision on Appeal

- **Issuance of Decision**: After the hearing or review, the ~~Corporate Director~~FWA Review Panel's Chairperson should issue a written decision to be concurred by the Corporate Director, which should include:
  - A summary of the hearing or review process.
  - The findings of fact.
  - The rationale for the decision.
  - Information on next steps, if applicable (such as the right for judicial review).
- ~~If a Hearing Officer presides over the appeal, the Hearing Officer will adhere to 1 CMC § 9110. Which includes the need to provide the agency and applicant to submit proposed findings of fact and conclusions of law under 1 CMC § 9110(b)(1); and providing parties the ability to submit exceptions to the Hearing Officer's recommended order or decision before it becomes the final agency decision under 1 CMC § 9110(b)(2).~~
- **Timeframe**: The decision should be made within a reasonable time after the hearing or review was conducted.
- Under 1 CMC § 9112(b), within 30 days after the final agency decision has been issued, the applicant will have a right for judicial review.

9. Conflict of Interest

In accordance with applicable federal regulations, including 2 C.F.R. § 200.303 relating to internal controls, and HUD requirements concerning ethical administration of federally funded programs, the Northern Marianas Housing Corporation (NMHC) shall maintain an impartial and objective review process for all Fraud, Waste, and Abuse matters.

All employees, investigators, Review Panel members, Hearing Officers, contractors, consultants, and other individuals participating in any investigation, review, hearing, recommendation, or decision-making process shall avoid any actual, potential, or perceived conflict of interest.

A conflict of interest exists when an individual has a financial, personal, professional, organizational, or familial interest that could compromise, impair, or appear to impair the individual's independence, objectivity, or impartiality in carrying out official duties.

The following requirements shall apply:

- Any individual involved in the review process must immediately disclose any actual or potential conflict of interest to the Corporate Director upon becoming aware of the conflict.
- Any individual with a conflict of interest shall recuse themselves from participating in the investigation, review, deliberation, hearing, recommendation, or decision-making process related to the matter.
- The Corporate Director shall designate an alternate qualified individual or Review Panel member to ensure the integrity and impartiality of the process.

- No person shall participate in a matter involving:
  - A family member or relative;
  - A household member or close personal relationship;
  - A direct supervisory or subordinate relationship;
  - A financial or personal interest in the outcome;
  - Prior involvement in the matter under review; or
  - Any circumstance that may create an appearance of bias or impropriety.
- All members of the FWA Review Panel and other designated participants may be required to complete and sign a Conflict of Interest Disclosure and Certification Form prior to participating in any proceedings.
- Any failure to disclose a known conflict of interest may result in disciplinary action, removal from the review process, and/or other corrective actions consistent with NMHC policies, federal regulations, and applicable laws.

NMHC shall ensure that all review proceedings are conducted in a manner that promotes fairness, transparency, accountability, and compliance with HUD program requirements and applicable federal regulations.

Conclusion

By adhering to this Fraud, Waste, and Abuse Policy, Northern Marianas Housing Corporation aims to uphold the highest standards of integrity and accountability in all of its operations. All staff and stakeholders are expected to fully support the prevention and identification of fraudulent activities, thereby ensuring the responsible use of public resources.

Approval and Amendment History

This policy was approved on 5/30/2025 by the NMHC Board of Directors and will be reviewed annually for any necessary amendments.

Version Number	Approval Date
Version 1.0	May 30, 2025
Version 2.0	June 5, 2026

CONTACT INFORMATION

For Northern Marianas Housing Corporation

By Postal Mail:
NMHC
P.O. Box 500514
Saipan, MP 96950

By Email:
Fraudhotline@nmhcgov.net

Fraud Hotline:
670-989-3900

Website:
CDBG-DR Division: http://www.cnmi-cdbgdr.com
All other Programs: http://www.nmhcgov.net

For HUD Office of Inspector General

By Postal Mail:
HUD OIG Hotline
451 7th Street SW
Washington, D.C. 20410

By Email:
HOTLINE@hudoig.gov

HUD OIG Hotline:
1-800-347-3735 (Toll-Free)

NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 500514, Saipan, MP 96950-0514
Email: nmhc@nmhc.gov.mp
Website: http://www.nmhcgov.net

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

NMHC COMPLAINT FORM

If you know or suspect someone has committed fraud, waste or abuse related to the Northern Marianas Housing programs, please fill in the complaint form.

Do you wish to remain anonymous?

- Yes
- No

If your answer is "Yes", it is not necessary to complete the contact information section. It is important to note that we will not be able to contact you if we need additional information about your complaint.

Do you wish to maintain your contact information private?

- Yes
- No

If your answer is "Yes", your contact information will not be shared outside the Lead ~~Compliance~~ Fraud Official's Office. Our policy is to honor requests for confidentiality and not to release any data that would identify such individuals unless required to do so by order of law.

ALLEGATION DESCRIPTION

Are you a victim of the alleged fraud, waste or abuse?

- Yes
- No

Do you have evidence to support the allegations?

- Yes
- No

Will you be able to provide supporting documents?

- Yes
- No

Please provide information about your relationship with the person/entity who allegedly has committed or is involved in the fraud, waste or abuse:

Please provide a summary of the facts of the alleged fraud, waste or abuse:

Where did the fraud, waste of abuse occur?

In what date (specific or range of dates) did the fraud, waste or abuse happen?

Describe what happened. Please include specific details as to who was involved, and how did you obtain the information. Failure to provide sufficient information or documentation may prevent or delay the investigation of your complaint.

By submitting this form, you attest that all of the statements made, including any additional pages and/or supporting documentation, are true, complete, and correct to the best of your knowledge. In addition, you recognize that knowingly and wilfully making a deliberate or materially false,

fictitious, or fraudulent statement or representation in this Complaint Form is a criminal offense for which you may be prosecuted.

In accordance with 2 C.F.R. § 200.303, regarding internal controls of a non-Federal entity, NMHC is committed to protect all Personally Identifiable Information obtained. This includes, but is not limited to, Social Security Numbers, driver's license numbers, alien registration numbers, financial or medical records, biometrics or criminal history. Although NMHC maintains websites with acceptable and reasonable precautions to protect your personal information, since no method of transmission over the Internet or storage of data on an Internet server is 100% secure, we do not guarantee its absolute security.

In the alternative, you may visit the NMHC Main Office in Garapan, Saipan, the NMHC Field Offices in Tinian and Rota or the NMHC CDBG-DR Office in Oleai, Saipan.

NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 500514, Saipan, MP 96950-0514
Email: nmhc@nmhc.gov.mp
Website: http://www.nmhcgov.net

Tels: (670) 234-9447
234-6866
Fax: (670) 234-9021

PUBLIC NOTICE

PROPOSED REGULATIONS
NORTHERN MARIANAS HOUSING CORPORATION
INCLUSIVE LIVING PROGRAM POLICIES & PROCEDURES

Notice of Intended Action: The Board of Directors of the Northern Marianas Housing Corporation intends to adopt the Northern Marianas Housing Corporation's (NMHC) Inclusive Living Program Policies & Procedures pursuant to the Administrative Procedure Act, 1 CMC § 9104(a). If adopted, these Amendments to the 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: The proposed regulations are promulgated under the authority of the Board of Directors, through its Chairperson, to promulgate rules and regulations pursuant to 2 CMC § 4433(i).

Terms and Substance: These Rules and Regulations are to establish the Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures.

Citation of Related and/or Affected Statutes, Rules and Regulations. These Rules and Regulations are to establish the Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures.

Directions for Filing and Publication: These proposed regulation to the Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures 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; the Public Notice of Proposed Adoption shall be both in English and in the principal vernacular (1 CMC § 9104(a)(1)).

Comments: Interested parties may submit written comments on the proposed regulations to Zenie P. Mafnas, Corporate Director, NMHC, to the following address, fax or email address, with the subject line "Proposed Regulations to the NMHC's Inclusive Living Program Policies & Procedures:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021

Email address: zpmafnas@nmhcgov.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: _____ 06/10/2026
Merced "Marcie" M. Tomokane Date
Chairperson
NMHC Board of Directors

Received by: _____ 6/10/2026
Jean Paul B. Reyes Date
Special Assistant for Administration

Filed and
Recorded by: _____ 6.12.2026
Esther R.M. San Nicolas Date
Commonwealth Registrar

Pursuant to 1 CMC § 2153(e) and 1 CMC § 9104(a)(3) the proposed Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures 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)).

_____ 6/11/2026
Edward Manibusan Date
Attorney General

NORTHERN MARIANAS HOUSING CORPORATION

P.O. BOX 500514, Saipan, MP 96950-0514
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Website: http://www.nmhcgov.net

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234-6866
Fax: (670) 234-9021

NUTISIAN PUPBLIKU

MANMAPROPONI NA REGULASION
NORTHERN MARIANAS HOUSING CORPORATION
INCLUSIVE LIVING PROGRAM POLICIES & PROCEDURES

Nutisia i Ma'intensiona na Aksión: I Kuetpun Mandirektot gi Northern Marianas Housing Corporation ha intensiona para u ma'implimenta nuebu na regulasion para i Northern Marianas Housing Corporation Inclusive Living Program Policies & Procedures sigun gi Åkton Administrative Procedure, I CMC § 9104(a). Yanggin ma'adåpta, esti siha na nuebu gi Regulasion siempri umifektibu gi dies (10) dihas gi halum kalendåriu dispues di pupblikasion nu i Nutisian Adåptasion gi halum Rehistran Commonwealth dispues di compliance yan i I CMC §§ 9102, 9104(a), yan 9105(b).

Åturidåt: I maproponi na Tinilaika siha manmacho'gui gi papa' i aturidåt nu i Kuetpun Mandirektot, ginen Kabesiyun-ñiha, para u macho'gui i areklamentu yan regulasion siha sigun gi 2 CMC § 4433(i).

