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



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COMMONWEALTH REGISTER

VOLUME 45
NUMBER 07
JULY 28, 2023

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EMERGENCY

Emergency Amendments to the NMHC Community
Development Block Grant-Disaster Recorder (CDBG-DR)
Homeowner Rehabilitation And Reconstruction Program
and Homebuyer Activities Program Policies and Procedures
Northern Marianas Housing Corporation **049825**

ADOPTION

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PUBLIC NOTICE

EMERGENCY AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION'S COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) HOMEOWNER REHABILIATION AND RECONSTRUCTION PROGRAM AND HOMEBUYER ACTIVITIES PROGRAM POLICIES & PROCEDURES

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

> the attached Amendments to its Community Development Block Grant – Disaster Recovery (CDBG-DR_ Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program 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)).

AUTHORITY: These 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 Procurement Rules and Regulations affect the regulations relating to §100-100.3 and §100-100.4 conversion from a loan program to a grant program.

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 Homeowner Rehabilitation & Reconstruction Program and Homebuyer Program Policies & Procedures on an emergency basis, for the following reasons:

1. Conversion from a loan program to a grant program to continue assisting eligible applicants with home repairs or new construction of decent, safe, and sanitary housing.

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 the mailing under registered cover of copies thereof 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.*)

The attached emergency regulations were approved by the Northern Marianas Housing Corporation (NMHC) on May 2, 2023.

Submitted by: _____ 06/27/2023
Merced "Marcie" M. Tomokane — Date
Chairperson
NMHC Board of Directors

Received by: _____ 6/27/23
Oscar M. Babauta — Date
Special Assistant for Administration

Concurred by: _____ 6/28/23
Arnold I. Palacios — Date
Governor

Filed and
Recorded by: _____ 07.13.2023
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) Homeowner Rehabilitation and

Reconstruction Program and Homebuyer Activities 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)).

Dated the 30 day of June, 2023.

EDWARD MANIBUSAN
Attorney General

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

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§ 100-100.3-1101 Performing New Construction Work

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APPENDIX A.1: Crosscutting Requirements

1.1 Crosscutting Requirements
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1.3 Environmental Review
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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 AMD Property Manager will provide technical assistance and work with the 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) U.S. Post Offices;
(2) Major shopping centers;
(3) Public health centers;
(4) Places of worship;
(5) Government office buildings;
(6) The Nutrition Assistance Program (Food Stamp) office(s); and
(7) 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.

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;

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

(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 income eligibility within six 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 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 green card holder.

(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/borrowers to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the mortgaged property and housing. The following stipulations apply for a principal residence:

(i) A deed restriction or covenant running with the land shall incorporate this requirement;

(ii) The 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 borrowers. 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 borrower(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
Rehabilitation	5 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.

§ 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, ten years. On the fourth year, the borrower sells the house for $60,000. Since the borrower failed to comply with the minimum five years of the ten-year affordability period, the recaptured amount is $50,000.

(2) Forgiveness. 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(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 $12,000. ($60,000/15 years affordability period x 2 years remaining = $8,000 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 ten 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 HOME 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) Title binders and 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) Relocation costs include:
- (1) Replacement housing, moving costs, and out-of-pocket expenses;
- (2) Advisory services; and
- (3) Staff and overhead related to relocation assistance and services.

(d) Grant closing fees and related costs:
NMHC shall charge $3,914.00 (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. $14.00 ---- Credit Report
b. $200.00 ---- Preliminary Title Report (PTR)
c. $600.00 ---- Appraisal Report
d. $150.00 ---- Recordation of Covenant
e. $1,050.00 ---- First Annual Premium for Hazard Insurance
f. $500.00 ---- Initial Utility Connection
g. $1,400.00 ---- Title Policy

$3,914.00 Total

Grant closing fees and associated hard and soft costs may be bundled into the total approved grant amount. A borrower who is approved for a $120,000 grant may use a portion of the grant to pay for the grant closing costs and soft costs. In this case, the $3,914.00 incurred closing costs shall be subtracted from the total approved grant of $120,000 and the resulting net amount of $116,086.00 shall then be used for the construction, purchase and/or rehabilitation of their principal residence.

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.

(e) 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).

(f) 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 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, with the assistance of NMHC's MCD Manager 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. However, the duplication of benefits analysis must be conducted by the CDBG-DR Compliance Manager to determine net financial assistance to be provided to the homebuyer applicant.

(2) The CDBG-DR Housing Administrator and MCD Manager shall review each submitted application, ensure all supporting documentation is in place and make any necessary recommendations to the Corporate Director prior to the Corporate Director 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) In the interim, after the CDBG-DR Housing Administrator review, the MCD Manager shall review the grant write-up for concurrence before submitting the same to the Corporate Director for a final decision. Final approval or denial of any CDBG-DR grant or grant shall be made by the Corporate Director except as follows:

(i) If the Corporate Director 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 Deputy Corporate Director may make the final decision to approve or deny the CDBG-DR grant; or

(ii) If the Corporate Director and Deputy Corporate Director are both simultaneously off-island or on extended leave at the time the grant or grant is submitted for a final decision, then the Acting Corporate Director may make the final decision to approve or deny the CDBG-DR grant.

(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 Board of Directors by submitting their appeal in writing to the Corporate Director 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 Corporate Director shall submit the same to the Board of Directors for review and action at the next scheduled Board meeting.

§ 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 eight (8) hours. Upon completion of the housing counseling, the borrower(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.

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

The minimum grant amount shall not be less than $1,000.00.

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.

§ 100-100.3-735 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 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 grant amount. Financial hardships will be reviewed on a case-by-case basis.

(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 900 - Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.3-901 Assumption of a Grant

(1) Death of a homebuyer/borrower: Upon the death of the borrower 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 if a final decree in the probate of the borrower 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(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 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, 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 CDBGCR 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 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 written construction cost estimates from at least three 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 and the appraiser's after-construction estimated value 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 borrower not be able to deposit the difference or the contractor unwilling to lower the contract amount, then the borrower shall select his/her/their next choice. The homebuyer(s) shall submit a contractor selection notice notifying NMHC of his/her/their selection. 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(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) 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.

(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 borrower/homebuyer's acceptance of the project. In addition, each billing submitted must include pictures of the progress of the project and a copy of the payment schedule.

(2) Payment schedule shall be as follows:
(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, pictures of project interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable.

(3) Change Order Procedures. From time to time, the homebuyer(s) may request for changes in the plans and specifications. In the event that this should occur, the following steps must be taken to address such request:

(i) The borrower/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 years after project completion. [24 CFR 92.508(c)(2)]

(2) NMHC shall retain documents imposing recapture provisions for five 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 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) DTI—Debt-to-Income Ratio

(k) EA—Environmental Assessment

(l) GFE—Good Faith Estimate

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

(n) HQS—Housing Quality Standards

(o) MCD—Mortgage Credit Division

(p) MPS—Minimum Property Standards

(q) MPV—Maximum Property Value

(r) NAHA—National Affordable Housing Act

(s) NEPA—National Environmental Policy Act

(t) NMHC—Northern Marianas Housing Corporation

(u) NTP—Notice to Proceed

(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

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 8 or more units under common ownership, on same or contiguous lots, or with common financing, Residential property that contains 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 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 LOAN APPLICATION CHECKLIST

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

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

[ ] Uniform Residential Loan Application
[ ] Eligibility Release Form (each adult member of the household must sign date and initial)
[ ] Use of Funds Certification (both Applicant and Co-Applicant must sign)
[ ] Duplication of Benefits Affidavit and Subrogation Agreement (both Applicant and Co-Applicant must sign)
[ ] Verification of Employment (employee's employer must complete this form)
[ ] Statement of Unemployment (each adult member of the household who is unemployed must complete this form)
[ ] Verification of Child Support Payments, if applicable
[ ] Social Security -Consent to Release Information (must be completed by each household member)
[ ] Check/Pay stubs (4 most current)
[ ] 1040 Tax Form for previous two (2) years (20___ and 20___)
[ ] Division of Tax & Revenue- Certificate of Compliance (for both Applicant and Co-Applicant)
[ ] Loan Payment record(s), if any
[ ] 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 cash value)
[ ] Divorce Decree, Judgment(s), etc., if applicable
[ ] Certificate of Title, Deed&/or Residential Homestead Permit, etc. with Property Map (if applicable)
[ ] 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)
[ ] Documentation for any Federal assistance such as WIC, MEDICAD, MEDICARE, LIHEAP, NAP, CHILDCARE ASSISTANCE, etc.
[ ] Utility Bill (most current)
[ ] If a bankruptcy has been filed, a copy of your discharge letter (WE CANNOT PROCEED WITHOUT THE LETTER)
[ ] 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
POLICIES AND PROCEDURES FOR CDBG-DR HOMEOWNER REHABILITATION AND RECONSTRUCTION

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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 Office of Housing under the CDBG-DR Program, Planning 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) U.S. Post Offices;
(2) Major shopping centers;
(3) Public health centers;
(4) Places of worship;
(5) Government office buildings;
(6) The Nutrition Assistance Program (Food Stamp) office(s); and
(7) 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 between 81% and 120% 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 which (a) the combined household income is greater than 120% AMI of the national median, (b) whose property sustained damage in the typhoons and was located in a floodplain at the time of the disaster, **and** (c) 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% but less than 120% of 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.
(5) 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 100 I, 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 is capped at $200,000, excluding possible optional relocation costs. In special circumstances, a Review Panel may authorize a greater amount,

§ 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 – 120% 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 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 between 80% and 120% of the area median income are also eligible once LMI households have been served,

§ 100-100.4-215 Property Eligibility

(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. In addition, 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. 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 The 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 5 years, 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;

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) 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, borrower(s) shall be recertified annually for principal residency throughout their affordability period. An annual recertification for principal residency notices and form

shall be sent to homeowners/borrowers to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the 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.

(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 Program Specialist shall verify the borrower(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 borrower(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 borrower's physician must complete the homebuyer/homeowner program disability eligibility verification to certify the borrower'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 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.

(b) NMHC shall set aside $2,050.00 (more or less, depending on current costs) per project from the program budget to assist each qualified rehab or recon borrower 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. Borrowers will not be required to pay back any of this amount so long as they are in compliance with NMHC affordability restrictions. The entire amount shall be immediately due and payable by the borrower should NMHC determine that borrower(s) are not in compliance with NMHC affordability restrictions.

(1)	$500.00	Utility connection*;
(2)	$1,200.00	First annual premium for hazard insurance;
(3)	$250.00	Recordation of covenant
(4)	$100.00	Preliminary title report (PTR);
	$2,050.00	Total

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

(1) 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 to the NMHC Board for reconsideration.

§ 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 borrower(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 @ Site Specific Review - RER Appendix A when an individual loan or 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 assign program specialists to assist in grant signings under the Homeowner Rehabilitation and Reconstruction Program.

(2) The Housing Administrator shall review each submitted application, ensure all supportive documentation is in place and complete, and concur or make any necessary recommendations to the Corporate Director prior to the Corporate Director 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 Housing Administrator shall review the grant application for concurrence before submitting the same to the Corporate Director for a final decision. Final approval or denial of any grant shall be made by the Corporate Director except as follows:

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

(ii) If the Corporate Director and Deputy Corporate Director are both simultaneously off island or on extended leave at the time the grant is submitted for a final decision, then the Acting Corporate Director may make the final decision to approve or deny the grant.

(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 loan or grant is submitted to the Corporate Director 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 Board of Directors for informational purposes.

(c) Grant Denial Appeals Process

(1) Applicants denied assistance under this program may appeal the final decision to the NMHC Board of Directors (Board) by submitting their appeal in writing to the Corporate Director 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 Corporate Director shall submit the same to the Board of Directors for review and action at the next scheduled Board meeting.

§ 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 eight (8) 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 Grant Agreement

Once the grant application has been approved by the NMHC Corporate Director, the responsible grant specialist shall prepare the grant agreement for the Corporate Director's signature. The grant agreement is a binding agreement between NMHC and the borrower(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) The responsible program specialist shall obtain a written certification (via email or memo format) from the Chief Financial Officer or Finance Manager that funds are available for the project before the Corporate Director executes the grant agreement.

(b) After the grant agreement has been signed and dated by the Corporate Director, 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.

(c) NMHC must reexamine the household's income eligibility if the determination was made more than six (6) months before signing the Grant Agreement.

(d) 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) within two (2) weeks after the applicants have executed their grant agreement. The purpose in obtaining a title report is to ascertain ownership of the proposed property.

(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.

(d) The Program Specialist shall obtain an updated PTR prior to grant signing to ensure that the ownership of the property is verified and there are no liens that will cloud the title.

§ 100-100.4-374 Contractor Selection Process

(a) All vendors and contractors are required to register with NMHC in order to do business with our agency. Interested vendors/contractors are provided a registration packet that lists all required documents, i.e., valid CNMI business license, financial statements, certificate of good standing from the CNMI DOL, actively registered with SAM, etc. Something similar bidder/offeror's responsibility or possess the capacity and capabilities to carry out and complete contractual obligations prior to awarding of a contract.

(b) NMHV maintain a list of approved contractors that is continuously updated when a new contractor completes the vetting process and is registered with NMHC

(c) Awards shall be made only to responsible contractors. To be determined responsible, a prospective contractor must: (1) Have adequate financial resources to perform the contract, or the ability to obtain them; (2) Be able to comply with the required delivery or performance schedule; (3) Have a satisfactory performance record; (4) Have a satisfactory record of integrity and business ethics; (5) Have the necessary organization, experience, and skills, (or the ability to obtain them) required to successfully perform the contract; (6) Have the necessary production, construction, and technical equipment facilities, or the ability to obtain them; (7) Provide evidence of validity to conduct business in the Commonwealth (valid business license(s), up-to-date BGRT payments, Certificate of Good Standing from NMI Department of Labor, Certificate of Insurance Compliance from NMI

Department of Commerce, Payment and Performance Bond Insurance (as applicable), Employees listing with valid permits and identification to reside and work in the Commonwealth, etc.); and (8) Be otherwise qualified and eligible to receive an award under applicable laws and rules. (b) Obtaining information. Prior to award, the Procurement Officer shall obtain information from the bidder or offeror necessary to make a determination of responsibility using the factors in subsection (a) above. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for determination of non-responsibility with respect to that bidder or offeror. (c) Right of non-disclosure. Information furnished by a bidder or offeror pursuant to subsection (b) may not be disclosed outside of the office of the Procurement Officer, or any other NMHC official involved without prior consent by the bidder or offeror. (d) Non-responsibility determination. When a bid or proposal on which a contract award would otherwise be made is rejected because the prospective contractor is found to be nonresponsible, a written determination shall be signed by the Procurement Officer stating the basis for the determination and this shall be placed in the contract file.

(d) Once an applicant is approved for the program a scope of work is developed by the A/E firm under contract to NMHC,

(e) NMHC provides a list of approved contractors along with the approved scope of work to the Homeowner.

(f) The homeowner provides the scope of work to at least three contractors for bid. If the homeowner wishes to use a contractor not on the NMHC list, that contractor's name must be submitted to MNHC for vetting and approval before they can be allowed to bid,

(g) The homeowner selects the contractor with whom they wish to work.

(h) The final selection of a contractor is submitted to NMHC for approval.
   i. The final bid selected need not be the lowest bid as long as it is within 10% of the independent cost estimate.
   ii. If the selected contractor exceeds 10% of the independent cost estimate and the homeowner insists on using that contractor then the homeowner must provide funding in advance of contract signing to cover any costs in excess of 10% of the independent cost estimate.
   iii. Homeowners who are unable or unwilling to provide the excess funding needed have the option to either utilize a contractor with a lower bid or withdraw from the program.
   iv. The contract is between the contractor and the homeowner.

§ 100-100.4-375 Pre-Construction Conference

(a) The pre-construction conference shall be held after NMHC's receipt of the PTR and the same has been determined to have met NMHC's requirement as indicated in § 100-100.4-370. The

responsible program specialist shall inform the homeowner(s) and their contractor, and their private inspector (if applicable), in written form of the scheduled pre-construction conference. The notice shall include the date, time, and location of the conference. The conference shall be conducted by the responsible grant specialist and shall include the homeowner(s), their contractor, and their private inspector (if applicable).

(b) The homeowner(s) and their contractor, and if applicable, their private inspector, are to be provided with information such as their rights and responsibilities before, during, and after the rehabilitation period of their home.

§ 100-100.4-380 Submission of Pre-Construction Documents

The NMHC shall notify the contractor of the homeowner(s) selection of his/her/their company and shall likewise instruct the contractor to submit the required construction documents listed below. These documents are to be provided to NMHC within thirty 30 days from the date of notice.

(a) Building permit (if applicable);

(b) Zoning Permit (if applicable);

(c) Earthmoving & erosion control permit (if applicable);

(d) Construction contract;

(e) Performance bond;

(f) Plans & specifications approved by DPW;

(g) Private inspector's contract (if applicable).

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 borrower 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 borrower;
(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 nine (9) months following execution of a Grant Agreement. Reconstruction projects should be completed within twelve (12) months following execution of a Grant 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, pictures of the project's interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable.

(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 HMHC 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

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:

DR Funds Invested per Unit	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.

(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;

(d) Note: 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.

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 o 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 Board'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

§ 100-100.4-801 Grant Assumption

(a) Death of a Borrower—Immediately upon notification to NMHC of a borrower's death, the surviving borrower or a family member of the borrower(s) shall complete a deceased borrower's report and/or 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 borrowers 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) 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) DTI—Debt-to-Income Ratio

(l) EA—Environmental Assessment

(m) GFE—Good Faith Estimate

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

(o) LEP—Limited English Proficiency

(p) LMI—Low Moderate Income

(q) MCD—Mortgage Credit Division

(r) MBE—Minority-Owned Business Enterprise

(s) MPS—Minimum Property Standards

(t) MPV—Maximum Property Value

(u) NAHA—National Affordable Housing Act

(v) NEPA—National Environmental Policy Act

(w) NMHC—Northern Marianas Housing Corporation

(x) NTP—Notice to Proceed

(y) PII—Personally Identifiable Information

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

(aa) PJ—Participating Jurisdiction

(bb) PTI—Payment-to-Income Ratio

(cc) PTR—Preliminary Title Report

(dd) RER—Rehab Environmental Review

(ee) RESPA—Real Estate Settlement Procedures Act

(ff) SCRA—Service Members Civil Relief Act

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

(hh) TCD—Time Certificates of Deposits

(ii) TILA—Truth in Lending Act

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

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

(ll) USPAP—Uniform Standard of Professional Appraisal Practice

(mm) VOE—Verification of Employment

(nn) 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

Procedures for this process are currently under development and will be incorporated in a future update to this document.

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 5 years, 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 5 years or for such longer period specified by the participating jurisdiction, 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 Energy 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 of the International Code Council[5].

(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[6]. 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)(vii)**
[6] **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 5 years. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner. Should it be determined at any time during the 5-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) Zoning fencing setback requirements - For any proposed fencing for the front side of the house facing the road entry, the fence line should be two feet inward of the property line. For the left, right, and rear side setbacks, the requirement is one foot inward the property line.

c) Should a new septic tank and leaching field be required, the Zoning office setback requirements are a minimum of ten feet at any angle from the property line for both the septic tank and leaching field.

Note: New septic tanks should be constructed fifteen feet 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 @ 3"- 4": 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).
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.

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.

- 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) and the Tropical Energy Code.

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 homebuyers
- 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.

PUBLIC NOTICE OF CERTIFICATION AND ADOPTION OF AMENDMENTS TO TEMPORARY OCCUPANCY RULES TO REVISE RENT & FEES FOR TELECOMMUNICATIONS LEASES AND EASEMENTS

ACTION TO ADOPT THESE PROPOSED RULES AND REGULATIONS: The Commonwealth of the Northern Mariana Islands, Office of the Governor, Department of Public Lands (DPL) HEREBY ADOPTS AS PERMANENT amendments to the Temporary Occupancy Rules and Regulations at NMIAC § 145-70-110(e)(9) and NMIAC § 145-70-205(b) pursuant to the procedures of the Administrative Procedure Act (APA), 1 CMC § 9101 et seq. to authorize DPL to waive the Business Gross Receipts additional rent requirement for non-governmental telecommunications service providers and the annual fee for underground telecommunication cable wires and related telecommunication equipment upon a determination by DPL that such a waiver is in the best interest of the public land beneficiaries.

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 45, Number 05, pp 049759-049765 of the Commonwealth Register dated May 31, 2023.

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 amendments are promulgated under the authority of DPL pursuant to 1 CMC § 2806 to develop administrative policies, procedures, and controls related to public land.

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.

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Website: www.dpl.gov.mp • E-mail: dpl@dpl.gov.mp • Facebook: www.facebook.com/DplCnmi
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OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION
RECEIVED
BY: PG DATE: 7/7/83

Submitted by:

7/7/23

Ms. Teresita A. Santos
Secretary, Department of Public Lands

Date

Filed and Recorded by:

07.27.2023

Ms. Esther R.M. San Nicolas
Commonwealth Registrar

Date

Commonwealth of the Northern Mariana Islands
BOARD OF PROFESSIONAL LICENSING
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PUBLIC NOTICE AND CERTIFICATION OF ADOPTION OF THE AMENDMENT TO THE BOARD OF PROFESSIONAL LICENSING FOR REAL PROPERTY APPRAISERS

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER AS PROPOSED AMENDMENTS TO REGULATIONS
VOLUME 45, NUMBER 04, PP 049647 – 049687 OF April 28, 2023

ACTION TO ADOPT PROPOSED REGULATIONS: The Board of Professional Licensing, HEREBY ADOPTS AS PERMANENT regulations the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Board of Professional Licensing announced that it intended to adopt them as permanent, and now does so.

PRIOR PUBLICATION: The prior publication was as stated above. The Board of Professional Licensing adopted the attached regulations as final as of the date of signing below.

MODIFICATIONS FROM PRIOR PUBLISHED PROPOSED REGULATIONS, IF ANY: No comments received from the public.

AUTHORITY: The Board of Professional Licensing has statutory power to promulgate and effect regulations pursuant to 4 CMC §2206(b), as amended.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b), these adopted amendments to the Regulations for Real Property Appraisers 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: Pursuant to the APA, 1 CMC § 9104(a)(2), the agency received no comments on the proposed amendments to the regulations for Real Property Appraisers. Upon this adoption of the amendments, the agency, if requested to do so by an interested person within 30 days of publication, will issue a concise statement of the principal reasons for accepting or rejecting any comments.

ATTORNEY GENERAL APPROVAL: The adopted regulations for Real Property Appraisers were approved for promulgation by the CNMI Attorney General in the above cited pages of the Commonwealth Register, pursuant to 1 CMC § 2153 (e) (to review and approve, as to form and legal sufficiency, all rules

and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I DECLARE under penalty of perjury that the foregoing is true and correct copy, and that this declaration was executed on the 27th day of July, 2023, at Saipan, Commonwealth of the Northern Mariana Islands.

Certified and ordered by:

Esther S. Fleming
Executive Director

07/27/23
Date

Filed and recorded by:

Esther San Nicolas
Commonwealth Register

07.28.2023
Date

REGULATIONS OF THE BOARD OF PROFESSIONAL LICENSING FOR REAL PROPERTY APPRAISER

~~(Adopted Regs as of 06/08/15)~~

PART ~~I.~~ 001 GENERAL PROVISIONS

~~1.1~~ § 125-40-001 **Purpose.** The purpose of these regulations is to comply with applicable federal law,specifically the Financial Institutions Reform, Recovery and Enforcement Act of 1989, and federal institutions, as well as to protect the interests of landowners, financial institutions, appraisers, and other interested persons in the Commonwealth of the Northern Mariana Islands (hereafter "CNMI or NMI").

~~1.2~~ § 125-40-005 **Intent and Effect.** The receipt of a license from the CNMI Board of Professional Licensing does not permit a person to engage in business in the CNMI until such person has complied with ~~any and~~ all applicable laws, rules and regulations and secured all necessary licenses and permits for conducting business in the CNMI. It is the intentof these regulations to ensure high standards of professional competence for real property appraisers in the CNMI and to comply with applicable federal statutes and regulations.

~~Due to scarcity of qualified~~ persons in the CNMI, ~~it~~ It is the intent of these regulations to establish two classes of approved real property appraisers:

Non-Federally Related Transactions	Federally Related Transactions
Licensed Real Property Appraiser, Non-Federally Related Transactions Appraiser	Licensed Real Property Appraiser Certified Residential Real Property
Licensed General Real Property Appraiser Appraiser Non-Federally Related Transactions	Certified General Real Property

The first class of appraisers will qualify to do appraisals in non-federally related real property transactions and will not qualify under federal law and these regulations to perform federally related real property transactions.

The second class of real property appraisers will qualify to perform appraisals in both federally related and non-federally related real property transactions, the difference between licensed and certified status being further defined.

~~1.3~~ § 125-40-010 **Authority.** The CNMI Board of Professional Licensing (hereafter "Board") has the authority to regulate real property appraisers pursuant to 4 CMC 3101 *et seq.*, including 4 CMC 3108.

PART ~~II.~~ § 125-40-015 DEFINITIONS

~~2.1~~ (a) "**Appraisal Foundation**". The Appraisal Foundation was established on November 30, 1987, as a non-for-profit corporation under the laws of Illinois. The Foundation is charged by Title XI with the responsibility of establishing, improving, and promoting minimum uniform

appraisal standards and appraiser qualifications criteria.

~~2.2~~ (b) "**Appraisal Qualifications Board**". An independent board appointed by the Appraisal Foundation to establish criteria for licensing of appraisers.

~~2.3~~ (c) "**Appraiser or Real Property Appraiser**". A CNMI Licensed Residential Real Property Appraiser or a CNMI Licensed General Real Property Appraiser for non-federally related transactions; or a CNMI Licensed Real Property Appraiser, a Certified Residential Real Property Appraiser, or a Certified General Real Property Appraiser for federally related transactions, licensed or certified to engage in the practice of real propertyappraisal as hereinafter defined.

~~2.4~~ (d) "**Appraisal**". The act or process of developing an opinion of value.