I Tema yan Sustånsian i Paláabra siha: Para u ma'implimenta nuebu na regulasion para i Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures.

Sitasión i Asosiåt yan/pat i Manina'fekta na Statutes, Areklamentu yan Regulasion siha: Para u ma'implimenta nuebu na regulasion para i Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures.

Direksion siha para u Mapo'lu yan Pupblikasion: Esti i maproponi na nuebu na reulasion siha gi Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures debi na u mapupblika gi halum i Rehistran Commonwealth gi halum seksion i maproponi yan nuebu na ma'adåpta na regulasion siha (1 CMC § 9102(a)(1)) yan u mapega gi hålum mankumbinienti na lugåt gi halum i Civic Center yan i hålum ufisinan gubietnamentu siha gi kada distritun senadot; i Nutisian Pupbliku put i Maproponi na Adaptasion debi na gi fînu' Inglis yan i dos na lingguåhi natibu. (1 CMC § 9104(a)(1)).

Upiñon siha: I intirisao na petsona siha siña muna'hålum tinigi' upiñon siha put i manmaproponi nuebu na regulasion siha guatu gi as Zenie P. Mafnas, Corporate Director, NMHC gi sigienti na address, fax, pat email address, yan i råyan suhetu "Maproponi nuebu na regulasion siha gi Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514

Saipan, MP 96950
Fax: 234-9021
Email address: zpmafnas@nmhcgov.net

I upiñon, infotmasion yan kuntestasión siha debi na u fanhålum gi hålum trenta (30) dihas ginin i fetchan pupblikasion esti na nutisia. 1 CMC § 9104(a)(2). Kumu guaha maseha håfa na kuestion-mu, siña un ågang i NMHC gi numirun tilifon gi 234-6866/234-9447, 234-7689.

Nina'halum as: _____ Fetcha: 06/10/2026
Merced "Marcie" M. Tomokane
Kabesiyu
Kuetpun Mandirektot NMHC

Rinisibi as: _____ Fetcha: 6/10/2026
Jean Paul B. Reyes
Ispisiåt Na Ayudånti Para I Atministrasion

Pine'lu yan
Ninota as: _____ Fetcha: 6.12.2026
Esther R.M. San Nicolas
Rehistran Commonwealth

Sigun gi 1 CMC § 2153(e) yan 1 CMC § 9104(a)(3) i maproponi nuebu na Regulasion para i Northern Marianas Housing Corporations' Inclusive Living Program Policies & Procedures ni chechettun guini maribisa yan maninaprueba komu para u fotma yan ligåt sufisienti ginen i Abugådu Hinirål iya CNMI yan debi na u mapupblika (1 CMC § 2153(f) (pupblikasion nu areklamentu yan regulasion siha)).

_____ 6/11/2026
Edward Manibusan
Abugådu Henerål
Fetcha

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ARONGORONGOL TOULAP
PPWOMWOL MWÓGHUTUGHUT
NORTHERN MARIANAS HOUSING CORPORATION
INCLUSIVE LIVING PROGRAM POLICIES & PROCEDURES

Arongorong reel Mángemángil Mwóghut: Board-il Directors me Northern Marianas Housing Corporation re mángemángil rebwe adóptááli mille Northern Marianas Housing Corporation's (NMHC) Inclusive Living Program Policies & Procedures sángi Administrative Procedure Act, 1 CMC § 9104(a). Ngare re adóptááli, ebwe bwunguló Liiwel ngáli Mwóghutughut kkaal seigh ráál mwiril aal akkatééwow mille Arongorongol Toulap reel Adóptaa me llól Commonwealth Register mwiril aal angúúngú fengál me 1 CMC § 9102, 9104(a), me 9105(b).

Bwángil: Ebwe arongowow ppwommwol Liiwel kkaal faal bwángil Board-il Directors, sángi aar Chairperson, reel ebwe aronga allégh me mwóghutughut sángi 2 CMC § 4433(i).

Kkapasal me Aweeweel: Allégh me Mwóghutughut e itittiw ngáli Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures.

Tekkit Reel ikka e Schuulong me/ngare Siiwelil "Statutes", Allégh me Mwóghutughut: Ebwe itittiw allégh me mwóghutughut ngáli Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures.

Afal reel Ammwelil me Akkatééwowul: Ebwe akkatééwow ppwomwol mwóghutughut ngáli Northern Marianas Housing Corporation's Inclusive Living Program Policies & Procedures me ebwe akkatééwow me llól Commonwealth Register llól tálil ppwomwol me ffél mwóghutughut ikka ra adóptááli (1 CMC § 9102(a)(1)) me ebwe bwal appaschetá me llól Civic Center me bwal llól bwulasiyol gobetnameento llól senatorial district, Arongorongol Ppwomwol Adóptaa ebwe lo llól English me llól mwáliyaasch (1 CMC § 9104(a)(1)).

Kkapas: Schóó kka re tipáli rebwe isiisilong ischil kkapas wóól ppwomwol mwóghutughut ngáli Zenie P. Mafnas, Corporate Director, NMHC, ngáli féléfél iye e amwirimwiritiw, fax ngare email address, fengál wóól subject line bwe "Proposed Regulations to the NMHC's Inclusive Living Program Policies & Procedures."

NORTHERN MARIANAS HOUSING CORPORATION
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Saipan, MP 96950
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Email address: zpmafnas@nmhcgov.net

Kkapas, data, views, ngare angiingi ebwe toolong llól eliigh ráál mwiril aal akkatééwow arongorong yeel. 1 CMC § 9104(a)(2). Ngare e yoor yóómw aiyegh, faingiló NMHC me 234-6866/234-9447/234-7689.

Isáliyalong: _____ 06/10/2026
Merced "Marcie" M. Tomokane Ráál
Chairperson
NMHC Board-il Directors

Bwughiyal: _____ 6/10/2026
Jean Paul B. Reyes Ráál
Special Assistant ngáli Administration

Ammwelil: _____ 6.12.2026
Esther R.M. San Nicolas Ráál
Commonwealth Registrar

Sángi I CMC § 2153(e) me I CMC § 9104(a)(3) ppwomwol Northern Marianas Housing Corporation aar Inclusive Living Program Policies & Procedures iye e appasch bwe ra takkal amwuri fischiiy me átirowa bwe aa fil reel ffééról me legal sufficiency sángi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow (I CMC § 2153(f) (arongowowul allégh me mwóghutughut)).

_____ 6/11/2026
Edward Manibusan Ráál
Soulemelemil Allégh Lapalap

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NORTHERN MARIANAS HOUSING CORPORATION

INCLUSIVE LIVING PROGRAM (ILP) POLICIES & PROCEDURES

1) INTRODUCTION:

The Inclusive Living Program (ILP) was established by the Northern Marianas Housing Corporation (NMHC) through Board adoption and approval in the June 5, 2026 Regular Board Meeting. Funding for the grant program is strictly derived from "NMHC's Own Properties" generated funds and as appropriated by NMHC's Board of Directors (BOD). Due to the limited availability of ILP funds, the grant assistance shall be limited to qualified applicants/households who are considered elderly, 62 years of age and above, and individuals with disabilities, as defined by the American Disabilities Act (ADA).

The NMHC's Mortgage and Credit Division (MCD) will be responsible for the day-to-day administration of the ILP. Support services will be provided by NMHC's Fiscal Division (FD) with respect to the disbursement and monitoring of the program grant funds, as well as the accounting and maintenance of financial records. NMHC's Asset Management Division (AMD) will provide technical assistance with respect to reasonableness of cost estimates, project construction/rehabilitation inspections, and other related matters. The NMHC Corporate Director will assume ultimate responsibility for the efficient and proper administration of the ILP in accordance with federal and local statutory and regulatory requirements.

2) PROGRAM OBJECTIVE:

- The main objective for the creation of the ILP is to assist households of eligible elderly individuals and individuals with disabilities by providing them with a fully-concrete, ADA-compliant bathroom. The bathroom may be constructed as a stand-alone ADA bathroom unit; an expansion of a fully concrete bathroom to meet ADA compliance and standards; or the rehabilitation of an existing dilapidated/damaged ADA bathroom to meet safe, decent, and sanitary standards.
- Additional grant assistance may be awarded to build a septic tank and leaching field if a CUC sewer line is nonexistent within the residential area.
- Additional grant assistance may be awarded to build a 1,000-gallon concrete water tank to be connected to the house.
- An applicant is only eligible for one grant approval for their principal residence.

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Tinian Field Office
Tel: (670)433-9213
Fax: (670)433-3690

CDBG-DR Office
Tel: (670)233-9447/9448/9449

Rota Field Office
Tel: (670)532-9410
Fax: (670)532-9441

3) GENERAL REQUIREMENTS:

- To be eligible or qualified under the ILP program, applicants must not exceed the maximum household income of $60K per annum, regardless of the household size (see attached household income limits).
- Must be the homeowner or lessee.
- Must be a US Citizen.
- Must have fee simple title to the property or maintain at least a 40-year leasehold interest in the property.
- The property or dwelling shall be the primary place of residence for at least a 10-year period.
- The Program will **prioritize** elderly and persons with disabilities who are extremely low income (whose income bracket falls within 30% AMI). Income (for purposes of prioritization) will be determined using the latest income limits in effect at the time the applicant's eligibility is assessed. The Mortgage and Credit Division will review and vet all applications, in batches of ten (10). Priority will apply per batch. BOD input to prioritize by income bracket. An applicant is only eligible for one grant approval for their principal residence.

4) GENERAL EXCLUSIONS:

- A credit analysis to determine creditworthiness is not applicable under the new program.
- The program assistance is in the form of a grant; therefore, a repayment analysis and conventional underwriting standards are not applicable for this program.
- Appraisal and property value analysis are not considered under this program, unless as deemed necessary.
- Environmental Reviews and Assessments are not applicable under the ILP. Any such environmental matter, concern, or requirements, including applying for permits as mandatory by federal and local rules and regulations shall be the responsibility of the Grantee(s) and the Contractor. All associated permitting fees and costs incurred to conduct an environmental review and assessment shall also be borne by the Grantee(s) and the Contractor.

5) GRANT SPECIFICATIONS:

- The ILP assistance is available to all qualified residents and homeowners of Saipan, Tinian, and Rota.
- Grant assistance and amounts are approved/awarded based on cost estimates for the construction/rehabilitation of the ADA bathroom, septic tank, leeching field and water reserve tank projects, subject to funds availability under the program.
- The Program will **prioritize** elderly and persons with disabilities who are extremely low income (whose income bracket falls within 30% AMI). NMHC will refer to the most recent income limit chart. The Mortgage and Credit Division will review and vet all applications,

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Fax: (670)532-9441

in batches of ten (10). Priority will apply per batch. BOD input to prioritize by income bracket. An applicant is only eligible for one grant approval for (as also mentioned in the general requirements) their principal residence.

- Applications will be reviewed and processed by the Mortgage and Credit Division (MCD).
- All completed files will be forwarded to the Corporate Director with MCD's recommendations. The final approval decision will be made by the Corporate Director.
- Total grant assistance to an eligible household will be up to $50,000.

6) PRE-QUALIFICATION:

Applicants may call the NMHC central office in Garapan, Saipan to schedule a pre-qualification interview with a Loan Specialist to determine eligibility for the program. Those applicants who are initially determined eligible shall be notified to provide additional documents to further process their applications. Proper completion of the formal application and submission of supplemental information shall be in accordance with the grant processing procedures. Grant applications shall be completed and signed by applicants requesting assistance and such signature(s) shall certify to the truth of all statements contained therein.

7) SUPPLEMENTAL INFORMATION:

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

1. Prior two (2) year's Income Tax Return with W-2 Tax Form;
2. Recent check stubs for the past two (2) months prior to applying for the program assistance of all household members that are 18 years old or older;
3. Other forms of documentation of income (i.e., Social Security payments, SSI, Retirement Income, etc.), if any;
4. Proof of land ownership for principal residence;
5. Property map for principal residence;
6. Most recent Preliminary Title Report (PTR) showing clear title to property, if available;
7. Valid identification; and
8. A doctor's certification of disability.

A checklist of the above-described supplemental information shall be provided with each formal application obtained. Additional information may be requested if deemed necessary by NMHC to ensure the eligibility of each applicant.

8) GRANT CLOSING FEES & RELATED COSTS:

NMHC will cover the following costs, as part of the grant assistance.

- $ 200.00 ---- Preliminary Title Report
- $ 150.00 ---- Recordation of Grant Documents
- $ 1,250.00 ---- Architectural/Engineering fees (if applicable)
- $ 400.00 ---- Utility Connection fees (if applicable)

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Inclusive Living Program Household Income Limits As of June 1, 2026								
	1 HH	**2 HH**	**3 HH**	**4 HH**	**5 HH**	**6 HH**	**7 HH**	**8 HH**
30% LIMITS	$ 11,950	$ 13,700	$ 15,400	$17,100	$ 18,450	$19,850	$ 21,200	$ 22,550
50% LIMITS	$ 19,700	$ 22,500	$ 25,300	$28,100	$ 30,350	$ 32,600	$ 34,850	$ 37,100
60% LIMITS	$ 23,640	$ 27,000	$ 30,360	$33,720	$ 36,420	$ 39,120	$ 41,820	$ 44,520
80% LIMITS	$ 31,500	$ 36,000	$ 40,500	$44,950	$ 48,550	$ 52,150	$ 55,750	$ 59,350

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Commonwealth Ports Authority
Francisco C. Ada/Saipan International Airport
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Phone: (670) 237-6500/01 Fax: (670) 234-5962
E-Mail Address: cpa.admin@pticom.com Website: https://cnmiports.com

PUBLIC NOTICE

Proposed Amendments to the Airport Regulations of the Commonwealth Ports Authority

The Executive Director of the Commonwealth Ports Authority ("CPA") hereby notifies the public that the Commonwealth Ports Authority intends to promulgate amendments to its Airport Regulations.

INTENDED ACTION TO ADOPT THESE PROPOSED AMENDMENTS TO THE PERSONNEL REGULATIONS OF THE COMMONWEALTH PORTS AUTHORITY: Notice is hereby given pursuant to 1 CMC § 9104(a) of the Administrative Procedure Act that the Commonwealth Ports Authority intends to promulgate the following amendments to its Airport Regulations.

TERMS, SUBSTANCE, AND DESCRIPTION OF THE SUBJECTS AND ISSUES INVOLVED: These proposed regulations amend various sections in NMIAC § 40-10.2, the **Military Exercise Ground Operations and Implementation Plans**, particularly to subsections:

§ 40-10.2-110 Security: To make use of official airport names.
§ 40-10.2-205 Aerial Events: Specify process.
§ 40-10.2-610 Key Positions of Management: Delete names and use titles only.
§ 40-10.2-710 Hangar Space: Delete obsolete language.
§ 40-10.2-810 Aircraft Rescue and Firefighting (ARFF) Capability: Delete immaterial language (ARFF Units).
§ 40-10.2-830 Movement Area: To make use of official airport names.
§ 40-10.2-840 Public Protection: To make use of official airport names.

AUTHORITY: The substance of the following proposed amendments was approved by the CPA Board of Directors on March 26, 2026, by majority vote. These proposed amendments are for publication in the Commonwealth Register for Notice and Comment pursuant to the Administrative Procedure Act and for approval by the Attorney General pursuant to 1 CMC § 2153(e). The Commonwealth Ports Authority has the authority to promulgate these regulations pursuant to 2 CMC § 2122.

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

TO PROVIDE COMMENTS: Persons or entities wishing to submit comments must do so in writing to Ms. Estrellita S. Ada, Executive Director, CPA, by means of one of the following: Email, mail, or hand-delivery to the CPA Administration Office located on the second floor of the Francisco C. Ada/Saipan International Airport with the subject line "**Comments on Proposed Airport Regulations**."

Commonwealth Ports Authority
P.O. Box 501055 Saipan, MP 96950
Tel. (670) 237-6500/6501
Email: cpa.admin@pticom.com

All written comments shall be submitted within 30 days after publication of this notice.

Submitted by: _____ 5/26/2026
ESTRELLITA S. ADA
Executive Director, CPA
Date

Received by: _____ 6/02/2026
JEAN PAUL B. REYES
Special Assistant for Administration
Date

Filed and
Recorded by: _____ 6.12.6.-2026
ESTHER R.M. SAN NICOLAS
Commonwealth Registrar
Date

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

_____ 6/5/2026
EDWARD MANIBUSAN
Attorney General
Date

Commonwealth Ports Authority
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Phone: (670) 237-6500/01 Fax: (670) 234-5962
E-Mail Address: cpa.admin@pticom.com Website: https://cnmiports.com

NUTISIAN PUBLIKU

Maproponi na Tinilaika siha gi Regulasion Personnel i Commonwealth Ports Authority

I Eksakatibu Direktot gi Commonwealth Ports Authority ("i CPA") ha ifotma guini i publiku na i Commonwealth Ports Authority ha intensiona para u implimenta i tinilaika gi iyon-ñiha regulasion Personnel siha.

I AKSION NI MA'INTENSIONA PARA U ADÅPTA ESTI I MANMAPROPONI NA TINILAIKA SIHA GI REGULASAION PUETTU I COMMONWEALTH PORTS AUTHORITY: I nutisia guini mannånå'i sigun para I CMC § 9104(a) gi Akton "Administrative Procedure" na i Commonwealth Ports Authority ha intensiona para u implimenta i sigenti na tinilaika gi iyon-ñiha Regulasion Personnel siha.

I TEMA, SUSTÅNSIA, YAN I DISKRIPSION I SUHETU NI MASUMÅRIA YAN ASUNTU NI TINEKKA: Esti na proponin regulasion para u tulaika meggai klåsin a'påtti gi NMIAC § 40-10.2, i Plånun i Tanu' ni Manetsisisiu yan Operasion i Militåt, piot para i subsection siha:

§ 40-10.2-110 Siguridåt: Para u ma'usa i ofisiåt na na'an i plåsan båtkun airi.
§ 40-10.2-205 Aerial Events: Specify process.
§ 40-10.2-610 Itmås impotånti na pusision gi i manihånti: Na'suha nå'an yan usun titulu ha'.
§ 40-10.2-710 Lugåt Hangar: Na'suha i ti ma'u'usa na lingguåhi.
§ 40-10.2-810 Kapasidåt para i manmanayuda yan mamunu' guåfi para i båtkun airi: Na'suha i ti ma'u'usa gi lingguahi (AARF Units).
§ 40-10.2-830 Lugåt Aksion: Para u ma'usa i ofisiåt na na'an i plåsan båtkun airi.
§ 40-10.2-840 Pruteksion i Publiku: Para u ma'usa i ofisiåt na na'an i plåsan båtkun airi.

ATURIDAT: I sustånsian i sigenti manmaproponi na tinilaika siha ginen maninapreba ni i Kuetpun Mandirektot gi Matsu 26, 2026, ni mayoria na botu. Esti i maproponi na tinilaika siha para publikasion gi halum Rehistran Commonwealth para Nutisia yan Upiñon sigun gi Akton Administrative Procedure yan para u inapreba ni Abugådu Heneråt sigun para 1 CMC § 2153(e). I Commonwealth Ports Authority gai aturidåt para u implimenta esti siha na regulasion sigun gi 2 CMC § 2122.