~~2.5~~ (e) "**Appraisal Assignment**". One or more real estate appraisals and written appraisal reports which are covered by a single contract to provide an appraisal.

~~2.6~~ (f) "**Appraisal Consulting**". The act or process of developing an analysis, recommendation, or opinion to solve a problem, where an opinion of value is a component of the analysis leading to the assignment results.

~~2.7~~ (g) "**Appraisal Practice**". Valuation services performed by an appraiser, including but not limited to appraisal, appraisal review, or appraisal consulting.

~~2.8~~ (h) "**Appraisal Review**". The act or process of developing and communicating an opinion about the quality of another appraiser's work.

~~2.9~~ (i) "**Appraisal Subcommittee**". The Appraisal subcommittee of the Federal Financial Institutions Examination Council (FFIEC) was created on August 9, 1989, pursuant to Title XI to oversee the real estate appraisal process as it relates to federally related transactions and monitors the requirements established by each state or territory's appraiser regulatory agency for the licensing and certification of appraisers.

~~2.10~~ (j) "**Appraiser Trainee**". A person who has been issued a license to practice as a real property appraiser trainee in the Commonwealth of the Northern Marianas Islands and has been under a supervision of a CNMI ~~Licensed Real Property Appraiser,~~ Certified Residential Real Property Appraiser, or a Certified General Real Property Appraiser.

~~2.11~~ (k) "**Certified Appraiser**". A CNMI Certified Residential or General Real Property Appraiser for federally related transactions.

~~2.12~~ (l) "**Class Hour**". Sixty (60) minutes, of which at least fifty (50) minutes are instruction attended by the student. The prescribed number of class hours includes time devoted to examinations.

~~2.13~~ (m) "**Complex One-To-Four Family Residential Property Appraisal**". One in which the propertyto be appraised, form of ownership, or market conditions ~~is~~ are atypical, and which have a significant value contribution. For example, unusual factors may include but are not limited to:

~~(a)~~ (1) Architectural style;

~~(b)~~ (2) Age of improvements;

~~(c)~~ (3) Size of improvements;

~~(d)~~ (4) Size of lot;

~~(e)~~ (5) Neighborhood land use;

~~(f)~~ (6) Potential environmental hazard liability;

~~(g)~~ (7) Leasehold interests;

~~(h)~~ (8) Limited readily available comparable sales data; or

~~(i)~~ (9) Other unusual factors.

~~2.14~~ (n) "**Continuing Education**". Education that is creditable toward the education requirements that must be satisfied to renew licensure as a Licensed Real Property Appraiser, Certified Residential Real Property Appraiser, or a Certified General Real Property Appraiser.

~~2.15~~ (o) "**Direct Supervision**". To ~~actively and personally~~ review the appraisal report of an appraiser trainee **actively and personally,** to accept responsibility for the appraisal, and to sign the report attesting to the acceptance of the appraisal as being independently and impartially prepared and in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

~~2.16~~ (p) "**Distance Education**". Distance education is any education process based on geographical separation of student and instructor. A distance education course acceptable to meet class hour requirement if:

(1) The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communications with the instructor; and

(2) Content approval is obtained from AQB, a state licensing jurisdiction, oran accredited college, community college, or University that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Non-academic credit college courses provided by a college shall be approved by the AQB or the state licensing jurisdiction; and

(3) Course delivery mechanism approval is obtained from one of the following sources:

(i) AQB approved organizations providing approval of course design and delivery; or

(ii) a college that qualifies for content approval in (i) above that awards academic credit for the distance education course; or

(iii) a qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

~~2.17~~ (q) "**Federally Related Transaction**". The term "federally related transaction" means any real estate-related financial transaction which:

~~(a)~~ (1) A federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates; and

~~(b)~~ (2) Requires the services of an appraiser.

~~2.18~~ (r) "**License**". The document ~~indicating~~ indicates that the person named thereon has satisfied all requirements for licensure as a CNMI licensed or certified appraiser for federally or non-federally related transactions.

~~2.19~~ (s) "**Licensed Appraiser**". Licensed Residential Real Property Appraiser or a Licensed General Real Property Appraiser for non-federally related transactions; or a Licensed Real Property Appraiser for federally related transactions.

~~2.20~~ (t) "**Market Analysis**". A study of market conditions for a specific type of property.

~~2.21~~ (u) "**Market Value**". A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

~~2.22~~ (v) "**Mass Appraisal**". The process of valuing a universe of properties as of a given dateusing standard methodology, employing common data, and allowing for statistical testing.

~~2.23~~ (w) "**Non-Federally Related Real Estate Transaction**". Any transaction which does not meet the definition of a federally related transaction.

~~2.24~~ (x) "**Personal Property**". Identifiable tangible objects that are considered by the ~~general~~public as being "personal" – for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery, and equipment; all tangible property that is not classified as real estate.

~~2.25~~ (y) "**Practice of Real Property Appraisal**".

~~(A)~~ (1) A profession which engages in real property appraisal activity for federally or non-federally related transactions, for a fee or other valuable consideration, by preparing independent and impartial written or oral statements setting forth an opinion as to the value of an adequately described property as of a specified date(s), supported by the presentation and analysis of relevant market information prepared in conformity with the USPAP, as amended.

~~(B)~~ (2) A person is considered to practice or offer to practice real property appraisal, within the meaning and intent of the law and the rules and regulations, who practices the profession

of real property appraisal or who, by verbal claim, sign, advertisement, letterhead, card or in any other way represents themselves to be a real property appraiser or through the use of some other title, implies that they are a real property appraiser, or that they are licensed or certified under the law or holds themselves out as able to perform or who does perform any real property appraisal service work, or any other service designated by the practitioner which is recognized as real property appraisal.

~~2.26~~ (z) "**Probation**". A condition placed upon an individual's practice that obligates they meet various conditions and further demonstrates that they have maintained a satisfactory performance in their practice over a specific period of time all license or wallet-size card issued by the Board. ~~**In order f**~~**For** a licensee to reinstate a license that has been revoked, the licensee is required to apply as a new applicant.

~~2.27~~ (aa) "**Suspension**". A suspension terminates a license privilege for a limited time. The license may be reinstated after the licensee **has** fulfilled **the** conditions imposed by the Board.

~~2.28~~ (bb) "**Temporary Appraiser's License**". A license for one specific appraisal assignment, issued to a Licensed or Certified appraiser not residing in the CNMI or who has no established business in the CNMI.

~~2.29~~ (cc) "**Tract Development**". A project of five units or more that is constructed or to be constructed as a single development. A tract development may be units in a subdivision, condominium project, time-share project, or any similar project meant to be sold as individual units over a period of time. A project is deemed to be a tract development whether it currently is or is intended to sell as a single development.

~~2.30~~ (dd) "**Uniform Standards of Professional Appraisal Practice or USPAP**". Standards of appraisalpractice developed by the Appraisal Standards Board(ASB)of the Appraisal Foundation.

~~2.31~~ (ee) "**Value**". The monetary relationship between properties and those who buy, sell, or use those properties.

~~2.32 **Years of Experience.** A year is defined in terms of hours within a calendar year. One thousand (1,000) hours constitutes a year of appraisal experience.~~

PART ~~III.~~ § 125-40-020 POWERS AND DUTIES OF THE BOARD

~~3.1 **Powers and Duties of the Board.**~~ In addition to those powers and duties specifically enumerated by law, the Board shall have the following powers and duties:

(a) To grant, deny, suspend, revoke, place on probation, renew, or refuse to renew permission to practice as a Licensed or Certified real property appraiser in the CNMI;

(b) To adopt, amend, or repeal rules and/or regulations as necessary to effectuate fully the law;

(c) To enforce the law and rules and regulations adopted pursuant thereto;

(d) To discipline a real estate appraiser to any cause prescribed by law or for any violation of the rules and regulations and refuse to grant a person permission to practice as a real property appraiser for any violations because that would be grounds for disciplining a real property appraiser;

(e) To act as the designated representative of the CNMI to exempt, waive or implement the requirements of 12 U.S.C. §3301 et seq.;

(f) To revoke or suspend the permission to practice as an appraiser or otherwise condition the scope of the license of the appraiser for any violation of the law or these regulations;

(g) To impose continuing education requirements as a prerequisite to renewal of a license, as necessary;

(h) To issue an annual statement describing the receipts and expenditures in the administration of these regulations during each fiscal year;

(i) To compel the attendance of witnesses and production of books, documents, records, and other papers; to administer oaths; and to take testimony and receive evidence concerning all matters within their jurisdiction. These powers may be exercised directly by the Board or the Board's authorized representative acting by authority of law;

(j) To contract with qualified persons, including attorneys, hearing officers, accountants, investigators, and other necessary personnel to assist the Board in exercising the Board's powers and duties;

(k) To contract with a professional testing agency to develop and administer examinations;

(l) To do all other things necessary to carry out the provisions of these regulations and to meet the requirements of federal law where necessary regarding licensing of appraisers that the Board determines are appropriate for Licensed and Certified appraisers in the CNMI.

PART ~~IV.~~ 100 REQUIREMENTS FOR LICENSURE

~~4.1~~ § 125-40-101 **Requirements for Licensure.** It shall be unlawful for an individual who is not licensed in the CNMI to prepare or hold oneself out as being able to prepare an appraisal in connection with a real property related transaction. It shall be unlawful for a person with one class of license to perform an appraisal requiring a different class of license.

~~4.2~~ § 125-40-105 **General Requirements.** All applicants for a license shall possess a reputation for honesty, trustworthiness, fairness, and financial integrity; meet educational and experience requirements; and shall pass an examination approved by the Appraiser Qualifications Board of the Appraisal Foundation and not have been convicted of or pled guilty or nolo contendere to, a felony in a domestic or foreign court during the five year period immediately preceding the date of the application for licensing or certification, or at any time preceding the date of application, if such felony involved an act of fraud, dishonestly, or a breach of trust, or money laundering. Applicants for the **federally-related transaction** and non-federally-related transaction appraiser license must take and pass the local appraisal examination as part of the requirement.

~~4.3~~ § 125-40-110 **Requirements for Real Property Appraiser, Federally Related Transactions.** All applicants for a Real Property Appraiser license must meet the following requirements:

A. Education.

1. Class Hour.

a. A class hour is 60 minutes, of which at least 50 minutes are instruction attended by the student. The prescribed number of class hours includes time devoted to examinations which are ~~considered to be~~ part of the course.

2. Credit for the class hour requirement may be obtained only from the following institutions:

a. Colleges or Universities
b. Community or Junior Colleges
c. Real Estate Appraisal or Real Estate Related Organizations
d. State or Federal Agencies or Commissions
e. Proprietary Schools
f. Providers approved by the **state certification/licensing agencies or the** Board.
g. **The Appraisal Foundation or** AQB-approved course providers

3. AQB Guidance for Curriculum Content.

I. Basic Appraisal Principles – 30 Hours

A. Real Property Concepts and Characteristics
1. Basic Real Property Concepts
2. Real Property Characteristics
3. Legal Description

B. Legal Considerations
1. Forms of Ownership
2. Public and Private Controls
3. Real Estate Contracts
4. Leases

C. Influences on Real Estate Values
1. Governmental
2. Economic
3. Social
4. Environmental, Geographic, and Physical

D. Types of Value
1. Market Value
2. Other Value Types

E. Economic Principles
1. Classic~~al~~ Economic Principles

2. Application and Illustrations of the Economic Principles

F. Overview of Real Estate Markets and Analysis
1. Market Fundamentals, Characteristics and Definitions
2. Supply Analysis
3. Demand Analysis
4. Use of Market Analysis

G. Ethics and How They Apply in Appraisal Theory and Practice

II. Basic Appraisal Procedures – 30 Hours

A. Overview of Approaches to Value

B. Valuation Procedures
1. Defining the Problem
2. Collecting and Selecting Data
3. Analyzing
4. Reconciling and Final Value Opinion
5. Communicating the Appraisal

C. Property Description
1. Geographic Characteristics of the Land/Site
2. Geologic Characteristics of the Land/Site
3. Location and Neighborhood Characteristics
4. Land/Site Considerations for Highest and Best Use
5. Improvements – Architectural Styles and Types of Construction
6. Special Energy-Efficient Characteristics of the Improvements

D. Residential Applications

III. 15-Hour National USPAP Course or its Equivalent – 15 Hours
(Required for the Trainee Appraiser, Licensed Residential, Certified Residential, and Certified General classifications)
A. Preamble and Ethics Rule
B. Standard 1
C. Standard 2
D. Standards 3 to 10
E. Statements and Advisory Opinions

IV. Residential Market Analysis and Highest and Best Use – 15 Hours
(Required for the Licensed Residential and Certified Residential Classifications)
A. Residential Markets and Analysis
1. Market Fundamentals, Characteristics and Definitions
2. Supply Analysis
3. Demand Analysis
4. Use of Market Analysis

B. Highest and Best Use
1. Test Constraints
2. Application of Highest and Best Use
3. Special Considerations
4. Market Analysis
5. Case Studies

V. Residential Appraiser Site Valuation and Cost Approach – 15 Hours
(Required for the Licensed Residential and Certified Residential classifications)