DIREKSION PARA U MAPO'LU YAN PUBLIKASION: Esti i Manmaproponi na Regulasion siha debi na u mapublika gi halum Rehistran Commonwealth gi halum seksiona ni Manmaproponi na Regulasion siha, 1 CMC § 9102(a)(1), ya u mapega hålum gi kumbiñenti na lugåt gi halum civic center yan gi halum ufisinan gubetnamentu gi kada distritun senadot, parehu Inglis yan i prinsipat na lingguåhin natibu 1 CMC § 9104(a)(1).

PARA U MAPRIBENIYI UPIÑON SIHA: I pitsona siha pat atyu i malagu' manna'hålum upiñon siha debi di u macho'gui gi tinigi' para guatu as Senora Estrellita S. Ada, Eksakatibun Direktot, CPA gi unu na tinattiyi na manera: Email, fax, mail osino intrega hålum gi Ufisinan Atministrasion i CPA ni gaigi gi Sigundu na Biebienda gi plasan Francisco C. Ada/Saipan International Airport yan "I Upiñon siha gi Manmaproponi na Regulasion Personnel."

Commonwealth Ports Authority
P.O. Box 501055 Saipan, MP 96950
Tel. (670) 237-6500/6501
Email: cpa.admin@pticom.com

Todu I tinigi' na upiñon siha debi na u fanhalum gi halum trenta (30) dihas dispues di publikasion nu esti na nutisia.

Nina'hålum as: _____ 5/26/2026
ESTRELLITA S. ADA — Fetcha
Eksakatibun Direktot, CPA

Rinisibi as: _____ 6/02/2026
JEAN PAUL B. REYES — Fetcha
Acting Ispisiåt na Ayudånti para i Atministratsion

Pine'lu yan Ninota as: _____ 6.12.2026
ESTHER R.M. SAN NICOLAS — Fetcha
Rehistran Commonwealth

Sigun i 1 CMC § 2153(e) yan i 1 CMC § 9104(a)(3) I manmaproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'apreba kumu fotma yan sufisienti ligat ginin i Abugådu Heneråt CNMI yan debi na u mapublika, 1 CMC § 2153(f).

_____ 6/5/2026
EDWARD MANIBUSAN — Fetcha
Abugådu Heneråt

Commonwealth Ports Authority
Francisco C. Ada/ Saipan International Airport
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Phone: (670) 237-6500/ 01 Fax: (670) 234-5962
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ARONGORONGOL TOULAP

Ppwomwol Liiwel ngáli Alléghúl Schóór Angaang loll Commonwealth Ports Authority

Executive Direktol Commonwealth Ports Authority e kke arongangaliir aramas toulap bwe Commonwealth Ports Authority ebwele liiweli Alléghúl Schóór Angaang.

MWÓGHUTUGHUT KKA COMMONWEALTH PORTS AUTHORITY EBWE FÉÉRU BWE EBWE YÁÁLI LIIWEL KKAAL NGALI ALLÉGHÚL SCHÓÓR ANGAANG: Commonwealth Ports Authority, faal 1 CMC § 9104(a) rel Administrative Procedure Act, e kke aronga ngaliir toulap bwe ebwe féérru liiwel ngali yaal Alléghul Schóór Angaang.

A-TOL, AUTOL, ME TAPPAL: Reel allégh kka rebwe liiweli ngali NMIAC§ 40-10.2, iye **Military Exercise Ground Operations and Implementation Plans**, faal:

§ 40-10.2-110 Bwe ebwe yááli ital plasal skooki.
§ 40-10.2-205 Ebwe iratiw meeta rebwe féérru.
§ 40-10.2-610 Esóóbw yoor ital eschei me eschei bwe title schagh.
§ 40-10.2-710 Esóóbw yoor kkapas kka rese kke yááli lo.
§ 40-10.2-810 Esóóbw yoor kkapas kka ese ffil (ARFF Units).
§ 40-10.2-830 Rebwe yááli schééschéél ital plasal skooki.
§ 40-10.2-840 Rebwe yááli schééschéél ital plasal skooki.

BWANGIL: Wóól March 26, 2026, Board of Directors merel Commonwealth Ports Authority re tipiyew ngali autol liiwel kkal. Ara isálilong liiwel kkal llól Commonwealth Register for Notice and Comment bwele ilaal mille e tétiw merel allégh ye Administrative Procedure Act bwal ngare Attorney General e tipáli faal allégh ye 1 CMC § 2153(e). Fal allégh ye 2 CMC §2122, emwel bwe Commonwealth Ports Authority ebwe féérru allégh kkal.

AFAL REEL AMMWELÚL ME ARONGORONG: Arongorong kkaal nge rebwe isaliilong llól Commonwealth Register faal section we Proposed Regulations, 1 CMC § 9102(a)(1), iwe bwal appaschata, llól ischil mwáliyasch fengál me llól ischil English, llól civic center me bwal bwulasiol gobetnameento me llól Senatorial Districts kka eluuw, Luta, Tchuliyól, me Seipél. 1 CMC § 9104(a)(1).

REEL ISIISILONGOL YÁÁMI ÓÓLEGH: Ngare eyoor schóó kka re tipáli bwe rebwe isiislong meefiyéér reel Allégh yeel nge emmwel bwe rebwe fafai me ngare isch ngali ilimwár ye Estrellita S. Ada, Executive Director rel Commonwealth Ports Authority. Elo

bwulasiol reel 2nd Floor reel Francisco C. Ada/Saipan International Airport. Yaal contact iye elo faal:

Commonwealth Ports Authority
P.O. Box 501055 Saipan, MP 96950
Tel. (670) 237-6500/6501
Email: cpa.admin@pticom.com

Ngare u tipeli bwe ubwe afangafang email ngare isch katta nge uwa bwughi ngali ilimwár yeel, nge ubwe ischitiw wóól subject line ngare katta bwe "Comments on Proposed Airport Regulations." Ówbwe atolongeey alongal ólegh reel meefiyami llól eliigh (30) ráálil mwiril arongorong yeel.

Isaliyalong: _____ 5/26/2026
ESTRELLITA S. ADA — Ráál
Executive Direktol, CPA

Bwughiyal: _____ 6/02/2026
JEAN PAUL B. REYES — Ráál
Special Assistant for Administration

Ammwelil: _____ 6.12.2026
ESTHER R.M. SAN NICOLAS — Ráál
Commonwealth Registrar

Sangi 1 CMC § 2153(e) me 1 CMC § 9104(a)(3), ppwommwol mwoghutughut ikka e appasch ra takkal amwuri fischiiy me ara tipiyew bwe aa fil reel ffééral me legal sufficiency sangi CNMI Attorney General me ebwe akkateewow sangi 1 CMC § 2153(f).

_____ 6/5/2026
EDWARD MANIBUSAN — Ráál
ATTORNEY GENERAL

SUBCHAPTER 40-10.2
MILITARY EXERCISE GROUND OPERATIONS AND IMPLEMENTATION PLANS

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§ 40-10.2-1001 Conditions

Subchapter Authority: 2 CMC § 2122(j).

Subchapter History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: This subchapter was originally published with Appendices A–E at 37 Com. Reg. 36050–36071 (Feb. 27, 2015).

Part 001 – Roles and Responsibilities

§ 40-10.2-001 Purpose

This part defines operational roles and responsibilities for the military members and other support personnel. Emphasis is on proper management of activities related to the exercise events to maintain the highest level of safety throughout the exercise at a FAR Part 139 Certified Airport.

Modified, 1 CMC § 3806(a), (d), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d). The Commission changed the capitalization of "military" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-005 Key Positions

(a) Airport Manager or authorized designee – Overall responsibility for safe operation of the airport, including:
(1) Responsible for the safe conduct of exercise events on the airport coordinating with Air Traffic Control Tower (ATCT, Guam CERAP) personnel during the exercise.
(2) Determine whether crowd evacuation is necessary in an emergency. If evacuation is required, issues appropriate instructions to direct evacuation pursuant to its AEP.
(3) Continuously monitor for any operation or activity deemed unsafe, and communicate necessary instructions to appropriate personnel to terminate those activities.
(4) Ensure compliance with FAR Part 139.
(5) Manage the schedule of exercises.
(6) Coordinate with outside agencies.

(b) Operations Supervisor or authorized designee – Overall responsibility for safety on the AOA during the exercise including:

(1) Overall responsibility for placement of approved temporary facilities and equipment.
(2) Assess ground operations from the standpoint of safe practices.
(3) Coordination of parking and transportation issues.
(4) Coordinate real time activities with ATCT, Guam CERAP.
(5) Ensure necessary operational planning has been completed.
(6) Coordinate with emergency personnel to ensure emergency resources are in place prior to commencing exercises when required.
(7) Conduct a daily exercise operations briefing for participating pilots and ground crews as required. The briefing will include specific local information such as compliance with FAR Part 139 and security requirements.
(8) Continuously monitor the exercise remaining alert for any operations or activity deemed unsafe, and take action to terminate those activities.
(9) In an emergency requiring evacuation, assist with appropriate crowd evacuation procedure pursuant to the AEP.

(c) Chief of Ports Police or authorized designee – Responsibility for implementation of 49 CFR Part 1542, security regulations.
(1) Coordinate operations of the emergency resources: local fire protection district and emergency medical service units, first aid station, local law enforcement, and contract security agencies.
(2) Ensure that exercise site security (perimeter, controlled access points, etc.) is maintained at all times, including proper deployment of crowd control barriers and personnel.
(3) Handle crowd control and security-related issues in coordination with all Airport Emergency Plans (AEP).
(4) Make continuous safety announcements.
(5) Inform all of an emergency situation.
(6) Maintain calm by making appropriate announcements.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "emergency" in (a)(6) for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-010 ARFF Operations - Command Post

The exercise command post will be located at the Emergency Operations Center (EOC) at the ARFF station for Saipan or respective EOC locations for Rota and Tinian, as designated by the ports managers, and will serve as the central location for managing information, directing exercise staff, and coordinating with outside agencies. Command post resources will include: communications capability (radios and cell phones), site diagrams, posted lists (key personnel and contact numbers), copies of exercise documents

and plans, message board, and office supplies. In the event of emergency, key exercise personnel, the airport manager, and the local FAA coordinator are authorized to coordinate information, assess conditions, and manage the incident.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Command Post" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-015 Communications Network

A formal radio communications network will be used during the exercise. Key personnel and operational areas will be issued a radio and or communication device and shall monitor the assigned frequency at all times. At Tinian and Rota Airports, radio communications must be freely accessible by the Flight Service personnel to the exercise's radio communications command center. If no radio is available or provided by the exercise operation, a manned personnel from the exercise team must be stationed at the Flight Service Office to monitor and relay traffic activities of the exercise to Flight Service personnel. The command post shall serve as base station and conduct a roll call each morning of the event to ensure the network is operating properly. Notification of minor incidents (e.g., small fuel spill from static aircraft, etc.) and medical emergencies will be via this network.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-020 Air Operations Briefing / Debriefing

An operations briefing for the current day followed by debriefing of the previous day will be held daily at a specified time at the command post. The focus will be on procedures that worked well, problems encountered, suggested corrective actions, and an evaluation by the Airport Manager. These briefings / debriefings shall be attended by the following:

(1) Airport Manager or authorized designee
(2) Director of Emergency Management or authorized designee
(3) Chief of Ports Police or authorized designee
(4) Chief of ARFF or authorized designee
(5) Operations Supervisor or authorized designee
(6) Safety Officer or authorized designee
(7) Officer in Charge of Military Operations

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

Part 100 – Ground Operations

§ 40-10.2-101 Purpose

This part defines the procedures to be followed to safely conduct ground operations in support of the exercise.

Modified, 1 CMC § 3806(a), (d).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d).

§ 40-10.2-105 Safety

The safety of flight line personnel, aircrew, exercise participants and visitors is the primary focus during the exercise and aircraft handling activities. All personnel are to remain alert for unsafe conditions or practices. Anyone observing a safety-related incident must immediately report the problem to the appropriate airport management representative and/or immediately take corrective action.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-110 Security

(a) The exercise area will be delineated by crowd control barriers and security fencing. There will be two to four controlled entry and exit points depending on the airport and as designated by each respective Airport Manager. Each airport designated entry and exit points are as follows:

Francisco C. Ada/Saipan International Airport

1. AOA Gate #1, West Gate (main gate)
2. AOA Gate #3, Commuter Gate

Francisco Manglona Borja/Tinian International Airport

1. Main Gate "A" Ramp Access
2. Secondary Gate "C"
3. Secondary Gate "D"

Benjamin Taisacan Manglona International Airport (Rota)

1. AOA East Gate
2. AOA West Gate
3. AOA South Gate

(b) Flight line access will be allowed only to appropriately badged individuals, to include:

(1) Exercise officials and directors.
(2) Military personnel.
(3) Pilots of aircraft parked on the ramp/apron.
(4) Certain guests escorted by exercise personnel.
(5) Media personnel, if allowed.

(c) Ports Police personnel will provide security for the exercise ramp area during the period of the scheduled exercises hours as well as during off hours to discourage unauthorized entry and to prevent tampering with the aircraft.

Modified, 1 CMC § 3806(a), (c).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission struck the figures "(2)" and "(4)" in (a) as a mere repetition of written words pursuant to 1 CMC § 3806(e).

§ 40-10.2-115 Apron / Ramp Operations

(a) The following procedures and considerations will apply to exercise participants: Note: Prior to any operations at the airport, all ground personnel identified as part of the exercise operations must go through a briefing by either the Operations Supervisor or Chief / Asst. Chief of Ports Police.

(1) Aircraft shall not be started or taxied on non aircraft usable surfaces
(2) Aircraft engines will not be started and operated closer than 100 ft. of the terminal area.
(3) Helicopters may not engage rotor systems closer than 200 ft. from the terminal area.
(4) A fire guard with fire extinguisher shall be posted prior to exercise aircraft engine starts.
(5) There must be at least two wing-walkers for each aircraft being moved or towed by the ramp crew.
(6) Following engine start and prior to taxi, each aircraft will be inspected by a flight

line crewmember for anomalies such as fluid leaks, loose panels, etc.
(7) Aircraft shall be checked when in their assigned parking spot
(8) Flight line personnel are to remain clear of propellers and jet engine intakes at all times.
(9) To the extent practical, there should be no running on the flight line.
(10) Flight line personnel must be alert for and remove any debris, trash etc. on the ramp that could cause foreign object damage (FOD) to aircraft.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

Part 200 – Operations

§ 40-10.2-201 Purpose

This part defines procedures to be followed to safely conduct the aerial events scheduled for the exercise.

Modified, 1 CMC § 3806(a), (d).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d).

§ 40-10.2-205 Aerial Events

(a) Exercise aerial events will be conducted in accordance with and/or be governed by the following standards and regulations:
(1) Federal Aviation Regulations for Air Traffic Control processes and procedures ~~(FAA Order 7110)~~
(2) Federal Aviation Regulations (FAR Part 139)
(3) Federal Flight Standards District Office (FSDO) directives
(4) Commonwealth Ports Authority (CPA) rules, regulations, policies and directives
(b) Coordinate real time activities with ATCT, Guam CERAP.

Note: All fighter jets approaching the runway for landing must align with the runway no less than a mile away. Similarly, when taking off from the runway, they should maintain alignment (no right or left turns) at least three miles away from runway end prior to making any turns.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

Part 300 – Terminating Exercise Activities

§ 40-10.2-301 Purpose

This part sets protocol that will be used to suspend an exercise event that is in progress on the airport. Only the Airport Manager or his/her designee has the authority to terminate any and all exercise activities in the airport for non-complying conditions in accordance with FAR Part 139, safety of personnel and the protection of property. The Exercise Coordinator must report any unusual exercise activities to the Airport Manager for immediate action.

Modified, 1 CMC § 3806(a), (d).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d).

Part 400 – Emergency Planning

§ 40-10.2-401 Purpose

This part defines procedures that will be implemented in the event of an emergency situation and shall be conducted pursuant to the Saipan, Tinian or Rota International Airports' AEP.

Modified, 1 CMC § 3806(a), (d).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d).

§ 40-10.2-405 Emergency Situations

Emergency situations requiring immediate action to ensure life safety could occur during the exercise. These include (but are not limited to): aircraft crash, aircraft fire, fuel spill, and structure fire.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb.

28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-410 Aircraft Emergency

In the event of an aircraft accident, primary response will consist of airport aircraft rescue and fire fighting (ARFF) equipment along with mutual aid fire and emergency medical services (EMS) units in accordance with the established Airport Emergency Plan. If an aircraft emergency occurs during the exercise, the primary objective of the airport staff will be to quickly isolate the hazard by evacuating people away from the area. This also applies to fires and other hazardous situations (e.g. fuel spill) involving aircraft on its apron/ramp areas. Airport personnel assisted by other resources, as necessary, will handle incident mitigation.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Airport" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-415 Non-Aircraft Emergency

Fire incidents (e.g. vehicle fire) and other hazardous situations in the exercise area (not involving aircraft) or in the parking areas, can be handled by both ARFF and the local fire department engine company assigned to the state. Local law enforcement personnel will assist by directing participants away from the incident and then keeping the area clear for responding emergency services.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-420 Medical Emergency

(a) Emergency care and transport of sick or injured persons will be conducted in accordance with established local EMS protocols. Resources available to accomplish this function include:

(1) On-site first aid station.

(2) Local EMS unit on exercise standby (assisted by local fire department).

(3) Local EMS response capability. In the event of a mass casualty-type incident, triage, emergency care, and transport will be conducted in accordance with

the established Airport Emergency Plan and local EMS protocols.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-425 Incident Notification Procedure

(a) The exercise command post will serve as "base station" for the operations communications network. The command post must be notified of an emergency or hazardous condition as soon as is practical by the person(s) discovering the problem. In many cases, this notification could occur after one of the on-site emergency units has been alerted (e.g. EMS unit on exercise standby). When notified of an incident in progress, the command post will:
(1) Confirm the nature and location of the emergency.
(2) Announce the nature and location of the emergency over the operations communications network.
(3) Verify that the proper resources are responding to the incident.
(4) Ensure the proper airport and exercise personnel are aware of the incident.
(5) Document all relevant information on the incident, including: time of occurrence, nature, location, and action taken.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

Part 500 – Crowd Evacuation

§ 40-10.2-501 Purpose

This part defines procedures that will be implemented in the event of an emergency situation requiring exercise participant evacuation from all or part of the airport.

* For evacuation routes, see Evacuation Route APPENDIXES for each respective airport.

Modified, 1 CMC § 3806(a), (d), (g).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d). The Commission struck "attached to this document" pursuant to 1 CMC § 3806(g).

§ 40-10.2-505 Evacuation Procedures

(a) The Chief of Airport Police:
(1) Determine the need for evacuation.
(2) Notify the airport management on the exercise communications network to initiate evacuation. Specify by which evacuation route(s) (e.g., primary and secondary only).
(3) Determine if aircraft exposed to the incident can be safely moved and issue necessary instructions to accomplish this task.

(b) The AOA Crew:
(1) Immediately isolate the incident site by evacuating people from the area.
(2) Direct the personnel toward the appropriate evacuation route – as instructed by the Chief of Police.
(3) Move exposed aircraft away from the incident site – as instructed by the Chief of Police.
(4) Make appropriate announcements to direct participants away from the incident and toward the appropriate evacuation route(s).
(5) Announcements may be supplemented with pre-assigned personnel on foot utilizing bull horns.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Airport Management" in (a)(2) for the purpose of conformity pursuant to 1 CMC § 3806(f).