A. Site Valuation
1. Methods
2. Case Studies

B. Cost Approach
1. Concepts and Definitions
2. Replacement/Reproduction Cost New
3. Accrued Depreciation
4. Methods of Estimating Accrued Depreciation
5. Case Studies

VI. Residential Sales Comparison and Income Approaches – 30 Hours
(Required for the Licensed Residential and Certified Residential classifications)

A. Valuation Principles & Procedures – Sales Comparison Approach
B. Valuation Principles & Procedures – Income Approach
C. Finance and Cash Equivalency
1. Identification of Seller Concessions and their Impact on Value
D. Financial Calculator Introduction
E. Identification, Derivation and Measurement of Adjustments
F. Gross Rent Multipliers
G. Partial Interests
H. Reconciliation
I. Case Studies and Applications

VII. Residential Report Writing and Case Studies – 15 Hours
(Required for the Licensed Residential and Certified Residential classifications)

A. Writing and Reasoning Skills
B. Common Writing Problems
C. Form Reports
D. Report Options and USPAP Compliance
E. Case Studies

VIII. Statistics, Modeling and Finance – 15 Hours
(Required for the Certified Residential and Certified General classifications)

A. Statistics
B. Valuation Models (AVM's and Mass Appraisal)
C. Real Estate Finance

IX. Advanced Residential Applications and Case Studies – 15 Hours
(Required for the Certified Residential classification)
A. Complex Property, Ownership and Market Conditions
B. Deriving and Supporting Adjustments
C. Residential Market Analysis
D. Advanced Case Studies
1. Seller Concessions
2. Special Energy-Efficient Items (i.e., "Green Buildings")

X. General Appraiser Market Analysis and Highest and Best Use – 30 Hours
(Required for the Certified General classification)
A. Real Estate Markets and Analysis
1. Market Fundamentals, Characteristics and Definitions
2. Supply Analysis
3. Demand Analysis
4. Use of Market Analysis

B. Highest and Best Use
1. Test Constraints
2. Application of Highest and Best Use
3. Special Considerations
4. Market Analysis
5. Case Studies

XI. General Appraiser Sales Comparison Approach – 30 Hours
(Required for the Certified General classifications)
A. Value Principles
B. Procedures
C. Identification and Measurement of Adjustments
D. Reconciliation
E. Case Studies
1. Seller Concessions
2. Special Energy-Efficient Items (i.e., "Green Buildings")

XII. General Appraiser Site Valuation and Cost Approach – 30 Hours
(Required for the Certified General classifications)
A. Site Valuation
1. Methods
2. Case Studies

B. Cost Approach
1. Concepts and Definitions
2. Replacement/Reproduction Cost New
3. Accrued Depreciation
4. Methods of Estimating Accrued Depreciation
5. Case Studies

XIII. General Appraiser Income Approach – 60 Hours
(Required for the Certified General classifications)

A. Overview
B. Compound Interest
C. Lease Analysis
D. Income Analysis
E. Vacancy and Collection Loss
F. Estimating Operating Expenses and Reserves
G. Reconstructed Income and Expense Statement
H. Stabilized Net Operating Income Statement
I. Direct Capitalization
J. Discounted Cash Flow
K. Yield Capitalization
L. Partial Interests
M. Case Studies

XIV. General Appraiser Report Writing and Case Studies – 30 Hours
(Required for the Certification General classifications)

A. Writing and Reasoning Skills
B. Common Writing Problems
C. Report Options and USPAP Compliance
D. Case Studies

4. Experience may not be substituted for education.

5. Instructors who are also licensed or certified appraisers may receive up to one half of their continuing education requirement from instruction of appraisal courses or seminars. Credit for instructing can only be awarded once during a CE cycle.

6. Qualifying Education (QE).

A. Class hours will be credited only for educational offerings with content that follows the required AQB Guidance for Curriculum Content listed in §4.3(A)(3) for each respective classification. Course content requirements may be general or specific to property type. Applicants must take the 15-Hour National USPAP course, or its equivalent, and pass the associated 15-Hour National USPAP Course Examination. Equivalency shall be determined through the AQB Course Approval Program or by an alternate**ive** method established by the AQB. USPAP qualifying education credit shall only be awarded when the class is instructed by an AQB Certified USPAP Instructor(s) who is also a state certified appraiser.

B. Credit toward QE requirements may also be obtained via the completion of a graduate (masters or doctoral) degree in Real Estate from an accredited college or university approved by the American Associationof Collegiate Schools of Business, or a regional or national accreditationagency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by theAQB. The AQB may maintain a list of approved college or university graduate degree programs, including the Required Core Curriculum and Appraisal Subject Matter

Elective hours satisfied by the award of the degree. Candidates for the Trainee, Licensed, Certified Residential or Certified General credential who are awarded graduate degrees from approved institutions ~~are required to~~ must complete all additional education required for the credential, in which the approved degree is judged to be deficient by AQB.

C. Class hours may be obtained only where the minimum length of the education offering is at least 15 hours, and the individual successfully completes an approved closed-book examination pertinent to that education offering.

D. Courses taken for QE must not be repetitive in nature. USPAP Courses taken in different years are not repetitive.

7. **Distance Education to meet Qualifying Education Requirement.**
~~For qualifying education, d~~Distance education is defined as any educational~~l~~process based on the geographical separation of ~~learner~~ student and instructor. ~~For qualifying education.~~ A distance education course ~~must~~ provide interaction between the ~~learner~~ student and instructor and include testing.

A. Distance education courses may be acceptable to meet the classroomhour requirement, or its equivalent, provided that the course is approved by the Board, the student successfully completes a written examination proctored by an official approved by the presenting entity, college or university, the course meets the requirements for qualifying education established by the AQB, the course is equivalent to the minimum of 15 classroom hours, and meets one of the following conditions:

1. The course is presented by an accredited (Commission on Colleges or a regional accreditation association) college or university that offers distance education programs in other disciplines; or

2. The course has received approval of the International Distance Education Certification Center (IDECC) for the course design and delivery mechanism and either:
a) the approval of the AQB through the AQB Course Approval Program, or
b) the course is approved by the Board.

B. Examination.

1. Each applicant for a license shall successfully pass the appropriate examinations of the AQB approved Uniform State Appraiser Examination. The examination must be successfully completed. There is no alternative to successful completion of the examination.

2. Passage of an examination taken in another jurisdiction may be approvedas meeting the examination requirement provided the examination is the AQB approved Uniform State Appraiser Examination.

3. An examinee who fails the 15-hour National USPAP Course Examination is allowed to re-take the examination up to three times without re-taking the course. Each time the examination is re-taken the examinee must be administered a different version (there

are three versions) of the examination. After three unsuccessful attempts the examinee must re-take the course.

4. ~~A new applicant not currently licensed or certified and in good standing in another U.S. state or territory, shall have up to December 31, 2014, after approval by the Board, to take and pass an AQB approved qualifying examination for the classification. Successful completion of the examination may be valid for another 24 months after 12/31/14.~~

C. Experience.

1. Education may not be substituted for experience.

2. The quantitative experience requirements must be satisfied by time spent on the appraisal process. The appraisal process consists of analyzing factors that affect value; defining the problem; gathering and analyzing data; applyingthe appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

3. The verification for experience credit claimed by an applicant shall be on forms prescribed by the Board which should include:

   a. Type of property
   b. Date of report
   c. Address of appraised property
   d. Description of work performed
   e. Number of actual work hours
   f. The name, signature, and license number of the supervising appraiser

4. Hours may be treated as cumulative ~~in order~~ to achieve the necessary number of hours of appraisal experience.

5. Documentation in the form of reports, certifications, or file memoranda,or, if such reports and memoranda are unavailable for good cause, other evidence at the Board's discretion that the work is compliant with USPAP must be provided, if requested, as part of the experience verification process to support the experience claimed.

6. ~~All experience must be obtained after January 30, 1989 and must be USPAP compliant.~~

7. 6. All applicants must affirm in the application provided by the Board that the hours presented were completed under the supervision of a Licensed Residential or Licensed General Real Property Appraiser for non-federally related transactions or a Certified Residential or Certified General Real Property Appraiser for federally related transactions, depending on the appraiser classification the applicant is applying for.

~~**D. Extension of Time for Active Duty U.S. Military**~~

~~An applicant in the Reserve components of the US Armed Forces, who was pursuing an~~

~~appraiser license or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011 and December 31, 2014, may satisfy the qualifications required under the 2008 Criteria for an additional time period after January 1, 2015. The extension of time shall be equal to the applicant's time of active duty, plus 12 months.~~

E. Compliance with USPAP

Appraisers in all classifications shall perform and practice in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

~~4.4~~ § 125-40-115 Real Property Appraiser Classifications

A. Trainee Real Property Appraiser Classification

The scope of practice for this classification is the appraisal of those properties which the supervising certified appraiser is permitted by his/her current classification and that the supervising appraiser is qualified to appraise. The appraiser trainee shall be entitled to obtain copies of appraisal reports he or she prepared. The supervising appraiser shall keep copies of appraisal reports for a period of five years, or at least two years after final disposition of any judicial proceedings in which testimony was given, whichever period expires last.

1. **Qualifying Education**

   a. As the prerequisite for application, an applicant must have completed 75 creditable class hours as specified below. Additionally, applicants must pass the Core Curriculum examinations and pass the 15-Hour National USPAP course and examination as part of the 75 creditable class hours.

      (A) Basic Appraisal Principles . . . . . 30 Hours
      (B) Basic Appraisal Procedures . . . . . 30 Hours
      (C) 15-Hour National USPAP. . . . . .15 Hours

   b. Qualifying education must ~~have been~~ obtained within the five-year period immediately preceding application for **a Trainee Appraiser credential or** licensure.

   c. Effective after 1/1/15, both the Trainee Appraiser and Supervisory Appraiser shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB (including existing supervisors if they take on a new trainee after 1/1/15). The course will be oriented toward the requirements and responsibilities of Supervisory Appraisers and expectations for Trainee Appraiser. The course must be completed by the Trainee Appraiser prior to obtaining a Trainee Appraiser credential and completed by the Supervisory Appraiser prior to supervising a Trainee Appraiser.

2. **Examination**

   There are no examination requirements for this classification, but the trainee shall pass examinations in the prerequisite courses ~~in order~~ to earn credit for core education courses.

3. **Experience**
No experience is ~~required~~ needed as a prerequisite for this classification.

4. **Training**
a. The Trainee Appraiser shall be subject to direct supervision by a certified appraiser.

b. The Supervising Appraiser shall be responsible for the training, guidance, and direct supervision of the appraiser trainee by:

i) Accepting responsibility for the appraisal by signing and certifying the appraisal report complies with USPAP;
ii) Reviewing and signing the appraiser trainee appraisal report(s); and

iii) Personally inspecting each appraised property with the Trainee Appraiser until the Supervising Appraiser determines the Trainee Appraiser is competent to inspect the property, in accordance with the COMPETENCY RULE of USPAP for the property type.

c. The Trainee Appraiser is permitted to have more than one Supervising Appraiser; however, Supervisory Appraisers may not supervise more than three (3) Trainee Appraisers at one time, unless a state program in the credentialing jurisdiction provides for progress monitoring, supervisorycertified appraiser qualifications, and supervision and oversight requirements for Supervisory Appraisers.

d. An appraisal **experience** log shall be maintained **jointly** by the **Supervisory Appraiser & the Trainee A**ppraiser ~~T~~rainee and shall, at a minimum, include the following: ~~for each appraisal~~:

i) Type of property
ii) Date of Report
iii) Client name and address of appraised property
iv) ~~A d~~Description of the work performed by the trainee or applicant
v) The scope of the review and supervision of the supervising appraiser
~~vi) The level of supervision performed by the supervising appraiser.~~
vii) Number of actual work hours by the trainee/applicant on the assignment
viii) Name, signature, and license number of the supervising appraiser

e. The supervising appraiser shall be in good standing within the training jurisdiction, not subject to any disciplinary action within the last three **(3)** years that affects the Supervisory Appraiser's legal eligibility to engage in appraisal practice. A Supervisory Appraiser subject to a disciplinary action would be ~~considered to be~~ in good standing three **(3)** years after the successful completion/termination of the sanction imposed against the appraiser.

f. Separate appraisal logs shall be maintained for each supervising appraiser, if applicable.

5. **Continuing Education**

   a. Fourteen (14) continuing education hours for each year (28 hours);and

   b. Successful completion of the 7-hour National USPAP Update Course, at least once every two years. After January 1, 2005, you may not substitute the 15-hour National USPAP course or its equivalent for the 7-hour National USPAP Update course.

6. All appraiser trainees must comply with the Competency Rule of USPAP.

B. Licensed Residential Real Property Appraiser Classification

The Licensed **Residential** Real Property classification applies to the appraisal of non-complex one-to-four residential units having a transaction value less than $1,000,000 and complex one-to-four residential units having a transaction value less than $400,000. This classification includes the appraisal of vacant or unimproved land that is utilized for 1-4 family purposes or for which the highest and best use is for 1-4 family purposes. This classification does not include the appraisal of subdivisions for which a development analysis/ appraisal is necessary.