Part 600 – Aircraft Accident / Incident Procedures

§ 40-10.2-601 Purpose

This part defines procedures to be followed should an accident / incident occur involving any aircraft. Refer to the Saipan, Rota, or Tinian Airport Emergency Plans (AEP) depending on which airport accident / incident occurred on.

Modified, 1 CMC § 3806(a), (d).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission substituted "part" for "section" pursuant to 1 CMC § 3806(d).

§ 40-10.2-605 Accident Scene Preservation

Preservation of the accident scene and physical evidence shall be a high priority after life safety issues have been addressed. Exercise staff shall assist in this effort at the direction of the Incident Commander and airport staff. Access to the crash site shall be restricted to ALL personnel unless approved by the Incident Commander.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-610 Key Positions of Levels of Management

Overall:

1. Executive Director ~~– Ms. MaryAnn Q. Lizama~~

Francisco C. Ada/Saipan International Airport

2. Saipan Airport Manager ~~– Mr. Edward B. Mendiola~~
3. Operations Supervisor ~~– Mr. Juan C. Tudela~~
4. ARFF Chief ~~– Chief James V. Diaz~~
5. Ports Police Chief ~~– Acting Chief Juan Dela Cruz~~

Francisco Manglona Borja/Tinian International Airport

6. Tinian Ports Manager ~~– Mr. Joseph M. Mendiola~~
7. Tinian Asst. Ports Manager ~~– Gerald K. Crisostomo~~
8. Police / ARFF Asst. Chief ~~– Capt. Rudeinn C. Sablan~~

Benjamin Taisacan Manglona International Airport (Rota)

9. Rota Ports Manager ~~– Mr. Martin Mendiola~~
10. Police / ARFF Asst. Chief ~~– Asst. Chief Roger Taisacan~~

Others

11. Military Officer in Charge – Military appointed
12. Safety Administrator – TBD

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

Part 700 – General Provisions

§ 40-10.2-701 Airspace

All airspace use will be strictly coordinated with the FAA Guam CERAP office.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission named this part and numbered this part and section pursuant to 1 CMC § 3806(a).

§ 40-10.2-705 Aircraft Handling, Servicing and Fueling

It is the responsibility of the exercise participants to arrange for all necessary and proper Aerospace Ground Equipment (AGE) for military units to ensure professional, qualified and safe aircraft servicing. All aircraft requiring fuel and related fueling operations shall be conducted in accordance with the Saipan, Tinian or Rota Airport Certification Manuals, NFPA 407, FAR Part 139 and APPENDIX B for hot refueling requirements.

Note: Hot refueling operations are not permitted at the Benjamin Taisacan Manglona International Airport on the island of Rota.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Hot Refueling" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-710 Hangar Space

~~(a) The only available hangar space available at the Francisco C. Ada / Saipan International Airport is being leased out exclusively to Freedom Air. Therefore, temporarily "tent" shelters may be used in a location designated by CPA as provided by the military.~~

(a) The Francisco C. Ada/Saipan International Airport offers space for temporary "tent" shelter in a location designated by CPA, as provided by the military.

(b) Due to limited hangar space at Tinian Airport, exercise participants will be granted temporary access to any terminal space as designated by the Airport Manager or "tent" shelters on the side of the airport as provided by the military.

(c) Due to limited hangar space at Rota Airport, exercise participants will be granted temporary access and use of ARFF Bay 11 or in temporary "tent" shelters as provided by the military.

Modified, 1 CMC § 3806(a), (f), (g).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "airport manager" in (b) for the purpose of conformity pursuant to 1 CMC § 3806(f). The Commission inserted an open paren before "tent" in (a) pursuant to 1 CMC § 3806(g).

§ 40-10.2-715 AOA Security

Security of the exercise will be conducted in accordance with 49 CFR, Part 1542, security regulations and combined efforts between the airports, TSA and the military. Airport perimeter gates and openings in security fence will be protected by the Airport Police. The exercise will utilize only areas of the airport that are designated by the Airport Manager.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015). Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-720 Hazardous Materials

Hazardous Materials (HAZMAT) disposal methods will comply with both state and federal HAZMAT disposal regulations. A HAZMAT disposal drum shall be provided by the exercise participants for the discarding of hazardous materials and ultimate disposal of same.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "State", "Federal", and "Exercise" for the purpose of conformity pursuant to 1 CMC § 3806(f).

Part 800 – Miscellaneous Provisions

§ 40-10.2-801 FAR Part 139 Issues

The proceeding topics cover elements contained in the Airport Certification Manuals (ACM). CPA is responsible for resolution of these issues:

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission named this part and numbered this part and section pursuant to 1 CMC § 3806(a).

§ 40-10.2-805 Airline Operations

The exercise event is planned for the Apron/Ramp area and is not anticipated to impact the commercial airlines terminal and ramp areas. Accordingly, no special operations can be conducted during the exercise that will impact other aeronautical activities on the airport.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Operations" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-810 Aircraft Rescue and Firefighting (ARFF) Capability and Special Emergency Response Procedures

(a) All three CPA airports will function in accordance with their Airport Emergency Plans which is to provide Aircraft Rescue and Firefighting (ARFF) in the event of an aircraft incident or accident on the airport. ARFF is the first responder to all incidents on the airport back up by the state fire department. The airport shall ensure that pre-positioning of an ARFF unit does not affect any of the airport's Part 139 Certification Level. Response times to any airport incident will not be affected by the exercise. ~~The airport has the following ARFF Units:~~

~~Saipan International Airport~~

~~Vehicle~~	~~Gallons of Water~~	~~Gallons of Foam~~
~~RIV~~	~~100~~	~~10~~
~~Crash 7~~	~~1,500~~	~~205~~
~~Crash 8~~	~~3,000~~	~~420~~
~~Crash 9~~	~~1,500~~	~~210~~
~~Tanker 6~~	~~3,000~~	~~none~~

~~On-Duty ARFF Personnel per shift: 7-9 personnel~~

~~Tinian International Airport~~

~~Vehicle~~	~~Gallons of Water~~	~~Gallons of Foam~~
~~Striker ARFF Vehicle~~	~~1,500~~	~~200~~
~~Titan ARFF Vehicle~~	~~1,500~~	~~200~~
~~HAZMAT Vehicle w/ trailer~~		

~~On-Duty ARFF Personnel per shift: 2 personnel (ARFF / Ports Police Officers)~~

~~Benjamin Taisacan Manglona International Airport (Rota)~~

~~Vehicle~~	~~Gallons of Water~~	~~Gallons of Foam~~
~~Striker ARFF Vehicle~~	~~1,500~~	~~200~~
~~Titan ARFF Vehicle~~	~~1,500~~	~~200~~
~~HAZMAT Vehicle w/ trailer~~		

~~On-Duty ARFF Personnel per shift: 2 personnel (1 Chief, 1 fire fighter)~~

(b) Hazardous material response will be provided by both the ARFF and state fire department. However, the ARFF is not fully trained to handle and respond to hydrazine incident(s). ARFF personnel will assist with exercise participants who are trained to handle this specific hazardous material. Exercise participants shall be responsible in bringing highly trained and qualified personnel to handle hydrazine incidents.

Modified, 1 CMC § 3806(a), (f), (g).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Fire Department" in (a) and "State Fire" in (b) for the purpose of conformity pursuant to 1 CMC § 3806(f). The Commission struck "during" in (a) pursuant to 1 CMC § 3806(g).

§ 40-10.2-815 Temporary Arresting Gears Installed in a Runway Safety Area

Arresting Gear / Barrier Engagement Systems must be coordinated for use with the Airport Manager and can only be utilized upon approval by the FAA ADO. To include objects that cannot be located in the Safety Areas that are not fixed by function and must be frangible no higher than 3 inches above grade.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-820 Pyrotechnic Devices

Pyrotechnic devices must be coordinated for use with the Airport Manager and can only be utilized by approval by the FAA ADO, Airport Police and TSA.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-825 Temporary Closures of Runways and Taxiways

Must be coordinated with the Airport Manager and conducted in accordance with its ACM and AC 150/5370-2f.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-830 Movement Area Maintenance

Exercise aircraft and ground vehicles will be parked in the following locations of each respective airport:

Francisco C. Ada/Saipan International Airport
Western end of the apron which is adjacent to Taxiway G, in a non-movement area.

Francisco Manglona Borja/Tinian International Airport
East Apron adjacent to Taxiway A or west gate adjacent to Taxiway A, in a non-movement area.

Benjamin Taisacan Manglona International Airport (Rota)
East Apron adjacent to Taxiway C, in a non-movement area.

Note: Any ground vehicles required to access movement areas MUST BE ESCORTED BY A QUALIFIED AIRPORT OPERATOR in accordance with its ACM and FAR Part 13.339.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-835 Fueling Operations

Jet-A fueling will be provided by mobile refuler truck through Exxon/Mobil. Refueling of AVGAS will be coordinated with local supplier. All Exercise Self Fuelers MUST conduct all fueling operations in accordance with the Saipan, Tinian or Rota International Airports' ACM, NFPA and FAR Part 139.321.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-840 Public Protection

Personnel control is maintained by encircling the exercise grounds with a combination of manufactured chain link fence, snow fence and water filled barricades. The Airport and Exercise participants are responsible for protecting any openings in this fencing. Facilitation of ingress and egress of participants is a combined effort of local law enforcement agencies. Exercise aircraft will taxi on Taxiway A and onto Taxiway G at the western end of the apron at the Francisco C. Ada/Saipan International Airport in a non-movement area, Taxiway B north of the terminal at the Francisco Manglona Borja/Tinian International Airport, and north to south on Taxiway B south ramp at the Benjamin Taisacan Manglona International Airport (Rota). The security effort provided by the airport will be in place for exercise control along the fence line and will keep people away from the fence during aircraft operations to protect against jet blast.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-845 Self-Inspections

The airport will conduct inspections daily except as otherwise required by the ACM and FAR Part 139.327, which are required to be performed as a result of unusual conditions such as construction activities, meteorological conditions, after an accident and / or an incident on the movement areas.