1. Qualifying Education

   a. Applicants for the licensed real property credential shall successfully complete 30 semester hours of college-level education, froman accredited college, junior college, community college, or university.The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. If an accredited college or university accepts the College-Level Examination Program® (CLEP) and examination(s) and issues a transcript for the exam, showing its approval, it will be considered as credit for the college course. Applicants holding an Associate degree, or higher, from an accredited college, junior college,community college, or university satisfy the 30-hour college-level education requirement.

2. Examination

   a. The AQB-approved Licensed Residential Real Property Appraiser Examination must be successfully completed. The only alternative to successful completion of the Licensed Residential examination is the successful completion of the Certified Residential or Certified General examination.

   b. The prerequisites for taking the AQB-approved examination are completion of:

      (1) One hundred fifty (150) creditable class hours as specified in the *Required Core Curriculum*; and

      (2) Completion of the college-level education requirementsspecified in (B) (1) (a) above; and

(3) One thousand (1,000) ~~Two thousand (2,000)~~ hours of qualifying experience in no fewer than ~~twelve (12) months~~ **six (6) months.**

3. Experience

~~Two~~ One thousand ~~(2,000~~ **1,000)** hours of appraisal experience are required to be obtained in no fewer than ~~12 months~~ **(six (6) months**.

4. Continuing Education

a. Fourteen (14) continuing education hours for each year (28) hours);and

b. Successful completion of the 7-hour National USPAP Update Course,at least once every two years. After January 1, 2005, you may not substitute the 15-hour National USPAP course or its equivalent for the 7-hour National USPAP Update course.

5. All licensed appraisers must comply with the COMPETENCY RULE of USPAP.

C. Certified Residential Real Property Appraiser Classification

The Certified Residential Real Property classification applies to the appraisal of one-to-four residential units without regard to transaction value or complexity. This classification includes the appraisal of vacant or unimproved land that is utilized for 1-4 family purposes or for which the highest and best use is for 1-4 family purposes. This classification does not include the appraisal of subdivisions for which a development analysis/ appraisal is necessary.

1. Qualifying Education

a. Applicants for the Certified Residential credential must hold a ~~B~~bachelor's degree, or higher, from an accredited college or university. The college or university must be a degree-granting institution accredited by the Commission on Colleges, a national or regional accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education.

b. The Certified Residential Real Property Appraiser classification requires completion of two hundred (200) creditable class hours as specified in the *Required Core Curriculum*. As part of the 200 required hours, the applicant shall successfully complete the 15-Hour National
USPAP Course, or its AQB-approved equivalent, and the examination. Thereis no alternative to successful completion of the USPAP Course and examination.

2. Examination

a. The AQB-approved Certified Residential Real Property Appraiser Examination must be successfully completed. ***There is no alternative to successful completion of the***
examination.

b. The prerequisites for taking the AQB-approved examination are completion of:

(1) Two hundred (200) creditable class hours as specified in the *Required Core Curriculum*:

(2) Completion of the college-level education requirementsspecified in (c) (1) (a) above; and

(3) One thousand five hundred ~~(2,500~~ 1,500) hours of qualifying experience obtained in no fewer than ~~twenty-four (24)~~ twelve **(12)** months.

3. Experience

~~Two~~ One thousand five hundred ~~(2,500~~ 1,500) hours of experience obtained during no fewer than ~~twenty-four (24)~~ twelve **(12)** months is required. While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

4. Continuing Education

a. Fourteen (14) continuing education hours for each year (28) hours;and

b. Successful completion of the 7-hour National USPAP Update Course,at least once every two years. After January 1, 2005, you may not substitute the 15-hour National USPAP course or its equivalent for the 7-hour National USPAP Update course.

5. All certified residential appraisers must comply with the Competency Ruleof USPAP.

D. Certified General Real Property Appraiser Classification

This classification applies to the appraisal of all types of real property.

1. Qualifying Education

a. Applicants for the Certified General credential must hold a **B**~~b~~achelor's degree, or higher, from an accredited college or university. The college or university must be a degree-granting institution accreditedby the Commission on Colleges, a national or regional accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education.

b. The Certified General Real Property Appraiser classificationrequires completion of three hundred (300) creditable class hours as specified in the *Required Core Curriculum*. As part of the 300 required hours, the applicant shall successfully complete the 15-Hour National USPAP Course, or its AQB-approved equivalent, and the examination. There is no alternative to successful completion of the USPAP Course and examination.

c. Applicants must demonstrate that their education includes core courses listed

above, with particular emphasis on non-residentialproperties.

2. Examination

a. The AQB approved Uniform State Certified General Real Property Appraiser Examination must be successfully completed. There is no alternative **to** successful completion of the exam.

b. The prerequisites for taking the AQB-approved examination are completion of:

(1) Three hundred (300) creditable class hours as specified in the *Required Core Curriculum*;

(2) Completion of the college-level education requirementsspecified in (D) (1) (a) above; and

(3) Three thousand (3,000) hours of qualifying experience obtained in no fewer than ~~thirty (30)~~ eighteen**(18)** months, where a minimum of one thousand five hundred (1,500) hours must be obtained in non-residential appraisal work.

3. Experience

Three Thousand (3,000) hours of experience obtained during no fewer than ~~thirty (30)~~ eighteen**(18)** months is required, of which, ~~one~~ one thousand five hundred (1,500) hours must be in non-residential appraisal work. While the hours may be cumulative, the required number of monthsmust accrue before an individual can be certified.

4. Continuing Education

a. Fourteen (14) continuing education hours for each year (28) hours;and

b. Successful completion of the 7- hour National USPAP Update Course,at least once every two years. After January 1, 2005, you may not substitute the 15-hour National USPAP course or its equivalent for the 7-hour National USPAP Update course.

5. All certified residential appraisers must comply with the COMPET**E**NCY RULE of USPAP.

E. Licensure by Reciprocity.

The Board may grant a license to a person to practice as a real property appraiser by reciprocity if:

1. The person holds an active, valid license for real property appraisal inanother U.S. state or territory for the real property classification he/she isapplying for;

2. The person is coming from a state or U.S. territory that is "incompliance" with Title XI as determined by the ASC; and

3. The licensure requirements in the jurisdiction of the applicant meet orexceed the requirements in these regulations.

~~4.5~~ § 125-40-120 **Approved Course Providers**

A. Colleges, universities and community and junior colleges accredited by the Commission on Colleges, or a regional or national accreditation association, or by anaccrediting agency that is recognized by the U.S. Secretary of Education.

B. Real property appraiser or real estate related organizations, proprietary schools, and others shall be approved provided that the course provider ~~have~~ **has** obtained approval of their course(s) with AQB.

~~4.6~~ § 125-40-125 **Continuing Education (CE)**

The purpose of continuing education is to ensure that the appraiser participates ina program that maintains and increases his/her skill, knowledge, and competency in real property appraising.

A. The equivalent of fourteen (14) class hours of instruction in courses or seminars for each year during the period preceding the renewal is required. (For example, a two-year licensing term would require twenty-eight (28) hours). These hours may be obtained anytime during the two-year term.

B. Credit towards the continuing education hour requirements for each appraiser classification may be granted only where the length of the educational offering is atleast two hours.

C. Credit for the class hour requirement may be obtained only from the following institutions:

a. Colleges or Universities
b. Community or Junior Colleges
c. Real Estate Appraisal or Real Estate Related Organizations
d. State or Federal Agencies or Commissions
e. Proprietary Schools
f. Providers approved by the Board
g. AQB-approved course providers

D. Credit may be granted for educational offerings that are consistent with the purpose of continuing education and cover those real properties related appraisal topics, including, but not limited to:

a. Ad Valorem Taxation;
b. Arbitration, dispute resolution;
c. Courses related to the practice of real estate appraisal orconsulting;

d. Development cost estimating;
e. Ethics and standards of professional practice, USPAP;
f. Land use planning, zoning;
g. Management, leasing, timesharing;
h. Property development, partial interests;
i. Real estate law, easements, and legal interests;
j. Real estate litigation, damages, condemnation;
k. Real Estate financing and investment;
l. Real estate appraisal related computer applications; and/or
m. Real estate securities and syndication

E. Appraisers must successfully complete the 7-Hour National USPAP Update Course,or its equivalent, every two calendar years. Equivalency shall be determined throughthe AQB Course Approval Program or by an alternate**ive** method established by the AQB. USPAP continuing education credit shall only be awarded when the class is instructedby *at least one* AQB Certified Instructor(s) who is also a state certified appraiser.Individuals who are licensed in more than one jurisdiction shall not have to take more than one 7-Hour National USPAP Update Course within a two-calendar year period for the purposes of meeting AQB criteria.

F. Qualifying education courses are acceptable as continuing education courses ~~aslong as~~ if they are not a duplicate.

G. Aside from complying with the requirements to complete the 7-Hour National USPAPA Update Course, or its equivalent, appraisers may not receive credit for completion of the same continuing education course offering within an appraiser's continuing education cycle.

H. The Board, in its discretion, may require the completion of an examination at the end of any continuing education course.

I. Up to one half of an individual's continuing education requirement may also begranted for participation, other than as a student, in appraisal educational processesand programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education. Credit for instructingany given course or seminar can only be awarded once during a continuing education cycle.

J. Educational offerings taken by an individual ~~in order~~ to fulfill the class hourrequirements for a different classification than his/her current classification may be simultaneously counted towards the continuing education requirement of his/her classification.

K. Continuing education credit hours in excess of the twenty-eight (28) continuingeducation hours for every two-year renewal period shall not be credited to satisfy continuing education hours for the next two-year renewal period.

L. As a prerequisite to renewal of a license, a real property appraiser shall present satisfactory evidence of having met the continuing education requirements.

M. Distance Education to meet Continuing Education Requirement for continuing education, distance education is defined as any educational processbased on the geographical separation of learner and instructor.

a. Distance education courses may be acceptable to meet the continuing education requirement provided that the course is approved by the Board, the course is a minimum of 2 classroom hours and meets the requirements for continuing education courses established by the AQB, and meets one of the following conditions:

1. The course is presented to an organized group in an instructional setting with a person qualified and available to answer questions, provide information, and monitor student attendance; or

2. The course is presented by an accredited (Commission on Colleges ora regional accreditation association) college or university that offers distance education programs in other disciplines and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or

3. The course has received approval of the International Distance Education Certification Center (IDECC) for the course design and deliverymechanism and either a)the approval of the AQB through the AQB Course Approval Program, or b) the course is approved by the Board and the student successfully completes a written examination proctored by an official approved by the presenting college or university or by the sponsoring organization consistent with the requirements of the course accreditation; or if a written examination is not required, the student successfully completes the course mechanisms required.

PART ~~V.~~ 200 APPRAISERS-NON-FEDERALLY RELATED TRANSACTIONS

~~5.1~~ § 125-40-201 Education/Experience Requirements for Non-Federally Related Transactions.

Applicantsmust meetthe following requirements for licensing as a CNMI Licensed Real Property Appraiser, Non-Federally Related Transactions or CNMI Licensed General Real Property Appraiser, Non-Federally Related Transactions or for renewal:

A. Licensed Real Property Appraiser, Non-Federally Related Transactions

Includes the appraisal of vacant or unimproved land of one to four residential units. This classification does not include the appraisal of subdivisions wherein a development appraisal is necessary and utilized. This appraiser is not qualified under the law and these regulations to perform federally related real property transactions. At least 50% of the experience claimed must

have been in major residential appraisal work.

B. Licensed General Real Property Appraiser, Non-Federally Related Transactions

This classification requires that at least 50% of the experience claimed must have been in non-residential appraisal work and can-do appraisals of all real estate transactions without regard to transaction value or complexity. This appraiser is not qualified under the law and these regulations to perform federally related real property transactions.

C. Education and Experience

1. One Hundred (100) class hours in courses related to real estate appraisalwith six (6) years' experiences as an appraiser; or

2. An AA in Business Administration with seventy-five (75) classroom hoursin courses related to real estate appraisal with (4) years' experience as an appraiser; or

3. A Bachelor's degree or higher with fifty (50) class hours in courses related to real estate appraisal and two (2) years' experiences as an appraiser.

D. All applicants must take and pass the local appraisal examination approved bythe Board. The examination shall be based upon recognized appraisal standards, to beselected and administered by the Board pursuant to its rulemaking power.

E. To verify appraisal experience as required in Section (C), the applicant mustsubmit at least one appraisal report he or she has written for each of the required years of experience ~~above~~-mentioned **above**.

PART ~~VI.~~ 300 APPLICATION

~~6.1~~ § 125-40-301 Application for Licensure.
Application for licensure shall be made under oath or under penalty of perjury as permitted under CNMI law on a form to be furnished by theBoard. The form may require the applicant to provide:

A. The applicant's full name;

B. A statement that the applicant has attained the age of majority (18);

C. The applicant's current business or mailing address or publication, and the applicant's current address;

D. The applicant's social security number;

E. The applicant's employment history during the five years preceding the date ofthe filing of the application, with names and addresses of each employer;

F. Police clearance from a U.S. state or territory or foreign jurisdiction where licensed or presently or formerly residing shall be furnished as a condition to apply for a license;

G. The date and place of any conviction of felony or any crime in any way relatedto any appraisal practice;

H. Information regarding any disciplinary proceedings or disciplinary actions taken by any jurisdiction;

I. A designation in writing appointing the Board to act as the applicant's agentupon whom all judicial and other process or legal notices directed to the applicantmay be served. The applicant shall agree that service upon the Board shall have thesame legal force and validity as if personally served upon the applicant when such judicial or other process or legal notice is related directly or indirectly to a license issued by the Board. This procedure is for informational purposes only andis not intended to be, and of itself does not constitute, valid, legal service uponthe licensee who must be served on a basis consistent with applicable CNMI laws, rules, regulations and/or Rules of Court. The Board shall immediately forward suchjudicial or other process or legal notice to the licensee by ~~the~~ mailing ~~of~~ such document certified mail, return receipt requested, to the last address which the licensee has provided to the Board. The Board's compliance with the notification requirement as provided herein shall conclude the Board's liability and notificationresponsibility of the licensee.

J. A photograph of the applicant for identification purposes;

K. Any other information the Board may require ~~to~~ investigateing the applicant's qualifications for licensure.

~~6.2~~ § 125-40-305 **Supporting Documents Required.** Every applicant shall furnish the following with theapplication:

A. The appropriate fees;

B. Proof that the applicant has met the educational, examination, and experience requirements;

C. Notarized statement of experience or under penalty of perjury as permitted byapplicable CNMI law;

D. Three references from lenders or other individuals who have had dealings relating to the applicant's appraisal assignments attesting to the applicant's experience and reputation for honesty, truthfulness, fairness, and financialintegrity;

E. Proof that the applicant is a CNMI or United States citizen or a non-U.S. citizen authorized to work in the CNMI: and

F. If requested, appraisal reports or file memoranda.

G. Other additional information as the Board from time to time deems appropriate or necessary.

~~6.3~~ § 125-40-310 **Reputation for Honesty, Truthfulness, Fairness and Financial Integrity.** Applicant shall demonstrate, as set forth in 6.2 (D) that the applicant possesses a good reputation for honesty, truthfulness, fairness, and financial integrity. **Issuance of License.** The CNMI appraiser license shall be issued upon the applicant meeting all appropriate requirements and must be renewed as required by the CNMI lawand provided herein every two years from the date of issuance or renewal.

~~6.4~~ § 125-40-315 **License.** A CNMI license shall only be issued to individuals and the license shall not be transferable.

~~6.5~~ § 125-40-320 **Filing of Current Address.** Every licensee shall provide written notice to the Boardof any changes ~~of~~ **to** the licensee's mailing, business, or residence address within ten days of the change. Any requirements that the Board provide notice to licensed appraisers shall be deemed met if notice is sent to the address on file with the Board.

~~6.6~~ § 125-40-325 **Responsibility of Applicant to Furnish Information and Documentation.** It shall be each applicant's responsibility to furnish the information and documents requested.In the event of any change ~~of~~ **in the** information provided, the applicant shall notify the Board in writing within thirty days of any change.

~~6.7~~ § 125-40-330 **Signing and Verification of Application.** Every application and all references shallbe signed and notarized or signed under penalty of perjury as permitted by applicableCNMI law by the applicant or the person attesting to the experience and reputation ofthe applicant.

~~6.8~~ § 125-40-335 **Application for Temporary Practice.** Application for a temporary license will be processed and issued within five (5) business days after receipt of a complete application for a temporary license.

~~6.9~~ §125-40-340 **Application for Certified Real Property Appraiser, Federally Related Transactions from Licensed Real Property Appraiser, Federally Related Transaction.**

A. An individual holding a current real property appraiser, federally related transaction license may apply for certified real property appraiser, federally relatedtransactions status upon submittal of the following:

1. Certified Residential Real Property Appraiser:

(a) appropriate fees;

(b) proof that the applicant has satisfy the college-level educational requirements as specified in 4.4(C) (1) (a) or (b) and the 200 class hoursas specified in 4.4(C) (1) (c) which may include the 150 class hours requirements for licensed classification which shall include the 15-hour National USPAP Course and examination and successful completion of the AQB approved Uniform State Certified Residential Appraiser

Examination; and

(c) proof that the applicant has performed at least 2,500 hours of major residential appraisal work obtained within no less than 24 months.

2. Certified General Real Property Appraiser:

(a) appropriate fees;

(b) proof that the applicant has satisfy the college-level educational requirements as specified in 4.4(D)(1)(a) or (b) and the 300 class hours as specified in 4.4(D)(1)(c)which may include the 150 class hours requirement for the licensed classification and/or the 200 class hours requirement for the certified residential classification which shall include the 15-hours National USPAP Course and examination and successful completion of the AQB approved Uniform State Certified General AppraiserExamination; **and proof** that the applicant has performed at least 3,000 hours of appraisal experience obtained during no fewer than 30 months, of which 1,500 hours must be in non-residential appraisal work.

(c) Credit awarded for the continuing education requirement may also be awarded for the class hour requirement when an individual seeks a different classification thanthat held, provided the education offering meets the criteria established for the class hour and continuing education requirements.

~~6.10~~ § 125-40-345 **Criminal Conviction.** When an applicant has been convicted of felony or a crime related to the appraisal profession the Board may request the following documents from the applicant: copies of any court records, orders, or other documents that state the facts and statutes upon which the applicant was convicted, the verdict of the court ~~with~~ regarding ~~to~~ that conviction, the sentence imposed, and the actual termsof the sentence.

~~6.11~~ § 125-40-350 **Denial or Rejection of Application.**

A. An application for issuance of a license shall be denied when an application isinsufficient or incomplete or when an applicant has failed to provide satisfactory proof that the applicant meets the requirements hereunder. In addition, the Board may deny issuance of a license:

1. When the applicant is known to have committed any of the acts for whicha license may be suspended or revoked hereunder.

2. If the applicant fails to demonstrate that the applicant possesses a goodreputation for honesty, truthfulness, fairness, and financial integrity; or

3. If the applicant has had disciplinary action taken by any jurisdiction,including any federal or state regulatory body.

B. An applicant shall be automatically rejected, and the applicant shall be deniedlicensure when the applicant, after having been notified to do so:

1. Fails to pay the appropriate fees within sixty days from notification; or

2. Fails to submit, after notification, any of the information ordocumentation requested to comply with any of the requirements for licensure within sixty days of notification.

C. Any application which has been denied or rejected shall remain in the possessionof the Board and shall not be returned.

D. An applicant, whose application has been denied or rejected, may file for an administrative hearing as provided under applicable law and regulations.

~~6.12~~ § 125-40-355 **Term.** All licenses expire two years following its issuance or renewal and becomes invalid after that date unless renewed.

PART ~~VII.~~ 400 TEMPORARY PRACTICE

~~7.1~~ § 125-40-401 **Temporary License.** The Board may grant a temporary license to a person who desires to practice on a temporary basis, provided that such person is legally qualified and licensed in his or her jurisdiction and that his/her qualifications for obtaining thelicense meet those required for licensure by this Board and further provided that:

a) The person's business is of a temporary nature; and
b) The appraiser applies for the temporary license.

A. A temporary license shall be used to appraise only one assignment which lengthof time not to exceed one year and shall provide that there is no right to practice real property appraisal with respect to any other works not set forth in the temporary license. A temporary license may be extended but only for the purpose of completing the specific job for which the original temporary license was issued.

~~7.2~~ § 125-40-405 **Requirements.**

A. Application for licensure for temporary practice shall be made under oath or under penalty of perjury as permitted under CNMI law on a form to be furnished by theBoard. The form may require the applicant to provide items above mentioned, and in addition, the applicant shall:

(a) Submit evidence of current license from the other jurisdiction;

(b) Submit a copy of the contract for appraisal services that requires the applicant to appraise real property in the CNMI and certify that such contractis in full force and effect;

(c) Certify that disciplinary proceedings are not pending against the applicant in any jurisdiction;

(d) Agree, in writing, to conform with all the provisions of theseregulations; and

(e) File a designation in writing appointing the Board to act as the applicant's agent upon whom all judicial and other process or legal notices directed to the applicant may be served. The applicant shall agree that serviceupon the Board shall have the same legal force and validity as if personally served upon the applicant when such judicial or other process or legal notice is related directly or indirectly to a license or certificate issued by the Board. The Board shall immediately forward such judicial or other process or legal notice to the licensee by ~~the~~ mailing of such document certified mail, return receipt requested, to the last address which the licensee has provided the Board. The Board's compliance with the notification requirement as providedherein shall conclude the Board's liability and notification responsibility ofthe licensee.

PART ~~VIII.~~ 500 RENEWAL

~~8.1~~ § 125-40-501 **Date of Filing for Renewal.** A renewal notice shall be mailed by the Board a month before the expiration date to appraisers whose license is expiring. All licensed appraisers shall request in writing to the Board if they wish to renew their licenseand must submit proof of the required completed continuing education hours and the renewal fee on or before the date of expiration. The required documents with the renewal fee sent by United States mail shall be considered timely filed if the envelopebears a postmark no later than the date of expiration.

~~8.2~~ § 125-40-505 **Failure to Renew.** The failure to timely renew the license, pay the applicable fees, submit the required continuing education hours, or pay~~ing~~ fees with a check which isdishonored upon first deposit shall cause the license to be automatically invalid.

~~8.3~~ § 125-40-510 **Reinstatement of an Invalid License.**

A. Licenses which have expired for failure to renew on or before the date herein above required may be reinstated within one year of the expiration date provided theapplicant pays the appropriate fees~~,~~ and submits all continuing education hours thatwould have been required had the licensee maintained licensure.

B. ~~Each individual~~ Everyone whose license has expired and lapsed for more than one year byfailure to renew must file a new application, meet current requirements and receive board approval for licensure.

~~8.4~~ § 125-40-515 **Board May Refuse to Renew or Reinstate License.**

A. The Board may refuse to renew or reinstate a license for failure or refusal ofthe licensee:

1. To properly complete or timely submit the renewal application form andsubmit all fees and required documentation;
2. To maintain a good reputation for honesty, truthfulness, fairness, andfinancial integrity;

3. To meet and maintain the conditions and requirements necessary to qualifyfor the

issuance of the license; or

4. To comply with the law and these regulations.

B. An applicant, whose application has been refused by the Board to be renewed orreinstated for the above reasons may file for an administrative hearing as provided by law.

~~8.5~~ § 125-40-520 **Inactive Status.**

A. A license may be placed on an inactive status upon notification to the Board bythe licensee in writing of the effective date of inactivation and payment of an inactive fee.

B. A licensee on inactive status shall be considered as unlicensed or uncertified.

C. Failure to reactivate a license on inactive status after two years shall renderthe license null and void and appraiser must apply as a new applicant and meet current licensing requirements.

D. Misrepresentation of inactive status ~~on~~ **in** the practice of real property appraisalshall be grounds for disciplinary action.

~~8.6~~ § 125-40-525 **Requirements to Reactivate.**

A. An inactive licensee may apply for reactivation upon payment of all fees due owing from time of inactivity and proof of completion of all continuing education hours the applicant would have had to submit if the applicant has maintained licensure from the date of inactivation.

B. Failure to meet the requirements for reactivation shall require a person desiring licensure to apply as a new applicant.

PART ~~IX.~~ 600 SCOPE OF APPRAISERS

~~9.1~~ § 125-40-601 **Supervision of Appraiser Trainees.** Certified appraisers may directly superviseappraiser trainees provided:

A. The appraiser trainee is a bona fide employee of the Certified appraiser, or anemployee of the same entity who employs the Certified appraiser; and

B. The licensed appraiser signs the report attesting the acceptance of the appraisal as being independently and impartially prepared and in compliance with theUSPAP.

~~9.2~~ § 125-40-605 **Use of Terms "Licensed Appraiser", and "Certified Appraiser".**

A. The terms "licensed real property appraiser," "certified residential real property appraiser", and "certified general real property appraiser" for federally related transactions and "licensed real property appraiser", and "licensed general real property appraiser" for non-federally related transactions, may only be used torefer to an individual

who is licensed, federally or non-federally relatedtransactions, as the case may be, under these regulations and may not be used following, or immediately in connection with, the name or signature of a corporation,partnership, association, or any group practice, or in any manner that might be interpreted as referring to anyone other than the individual who is licensed.

B. This requirement shall not be construed to prevent a licensee from signing anappraisal report on behalf of a corporation, partnership, association, or any othergroup practice if ~~it is clear that~~ only the individual is licensed and the corporation,partnership, association or group practice is not.

C. No person may assume or use the title "licensed real property appraiser", "certified residential real property appraiser", and "certified general real property appraiser" for federally related transactions, or "licensed real property appraiser",and licensed general real property appraiser" for non-federally related transactions,~~as the case may be,~~ or any title designation or abbreviation likely to create the impression of licensure unless that person holds a current license hereunder.