Modified, 1 CMC § 3806(a), (g).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission inserted a forward slash between "and or" pursuant to 1 CMC § 3806(g).

§ 40-10.2-850 Exercise Ground Vehicle Operations

Should a need occur for exercise personnel to enter the movement area; they will be escorted by a qualified airport personnel who are trained and permitted. The exercise will utilize vehicles permitted to operate within the AOA areas and as approved by each respective airport. The other vehicles will be used only to transit adjacent non-movement areas only. Exercise operators will use the established marked roadways already in use by FBO and general aviation personnel in the non-movement areas ONLY.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb.

28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Qualified" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-855 Pedestrian Operations

Should a need occur for exercise personnel to enter the movement area on foot, they will be escorted by qualified airport personnel who are trained and permitted. Exercise personnel shall not be left unattended under any circumstance and must be accompanied at all times while operating on the movement areas.

Modified, 1 CMC § 3806(a), (f).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a). The Commission changed the capitalization of "Qualified" for the purpose of conformity pursuant to 1 CMC § 3806(f).

§ 40-10.2-860 Impact to NAVAIDS

The airport shall prevent the use of exercise equipment that may derogate the operations of an electronic or visual NAVAID and ATCT facilities on the airport in accordance with FAR Part 139.333. ONLY FAA maintenance personnel are responsible for placing NAVAIDS out and in service.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-865 NOTAMs

The airport is responsible for the issuance of NOTAMs in accordance with its ACM and FAR Part 139.339, i.e., NOTAMs affecting airport closures, airport surfaces and airport aircraft landing and movement areas.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-870 Wildlife Hazards

The airport is responsible for reporting and alleviating wildlife hazards whenever they are detected in accordance with its ACM, Wildlife Hazard Management Plan and FAA Part 139.337.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-875 FOD Control

Exercise participants shall provide the necessary personnel and equipment for the cleanup and control of FOD on the AOA within its assigned areas.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-880 Changes to Airport Markings

No changes to any airfield signage, markings and lightings are authorized unless approved by the FAA ADO. This includes any temporary features.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-885 Paved Areas

No changes or alterations to any runway, taxiway, loading ramp and aircraft parking surface is authorized, unless approved by the FAA ADO. This includes any temporary features to be installed on any portion of paved aircraft surfaces.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

§ 40-10.2-890 Obstructions

The installation of objects in Obstruction Free zones and areas are prohibited and must be approved by the Airport Manager prior to installation. This includes temporary objects i.e. antennas, light poles/fixtures, communications towers, etc.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this section pursuant to 1 CMC § 3806(a).

Part 900 – Claims Against the United States

§ 40-10.2-901 Claims Against the United States

CPA hereby reserves the right to make a claim against the United States for property damage, personal injury, or death caused by military personnel or civilian employees of any branch of the military acting in the scope of their employment or otherwise incident to the military's noncombat activities while on or off CPA property.

Modified, 1 CMC § 3806(a).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a).

Part 1000 – Conditions

§ 40-10.2-1001 Conditions

Any military branch requesting use of a CPA airport must submit a scope of work for CPA's review, and acknowledge receipt and understanding of the Implementation Plan. No military activities will be allowed / permitted without approval by CPA's Executive Director or his designated appointee.

Modified, 1 CMC § 3806(a), (g).

History: Amdts Adopted 38 Com. Reg. 38195 (June 28, 2016); Amdts Proposed 37 Com. Reg. 36032 (Feb. 28, 2015).

Commission Comment: The Commission numbered this part and section pursuant to 1 CMC § 3806(a). The Commission struck ", as attached to this document" pursuant to 1 CMC § 3806(g).

The Implementation Plan referenced at § 40-10.2-1001 can be found in the proposed amendment's appendix located at 37 Com. Reg. 36050–36071 (Feb. 27, 2015).

PUBLIC NOTICE OF PROPOSED AMENDMENTS TO THE TEMPORARY OCCUPANCY RULES AND REGULATIONS TO PROVIDE FOR QUARTERLY RENT PAYMENTS

NOTICE OF INTENDED ACTION: The Commonwealth of the Northern Mariana Islands, Office of the Governor, Department of Public Lands (DPL) intends to amend the Temporary Occupancy Rules and Regulations pursuant to the procedures of the Administrative Procedure Act (APA), 1 CMC § 9104(a), to provide for payment of Base Rent on a quarterly basis in the second and subsequent years of a lease term, and to authorize DPL to amend existing leases accordingly with the agreement of existing lessees.

AUTHORITY: These amendments are promulgated under the authority of the Department of Public Lands pursuant to 1 CMC § 2806 to develop administrative policies, procedures, and controls related to public land.

TERMS AND SUBSTANCE: DPL's Temporary Occupancy Rules and Regulations are currently silent regarding the payment schedule for Base Rent. However, the Lease Agreement form contained in Appendix A provides that the Lessee shall pay Base Rent "in advance on an annual basis on each anniversary of the Commencement Date without invoice, notice, or other demand upon or to Lessee," and DPL regulations require all leases to be in a form substantially similar to that form. Because each lessee's rent for the year is due in full on the Commencement Date and annually thereafter, there are some periods throughout the fiscal year in which DPL receives very little revenue. Due to recent changes to DPL's accounting practices, including more frequent remittances of surplus revenues to the Marianas Public Land Trust (MPLT), DPL no longer maintains a reserve of funds that can accommodate periods in which very few annual rent payments are payable to DPL. Amending the regulation and existing leases to provide for quarterly payments of base rent will allow DPL to more effectively manage public lands by making DPL's revenue more consistent from quarter to quarter.

CITATION OF AFFECTED REGULATIONS: The proposed amendment will revise existing regulatory language in the following regulations:

NMIAC § 145-70-110	Lease Agreement Requirements
NMIAC § 145-70-115	Lease Form

DIRECTIONS FOR FILING AND PUBLICATION: The proposed amendment shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9201(a)(1)) and posted in convenient places in the civic center and in local governmental 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 Sixto K. Igisomar, Secretary of the Department of Public Lands, to the following address, fax, or email address,

P.O. Box 500380, Saipan, MP 96950 • 2nd Floor, Joeten Dandan Commercial Building
Website: www.dpl.gov.mp • E-mail: dpl@dpl.gov.mp • Facebook: www.facebook.com/DplCnmi
Tel: (670) 234-3751/52/53/54 • Fax: (670) 234-3755

with the subject line "Proposed Amendments to the Temporary Occupancy Rules and Regulations—Quarterly Rent Payments":

DEPARTMENT OF PUBLIC LANDS
PO Box 500380, Saipan, MP 96950
Fax: (670) 234-3755
Email: dpl@dpl.gov.mp

Comments are due within thirty (30) calendar days from the date of publication of this notice. I CMC § 9104(a)(2).

Submitted by: _____ Date 5/27/26
SIXTO K. IGISOMAR
Secretary, DPL

Received by: _____ Date 5/29/2026
JEAN PAUL B. REYES
Special Assistant for Administration

Filed and
Recorded by: _____ Date 6.12.2026
ESTHER R.M. SAN NICOLAS
Commonwealth Registrar

Pursuant to I CMC § 2153(e) and 1 CMC § 9104(a)(3), the proposed Amendments to the Administrative Hearing Procedure Rules and Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, pursuant to 1 CMC § 2153(f).

_____ Date 6/4/2026
EDWARD MANIBUSAN
Attorney General

NUTISIAN PUPBLIKU PUT I MANMAPROPONI NA TINILAIKA SIHA GI AREKLAMENTU YAN REGULASION I OKUPÅO TEMPURÅRIU PARA U MAPRIBENIYI I "QUARTERLY" NA ÅPAS ATKILON

NUTISIAN I AKSION NI MA'INTENSIONA: I Dipåttamentun Tanu' Pupbliku ("i DPL) gi påpa' i Ufisinan Gubietnu giya Commonwealth gi Sangkattan Siha na Islas Mariånas, ha intensiona para u amenda i Areklamentu yan Regulasión Okupåo Tempurårìu sigun gi maneran i Åkton Administrative Procedure (APA), 1 CMC §9104(a) para u mapribeni para åpas i "Base Rent" gi "quarterly basis" gi Sigundu yan i tinåttiyi na såkkan nu i teman Atkilon, yan para u ma'aturisa i DPL para u amenda i maneksissisti na atkilon siha sigun yan i kuntråtan i maneksissisti na "lessees".

ÅTURIDÅT: Esti na tinilaika siha manmacho'gui gi påpa' åturidåt i Dipåttamentun Tanu' Pupbliku sigun gi 1 CMC § 2806 para u dibelop "administrative policies", minanera siha, yan gubietna i manasosiåt gi tanu' pupbliku.