~~9.3~~ § 125-40-610 **Real Estate-Related Financial Transactions Not Requiring Appraisal by a Licensed or Certified Appraiser.** An appraisal performed by a Licensed or Certified appraiser (federally related transaction) is not required for any real property-related financial transaction in which:

A. The transaction value is at or below the de minimus level established by a federal financial institutions' regulatory agency;

B. A lien on real property has been taken as collateral solely through an abundanceof caution and where the terms of the transaction as a consequence have not ~~have~~ beenmore favorable than it would have been in the absence of the lien;

C. Real property is leased unless the lease is the economic equivalent of a purseor sale of the leased real property;

D. There is a renewal of an existing transaction in which the maturity and amortization of the obligation are intentionally mismatched for re-pricing or creditquality consideration, provided that:

1. The borrower has performed satisfactorily according to the original terms;

2. No new monies have been advanced;

3. The credit standing of the borrower has not deteriorated; and

4. There has been no obvious and material deterioration in market conditions or physical aspects of the property which would threaten the institution's collateral protection.

E. A regulated institution purchases a loan or interest in a loan, pooled loan, orinterests in real property, including mortgage-backed securities, provided that the appraisal prepared for each pooled loan or real property interest met the appraisal requirements under Federal law, if applicable, at the time of origination.

~~9.4~~ § 125-40-615 **Non-Applicability to Real Estate Brokers or Real Estate Salespersons.** These regulations shall not apply to a real estate broker or salesperson, who, in theordinary course of the real estate broker's or salesperson's business, gives an opinion as to the recommended listing price of real property or an opinion to a potential purchaser or third party as to the recommended purchase price of real estate, provided:

A. The opinion as to the listing or the purchase price shall not be referred to asan appraisal;

B. No compensation, fee, or other consideration is charged for such opinion otherthan the normal brokerage fee rendered in connection with the sale of the property; or

C. No misrepresentation is made that the real estate broker or salesperson is a Certified or Licensed real property appraiser.

PART ~~X.~~ 700 APPRAISAL STANDARDS

~~10.1~~ § 125-40-701 **Appraisal Standards**

A. For real property related financial transactions at or above the de minimus level established by a federal agency or government sponsored enterprise, all appraisals shall be performed by a Licensed or Certified appraiser and shall:

(a) Perform and practice in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), as amended;

(b) Be based upon the definition of market value as defined in these regulations;

(c) Be written and be sufficiently descriptive to enable the reader to ascertain the estimated market value and the rationale for the estimate; and provide detail and depth of analysis that reflect the complexity of the real property appraised which can be readily understood by a third party;

(d) Analyze and report in reasonable detail any prior sales of the propertybeing appraised that occurred within the following minimum time periods:

i) For one-to-four family residential property, one year preceding thedate when the appraisal was prepared; or

ii) For all other property, three years preceding the date when theappraisal was prepared.

(e) Analyze and report data on current rents and current vacancies for thesubject property if it is and will continue to be income-producing;

(f) Analyze and report data on current revenues, expenses, and vacancies forthe subject property if it is and will continue to be income producing;

(g) Analyze and report a reasonable marketing period for the subject propertyand disclose the assumptions used;

(h) Analyze and report on current market conditions and trends such as, butnot limited to increasing vacancy rates, greater use of rent concessions, or declining sales prices that will affect projected income of the absorption period, to the extent they affect the value of the subject property;

(i) Analyze and report appropriate deductions and discounts for any proposedconstruction, or any completed properties that are partially leased or leased at other than market rents as of the date of the appraisal, or any tract developments with unsold units;

(j) Include in the certification required by the USPAP, an additional statement that the appraisal assignment was not conditioned upon the appraisalproducing a specific value or a value within a given range or on whether a loan application is approved;

(k) Contain sufficient supporting documentation with all pertinent information reported including acceptance or rejection of a third-party study and its impact on value so that the appraiser's logic, reasoning, judgment, andanalysis in arriving at a ~~final~~ conclusion will enable the reader to understandthe reasonableness of the conclusion;

(l) Include a legal description in addition to, and not in lieu of, thedescription required in the USPAP of the real property being appraised;

(m) Identify and separately value any personal property, fixtures, or intangible items that are not real property but are included in the appraisal,and discuss the impact of their inclusion, or exclusion, on the estimate of themarket value; and

(n) Follow a reasonable valuation method that addresses the direct sales comparison, income, and cost approaches to market value, reconciles those approaches, and explains the elimination of each approach not used. If information required or deemed pertinent to the completion of an appraisalis unavailable, that fact shall be disclosed and explained in the appraisal report.

B. An appraiser shall perform all appraisals, reviews, or consultations with impartiality, objectivity, and independence, without any direct or indirect interestin the property.

~~10.2~~ § 125-40-705 Signature and Signed Certification on Appraisal Reports.

A. If an appraisal report is prepared and signed by CNMI Licensed appraiser, the appraisal report shall state, immediately following the signature on the report, "CNMILicensed Appraiser" and the appraiser's license number and expiration date.

B. If an appraisal report is prepared and signed by a CNMI Certified appraiser, the appraisal report

shall state, immediately following the signature on the report,"CNMI Certified Appraiser" and the appraiser's license number and expiration date.

C. Appraisal reports prepared by an appraiser trainee shall be approved and signedby a certified appraiser.

D. USPAP requires that each written or electronic report include a signed certification. An appraiser who signs any part of the report must also sign the certification.

~~10.3~~ § 125-40-710 Records and Appraisal Report Retention Requirement.

A. Every licensed appraiser shall retain originals or true copies of appraisal contracts, appraisals, and all supporting data and documents for a period of five years.

B. The five-year period shall commence upon date of delivery of the appraisal report to the client, provided that; if the appraiser is notified that the appraiseror appraisal report is involved in litigation, the five-year period shall commence upon the date of the final disposition of the litigation.

C. The appraiser shall make all records available, upon request, to the Board orthe Board's authorized delegate.

PART ~~XI.~~ 800 ADVERTISING PRACTICES

~~11.1~~ § 125-40-801 Advertising Practices.

A licensee advertising through any media shall be identifiedas a Licensed Real Property Appraiser - Federally Related Transactions, Certified Residential Real Property Appraiser - Federally Related Transactions, Certified General Real Property Appraiser - Federally Related Transactions, Licensed Real Property Appraiser - Non-Federally Related Transactions, or Licensed General Real Property Appraiser - Non- Federally Related Transactions by listing the appropriate designated licensed or certified status and the appraiser's license number. For purposes of this section, "media" includes,but is not limited to, newspapers, magazines, calling cards, and directories, including alllisting in telephone directories.

PART ~~XII.~~ 900 DISCIPLINARY ACTION: REPRIMAND, SUSPENSION OR REVOCATION; REFUSAL TO ISSUE,RESTORE OR RENEW; PLACE ON PROBATION OR CONDITIONING OF LICENSE

~~12.1~~ § 125-40-901 Grounds for Disciplinary Action

(a) The Board shall have the power to impose administrative penalty and/or reprimand, revoke or suspend, refuse to issue, restore, or renew; place on probation or condition in any manner the license to any real property appraiser who is found guilty of one or more of the following violations:

1. The practice of any fraud or deceit in obtaining or attempting to obtainor renew the license; or Any negligence, incompetence, or misconduct in the practice of real property appraisal; or

2. Failing to comply with the Uniform Standards of professional Appraisal Practice, as amended: or

3. Performing for any valuable consideration, an appraisal assignment thatis contingent upon the appraiser reporting a predetermined estimate, analysis,or opinion or upon the opinion, conclusion, or valuation reached, or upon theconsequences resulting from the appraisal assignment; or

4. Conviction of, or pleading nolo contendre to any felony or any crime thatis related to the profession either in the Commonwealth, U.S. state or territory, or foreign jurisdiction; or

5. Entrance against the appraiser of a civil or criminal judgment on grounds of fraud, misrepresentation, or deceit in the development or communication ofan appraisal; or

6. Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to mislead, deceive, defraud, or harm the public; or

7. Accepting an appraisal assignment if the employment or fee is contingentupon:

   (i) The appraiser reporting a predetermined estimate, valuation,analysis, or opinion; or

   (ii) The consequences resulting from the appraisal assignment.

8. Paying a finder~~s~~ or a referral fee to a person who is not a licensed appraiser or in connection with appraisal of real property in the Commonwealth;or

9. Making a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications; or

10. Practicing or offering to practice real property appraisal without a validlicense issued by the Board; or

11. Engaging in the business of real property appraisal under an assumed or fictitious name not properly licensed; or

12. Using or attempts to use as his or her own the license of another; or

13. Using or attempts to use an expired, suspended, or revoked license; or

14. Aiding or assisting another person in violating any provision of the lawor the rules and regulations pertaining thereto; or

15. Violating any conditions or limitations upon which the license was issued;or

16. Failure to provide information requested by the Board ~~as a result~~ because of a formal or informal complaint to the Board which would indicate a violation ofthe law or the rules and regulations; or

17. Providing false testimony or information to the Board; or

18. Failing to report to the Board, in writing, any disciplinary action issuedagainst the licensee in another U.S. state or territory, or foreign jurisdiction; or

19. Using the title "Licensed Real Property Appraiser", "Licensed General Real Property Appraiser" for non-federally related transactions; or "Licensed Real property Appraiser", "Certified Residential Real Property Appraiser", or "Certified General Real Property Appraiser" for federally related transactions,or any title, sign, card. or device to indicate that such person is practicing the profession without having first being licensed in accordance with the law or the rules and regulations; or

20. Failure to comply with any provisions of the law or the rules and regulations pertaining thereto.

(b) Upon conviction in a court of law, any person or firm who violates any of the provisions of this Chapter or the rules and regulations promulgated hereunder, shallbe fined not more than $5,000 or imprisoned not more than one year, or both.

~~12.2~~ § 125-40-905 Disciplinary Proceedings

(a) Complaint

Proceedings to levy a fine upon a licensee, or to reprimand, suspend, refuse to issue,restore, or renew, or to revoke a license may be initiated by any person who may filecharges against the licensee.

A. All charges filed must be made in writing by the person or persons makingthem and shall be filed with the Board.

B. All charges shall be made on forms provided by the Board. The person orpersons making the complaint shall sign the complaint.

(b) Probable Cause

When a complaint is received by the Board in which a licensee is charged with a violation, it is referred to an investigative committee designated by the Board consisting of at least one board member and the Board's legal counsel. The members ofthe Board ~~in~~ **on** the investigative committee cannot vote at the disciplinary hearing. The investigative committee makes a recommendation to the Board for a determination if probable cause exists for taking further action or for issuing a summons and complaint.

(c) Summons and Complaint

A. In the event the Board determines that probable cause exists, the Board'slegal counsel is requested to prepare a summons and complaint.

B. The summons and complaint shall show the time, place, and nature of the hearing, a statement of legal authority and jurisdiction under which the hearing is to be held, a reference to the ~~particular~~ section of the statute, rules, orregulations involved, and a short

and plain statement of the matters asserted.The summons and complaint shall indicate that at any hearing the accused licensee shall have the right to appear in person or by counsel or both to cross-examine witnessesin his/her defense and to produce evidence and witnessesfor his/her its own defense.

C. The summons and complaint shall be personally served or sent by registeredmail at least thirty (30) days before the date fixed for the hearing to the licensee's last known address.

D. If the accused licensee fails or refuses to appear, the Board may proceedto hear and determine the validity of the charges.

(d) Until an investigation is completed, and administrative charges are filed againstthe licensee, or the matter is referred to the attorney general for criminal prosecution, ~~any and~~ all matters related to the allegation(s) including the name(s) of the party filing such charges, shall be confidential and exempt from disclosure tothe public pursuant to applicable law including, but not limited to P. L. 8-41, the Open Government Act of 1992.

(e) The Board shall conduct all hearings pursuant to 1 CMC, Section 9109,Administrative Procedures - Conduct of Hearings.

(f) The members of the Board presiding at hearings may:

1. Administer oaths and affirmations;
2. Issue subpoenas to compel the attendance of witnesses and theproduction of records and documents;
3. Rule on offers of proof and receive relevant evidence;
4. Take depositions or have depositions taken when the ends ofjustice would be served;
5. Regulate the course of the hearing;
6. Hold conferences for the settlement or simplification of theissues by consent of the parties;
7. Dispose of procedural requests or similar matters; and
8. Make or recommend orders or decisions in accordance with thelaw, rules, or regulations.

(g) It shall require a unanimous majority vote of the members of the Board presentat the hearing ~~in order~~ to find the accused guilty of the charges preferred, and if found guilty the Board may, in its discretion, either suspend or revoke the license of the accused.

(h) The Board shall, upon concluding the hearing, issue findings, decisions, and orders within 30 days.

~~12.3~~ § 125-40-910 Disciplinary Action.

(a) If the accused is found guilty, he/she shall be subject to the following:

(1) refusal or denial of license or certificate;
(2) suspension;
(3) revocation;

(4) license or certificate with conditions and/or probation;
(5) fine or civil penalty;
(6) dismissal of the charges;
(7) other discipline as appropriate and permitted by law.

(b) The Board shall provide that upon concluding the hearing, findings, decisions, and order shall be issued within 30 days.

(c) Upon failure or refusal to comply with such order of the Board, or upon failureto honor its subpoena, as herein provided, the Board may apply to a court of any jurisdiction to enforce compliance with same.

PART ~~XIII.~~ 1000 REINSTATEMENT OF LICENSE

~~13.1~~ § 125-40-1001 **Reinstatement of Suspended License.** A person whose license has been suspended may apply for reinstatement of the license upon complete compliance with any term or condition imposed by the order of suspension. The application for reinstatement shall be accompanied by the appropriate fees, application, required continuing education hours, and/or any other additional documents or information the Board deems appropriate.