I TEMA YAN SUSTÅNSIAN I PALÅBRA SIHA: I Areklamentu yan Regulasión Okupåo Tempurårìu I DPL silensiu gi prisenti put i isketyun åpas para i "Base Rent". Låo, i fotman Kuntråtan Atkilon masaguan gi halum "Appendix A" ha pribeni na i "Lessee" debi di u påsi i "Base Rent" "inatbånsa gi "annual basis" gi kada anibetsåriu nu i "Commencement Date" sin "invoice", nutisia, pat ottru na dinimånda gi pat sino para i "Lessee", yan i regulasión DPL siha madimånda na todu i atkilu siha para u fotma siknifikånti parehu para atyu na fotma. Sa' kada i atkilon "lessee's" gi såkkan måmåkpu todu gi "Commencement Date" yan kada såkkan dispues, guaha na tiempu gi halum i åñu fisikåt ni i DPL ha risibi mampus diddidi' na nina'hålum. Sa' put i halacha na tinilaika gi prinaktika i iyon "accounting" i DPL siha, kuntodu i manhåhålum na salåppi' ginin i "surplus" na nina'halum gi Marianas Public Land Trust (MPLT), i DPL ti mamantietieni esta i "reserve" na fondu siha nai siña mampribeni gi tiempu siha ni mampus diddidi' na åpas atkilon marisisibi gi såkkan gi DPL. I tinilaika i regulasión yan i maneksissisti na atkilon siha para u pribeniyi "quarterly" na åpas i "base rent" ni siempri ha sedi i DPL para u mås ifektibu mamaneha i tanu' pupbliku ni para u na mås kunsisti i nina'halum DPL ginin "quarter" asta ottru "quarter".

SITASIÓN I MANINAFEKTA NA REGULASIÓN SIHA: I maproponi na tinilaika siha siempri rinibisa i maneksissisti na finu' regulatori gi halum tinåttitiyi na regulasión siha:

NMIAC § 145-70-110 Dinimånda na Kuntråtan Atkilon
NMIAC § 145-70-115 Fotman Atkilon

DIREKSION PARA I PINE'LU YAN I PUPBLIKASION: I manmaproponi na tinilaika siha debi na u mapupblika gi halum i Rehistran Commonwealth gi halum i seksiona ni manmaproponi yan i mannuebu ma'adåpta na regulasion siha (1 CMC § 9102(a)(1)) yan esti na nutisia debi na u mapega gi halum kumbinienti na lugåt siha giya i civic center yan gi halum ufisinan gubietnu gi kada distritun senatorial, parehu Inglis yan i dos na lingguåhin natibu, (1 CMC § 9104(a)(1)).

P.O. Box 500380, Saipan, MP 96950 ● 2nd Floor, Joeten Dandan Commercial Building
Website: www.dpl.gov.mp ● E-mail: dpl@dpl.gov.mp ● Facebook: www.facebook.com/DPLCNMI
Tel: (670) 234-3751/52/53/54 ● Fax: (670) 234-3755

UPIÑON SIHA: I manintires na pattida siña intrega i upiñon siha gi manmaproponi na tinilaika siha guatu as Sixto K. Igisomar, i Sekritåriu gi Dipåttamentun Tanu' Pupbliku, gi tinåttiyi na address, fax pat email address yan i suhetu na råya "Manmaproponi na Tinilaika siha gi Areklamentu yan Regulasión Okupåo Tempurâriu—Quarterly Rent Payments".

DEPARTMENT OF PUBLIC LANDS
PO Box 500380, Saipan, MP 96950
Fax: (670) 234-3755
Email: dpl@dpl.gov.mp

I upiñon siha debi na u hålum gi halum trenta (30) dihas ginin esti na nutisian pupblikasion. (1 CMC § 9104(a)(2)).

Nina'hålum as: _____ 5/27/26
SIXTO K. IGISOMAR — Fetcha
Sekritâriu, DPL

Rinisibi yan pine'lu as: _____ 5/29/2026
JEAN PAUL B. REYES — Fetcha
Ispisiåt Na Ayudånti Para I Atministrasión

Pine'lu yan Ninota as: _____ 6.12.2026
Esther R.M. SAN NICOLAS — Fetcha
Rehistran Commonwealth

Sigun i 1 CMC § 2153(e) (I Abugådu Henerât ha aprueba i regulasion siha na para u macho'gui kumu fotma) yan i 1 CMC § 9104(a)(3) (hentan inaprueban Abugådu Henerât) i manmaproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan sufisienti ligât ginen i CNMI Abugådu Henerât yan debi na u mapupblika, 1 CMC § 2153(f) (pupblikasion areklamentu yan regulasion siha).

_____ 6/5/2026
Hon. Edward Manibusan
Abugådu Henerât

ARONGORONGOL TOULAP REEL MÁNGEMÁNGIL LIIWEL SÁNGI "TEMPORARY OCCUPANCY" ALLÉGH ME MWÓGHUTUGHUT BWE EBWE AYÓÓRA "QUARTERLY RENT PAYMENTS"

ARONGORONG REEL MÁNGEMÁNGIL MWÓGHUTUGHUT: Commonwealth Téél Falúw kka Efáng llól Marianas, Bwulasiyol Soulememlem, Bwulasiyol Ammwelil Faluweer Toulap (DPL) re mwuschel ayóórya liiwel sángi "Temporary Occupancy" Allégh me Mwóghutughut kka tabweey mwóghutughutúl Administrative Procedure Act (APA), 1 CMC § 9104(a), bwe ebwe ayóóra óbwóssúl "Base Rent on a quarterly basis in the second and subsequent years of a lease term", me ebwe ngaleey DPL lemelem bwe ebwe liiweli 'leases" kka e yoor nge ppwal tamafisch me angúúngú ngáli "lessees" ikka e lo.

BWÁNGIL: Liiwel kka nge re akkatééwow faal bwángil Bwulaisyol Ammwelil Faluweer Toulap nge bwal attabweey 1 CMC § 2806 reel ayooral me ffééról "administrative policies", mwóghutughut, me lemelem ikka e schuu ngáli "public land".

KKAPASAL ME AWEEWEEL: Mille aar DPL Alléghúl me Mwóghutughutúl "Temporary Occupancy" ese yoor kkapasal ileeta ebwe ghal toolong óbwóssúl "Base Rent". Nge, "Lease Agreement form" llól "Appendix A" e iischtiw bwe "Lessee" ebwe óbwóssuw "Base Rent" mmwálil aal "annual basis" ghal rágherfischil mille "Commencement Date" nge ese yoor risibwo, arongorong, ngare tingór ngáli "Lessee" me mwóghutughutúl DPL e nisista bwe alongal "leases" ebwe lo wóól eew "form" ye e weewe me "form" laal. Bwe igha alongeer "lessee's rent" reel ráágh nge bwe toolong wóól "Commencement Date" me ghal ráágh mwirimwiril, eyoor tempo kka reel "fiscal year" igha DPL re bwughi eghus schagh re reel "revenue". Igha eyóór liiwel sángi yaar DPL's "accounting practices", me bwal "more frequent remittances of surplus revenues to the Marianas Public Land Trust (MPLT)", DPL ese mmwelil lemeli "reserve of funds" reel tempo kka eghus schagh na "annual rent payments" eghal mwet ngáli DPL. Liiwelil mwóghutughut me atkkilóón ikka e lo e ayoora "quarterly payments" reel mille "base rent" e ayoora ngáli DPL lemelem rebwe ayoora mwóghutughut ikka e fil ngáli ammwelil faluweer toulap igha re lighiti ngáli DPL rebwe lemeli aar "revenue" ghal "quarter" ngáli "quarter".

ABWETCH REEL IKKA E SCHUU/ANNGAWA MWÓGHUTUGHUT: Liiwel kka rebwe fféér nge ebwe weliló tittillapal féérúl mwóghutughut kka e amwirimwiritiw:

NMIAC § 145-70-110	Lease Agreement Requirements
NMIAC § 145-70-115	Lease Form

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Ppwomwol liiwel nge bwe akkatééwow me llól "Commonwealth Register" reel leeliyál mil ffé me mángemángel mwóghut (1 CMC § 9104 (a)(1) meebwe appaschetá llól "civic center" me bwal llól bwulasiyol gobetnameento llól "senatorial district", fengál reel "English" me mwáliyaasch (1 CMC § 9104 (a)(1).

P.O. Box 500380, Saipan, MP 96950 • 2nd Floor, Joeten Dandan Commercial Building
Website: www.dpl.gov.mp • E-mail: dpl@dpl.gov.mp • Facebook: www.facebook.com/DplCnmi
Tel: (670) 234-3751/52/53/54 • Fax: (670) 234-3755

KKAPAS: Schóó kka re tipáli rebwe isiisilong ischil kkapas wóól ppwomwol liiwel kkaal rebwe afanga ngáli Sixto K. Igisomar, Secretary of the Department of Public Lands, reel féléfél iye lo, "fax", ngare "email address", fengál wóól "subject line" bwe "Proposed Amendments to the Temporary Occupancy Rules and Regulations---Quarterly Rent Payments":

DEPARTMENT OF PUBLIC LANDS
PO Box 500380, Saipan, MP 96950
Fax: (670) 234-3755
Email: dpl@dpl.gov.mp

Ebwe toolong ischil kkapas eliigh (30) ráál mwiril aal akkatéewow arongorong yeel. 1 CMC § 9104(a)(2).

Isaliyalong: _____ 5/27/26
SIXTO K. IGISOMAR — Ráál
Sekkretóóriyo, DPL

Bwughiyal: _____ 5/29/2026
JEAN PAUL B. REYES — Ráál
Special Assistant ngáli Administration

Ammwelil: _____ 6.26.2026
ESTHER R.M. SAN NICOLAS — Ráál
Commonwealth Registrar

Sengi 1 CMC § 2153(e) and 1 CMC § 9104(a)(3), mángemángil liiwel sángi "Administrative Hearing Procedure Rules and Regulations" ikka e appasch bwe ra takkal amwuri fischiiy me átirowa bwe aa fil reel ffééról me "legal sufficiency" sángi Soulemelemil Allégh Lapalapal CNMI, me ebwe akkatéewow, sángi 1 CMC § 2153(f).

_____ 6/5/2026
EDWARD MANIBUSAN — Ráál
Soulemelemil Allégh Lapalap