~~13.2~~ § 125-40-1005 **Revoked License.** Upon the expiration of at least two years from the effective date of the revocation of the license, a person may apply for a new license by filing an application and complying with all current requirements for new applicants. The granting or denying of such application shall be at the discretion of the Board afterevaluating such application consistent with the statutory and regulatory requirementsrelating thereto.

~~13.3~~ § 125-40-1010 **Relinquishment No Bar to Jurisdiction.** The forfeiture, non-renewal, surrender, or voluntary relinquishment of a license by an appraiser shall not bar jurisdiction by the Board to proceed with any investigation, action, or proceeding against the appraiser to revoke, suspend, condition, or limit the appraiser's license.

~~13.4~~ § 125-40-1015 **Judicial Review.** Any person aggrieved by a final decision and order of the Board ina contested case is entitled to judicial review thereof according to law.

PART ~~XIV.~~ 1100 UNAUTHORIZED PRACTICE AS AN APPRAISER

~~14.1~~ § 125-40-1100 **Compensation for Unauthorized Activity; Civil Action.**

The failure of any person to maintain a current and valid license prior to engaging in any activity requiring licensure by the Board shall prevent such person from recovering in a civil action for work or services performed on a contract or on any legal basis to recover the reasonable value thereof.

PART ~~XV.~~ 1200 PUBLICATION OF ROSTER

~~15.1~~ § 125-40-1201 **Publication of Roster.**

The Board shall prepare annually, a roster showing the name and place of business of ~~each individual~~ **everyone** holding a license as a CNMI Licensed appraiseror a CNMI Certified appraiser. The roster shall

be sent to the Appraisal Subcommittee by January 15 of each year.

PART ~~XVI.~~ 1300 FEES

~~16.1~~ § 125-40-1301 Fees.

The fees for licensure shall be as follows:

A.	Application Fee	$100.00
B.	Licensure Fee	$100.00
C.	Registry Fee (2-year period at $40 per year). (to be transmitted to the Appraisal Subcommittee)	$ 80.00
D.	Temporary Practice Application & License Fee	$125.00
E.	Renewal Fee	$100.00
F.	Inactive Fee	$50.00
G.	Reactivation Fee	$100.00
H.	Reinstatement Fee	$100.00
I.	Examination Fee shall be as provided by contract with a professional testingorganization.	
J.	Local Examination Fee	$100.00
K.	Delinquent Fee (every month).	$ 25.00

The application fees shall be nonrefundable. The registry fees may be increased ifthe Appraisal Subcommittee ~~so~~ informs the Board of the increase~~.~~ and may be imposedon licensees without notice. Failure to pay an increase of the registry fee withinsixty days of notification to do so shall result in license automatically invalid.

~~16.2~~ § 125-40-1305 Form of Fee. The fees, if in the form of a money order or check, shall be made payableto the CNMI Treasurer.

~~16.3~~ § 125-40-1310 Dishonored Checks Considered Failure to Meet Requirements. The dishonoring of any check upon first deposit shall be considered a failure to meetrequirements.

~~16.4~~ § 125-40-1315 Fees Deposited; Transmittal Appraisal Subcommittee

A. All fees shall be deposited in the general fund of the CNMI.

B. The registry fees shall be transmitted by the Board to the AppraisalSubcommittee bi-annually as required by regulations.

Commonwealth of the Northern Mariana Islands
HEALTH CARE PROFESSIONS LICENSING BOARD
P.O. Box 502078, Bldg., No. 1242 Pohnpei Court
Capitol Hill, Saipan, MP 96950
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PUBLIC NOTICE AND CERTIFICATION OF ADOPTION OF THE AMENDMENT TO THE HEALTH CARE PROFESSIONS LICENSING BOARD FOR PSYCHOLOGY

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER AS PROPOSED AMENDMENTS TO REGULATIONS

VOLUME 45, NUMBER 04, April 28, 2023, Pages 049688 – 049709

ACTION TO ADOPT PROPOSED REGULATIONS: The Health Care Professions Licensing Board, HEREBY ADOPTS AS PERMANENT regulations the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Health Care Professions Licensing Board announced that it intended to adopt them as permanent, and now does so.

PRIOR PUBLICATION: The prior publication was as stated above. The Health Care Professions Licensing Board adopted the attached regulations as final as of the date of signing below.

MODIFICATIONS FROM PRIOR PUBLISHED PROPOSED REGULATIONS, IF ANY: NONE

AUTHORITY: The Health Care Professions Licensing Board has statutory power to promulgate and effect regulations pursuant to 4 CMC §2206(b), as amended.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b), these adopted amendments to the Regulations for **Psychology** 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: Pursuant to the APA, 1 CMC § 9104(a)(2), the agency received no comments on the proposed amendments to the regulations for **Psychology**. Upon this adoption of the amendments, the agency, if requested to do so by any interested person, within 30 days of adoption, will issue a concise statement of the principal reasons for and against its adoption.

ATTORNEY GENERAL APPROVAL: The adopted regulations for **Psychology** were approved for promulgation by the CNMI Attorney General in the above cited pages of the Commonwealth Register, pursuant to 1 CMC § 2153 (e) (to review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I DECLARE under penalty of perjury that the foregoing is true and correct copy, and that this declaration was executed on the 27th day of July, 2023, at Saipan, Commonwealth of the Northern Mariana Islands.

Certified and ordered by:

Esther S. Fleming
Executive Director

07/29/23
Date

Filed and recorded by:

Esther San Nicolas
Commonwealth Register

07.28.2023
Date

SUBCHAPTER 185-10
COMMONWEALTH HEALTH CARE PROFESSIONS LICENSING BOARD REGULATIONS

Part 4800 - ~~Respiratory Therapist [Reserved]~~ **Psychologist (NEW)**

§ 185-10-4801	Definitions
§ 185-10-4805	Scope of Practice
§ 185-10-4810	Education and experience requirements for licensure.
§ 185-10-4815	Doctoral Degree Program.
§ 185-10-4820	Practicum
§ 185-10-4825	Pre-internship
§ 185-10-4830	Internship
§ 185-10-4835	Post-doctoral supervised experience.
§ 185-10-4840	Written Exam
§ 185-10-4845	Failure of written examinations.
§ 185-10-4850	Qualifications for granting of license by endorsement.
§ 185-10-4855	Continuing Education Requirements.
§ 185-10-4855	Clinical Psychology Associate

(i) membership in a national association of the licensee's practice area will provide four (4) credit hours within the renewal period; and

(ii) other appropriate national professional association membership will provide two (2) credit hours for each, a maximum of four (4) credit hours within the renewal period;

(b) subscription to appropriate professional journals will provide two (2) credit hours per subscription, limited to five (5) subscriptions;

(c) attendance of a conference will provide one (1) credit hour for each hour of conference attended (The conference must be within the renewal period.);

(d) teaching, workshops, and in-service will provide one (1) credit per hour of teaching, workshop, or in-service. (This is limited to ten (10) credit hours.);

(e) speeches or presentation of papers will provide five (5) credit hours each for non-professional audience; ten (10) credit hours each for professional audience;

(f) publication in a professional journal, any publication within the field, will provide ten (10) credit hours;

(g) attendance at local association meetings will provide one (1) point per meeting, up to twelve (12) credit hours;

(h) videotapes, webinars, audio-visual, and print materials prepared by a professional association or educational institution, including other institutions, such as the VA, and approved by the Board, will provide one (1) credit hour for every hour viewed, limited to ten (10) credit hours; or

(i) others, as required by discipline.

(3) The Board, in its sole discretion, may require the licensee to provide receipts, attendance certification or other evidence of participation for credit hours claimed.

§ 185-10-4855 Clinical Psychology Associate

(1) A person other than a licensed clinical psychologist may be employed by a licensed clinical psychologist or licensed psychiatrist, or by a clinic which provides mental health services, or by a clinical corporation perform limited psychological functions, provided that:

(a) Such person is designated as a "clinical psychology associate."

(b) Such person has a master's degree in psychology or a closely related field such a behavioral science, educational psychology, and guidance and counseling from an accredited school in the U.S.

(c) Such a person is always under the immediate supervision of a licensed clinical psychologist or licensed psychiatrist who shall be responsible for ensuring the extent, kind, and quality of psychological services rendered.

(d) No one person or clinic or corporation may employ more than 10 such associates at any time.

(2) Clinical psychology associates shall comply with regulations that the CNMI Board of Professional Licensing may, from time to time, duly adopt relating to the fulfillment of requirements in education and the delivery of services.

Commonwealth of the Northern Mariana Islands
HEALTH CARE PROFESSIONS LICENSING BOARD
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Email: info@cnmilicensing.gov.mp
Website: www.cnmilicensing.gov.mp

PUBLIC NOTICE AND CERTIFICATION OF ADOPTION OF THE AMENDMENT TO THE HEALTH CARE PROFESSIONS LICENSING BOARD FOR DENTISTS, DENTAL THERAPISTS, DENTAL HYGIENISTS, AND DENTAL ASSISTANTS

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER AS PROPOSED AMENDMENTS TO REGULATIONS

VOLUME 45, NUMBER 04, April 28, 2023, Pages 049710 – 049747

ACTION TO ADOPT PROPOSED REGULATIONS: The Health Care Professions Licensing Board, HEREBY ADOPTS AS PERMANENT regulations the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Health Care Professions Licensing Board announced that it intended to adopt them as permanent, and now does so.

PRIOR PUBLICATION: The prior publication was as stated above. The Health Care Professions Licensing Board adopted the attached regulations as final as of the date of signing below.

MODIFICATIONS FROM PRIOR PUBLISHED PROPOSED REGULATIONS, IF ANY: NONE

AUTHORITY: The Health Care Professions Licensing Board has statutory power to promulgate and effect regulations pursuant to 4 CMC §2206(b), as amended.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b), these adopted amendments to the Regulations for **Dentists, Dental Therapists, Dental Hygienists, and Dental Assistants** 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: Pursuant to the APA, 1 CMC § 9104(a)(2), the agency received no comments on the proposed amendments to the regulations for **Dentists, Dental Therapists, Dental Hygienists, and Dental Assistants**. Upon this adoption of the amendments, the agency, if requested to do so by any interested person, within 30 days of adoption, will issue a concise statement of the principal reasons for and against its adoption.

ATTORNEY GENERAL APPROVAL: The adopted regulations for **Dentists, Dental Therapists, Dental Hygienists, and Dental Assistants** were approved for promulgation by the CNMI Attorney General in the above cited pages of the Commonwealth Register, pursuant to 1 CMC § 2153 (e) (to review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any

department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I DECLARE under penalty of perjury that the foregoing is true and correct copy, and that this declaration was executed on 27th the day of July, 2023, at Saipan, Commonwealth of the Northern Mariana Islands.

Certified and ordered by:

Esther S. Fleming
Executive Director

07/27/23
Date

Filed and recorded by:

Esther San Nicolas
Commonwealth Register

07.28.2023
Date

SUBCHAPTER 185-10
COMMONWEALTH HEALTH CARE PROFESSIONS
LICENSING BOARD REGULATIONS

Part 2600 ~~**Dentists, Dental Assistants, Dental Hygienists and Dental Therapists**~~ **(Dentists, Dental Therapists, Dental Hygienists, and Dental Assistants)**

§ 185-10-2601 Definitions
§ 185-10-2605 Exemptions from License Requirements
§ 185-10-2610 Licensure by Endorsement
§ 185-10-2615 Dentist – Licensure
§ 185-10-2620 Dentist – Scope of Practice
§ 185-10-2625 Dentist – Continuing Dental Education (CDE)
§ 185-10-2630 Dental Therapist – Licensure
§ 185-10-2635 Dental Therapist – Scope of Practice
§ 185-10-2640 Dental Therapist – Continuing Dental Education (CDE)
§ 185-10-2645 Dental Therapist – Practice Agreement
§ 185-10-2650 Dental Hygienist – Licensure
§ 185-10-2655 Dental ~~Assistant~~ Hygienist – Scope of Practice
§ 185-10-2660 Dental Hygienist – Continuing Dental Education (CDE)
§ 185-10-2665 Dental Assistant – Registration
§ 185-10-2670 Dental Assistant – Scope of Practice
§ 185-10-2675 [Reserved]
§ 185-10-2680 Schedule of Fees
§ 185-10-2685 [Reserved]
§ 185-10-2690 Infection Control
§ 185-10-2695 Prescribing, Ordering or Dispensing of Medication
§ 185-10-2700 Prohibition on Interference by a Non-Dentist
§ 185-10-2701 Designation of a Dental Director
§ 185-10-2705 Patient Records and Their Transfer
§ 185-10-2710 Requirements for General Anesthesia, Parental Sedation, and Oral Sedation
§ 185-10-2715 Patient Rights
§ 185-10-2720 Impaired Dentists or Dental Hygienists
§ 185-10-2725 Reporting Requirements
§ 185-10-2730 Disciplinary Action
§ 185-10-2735 Principles of Ethics and Code of Professional Conduct

Part 2600 - ~~Dentists, Dental Assistants, Dental Hygienists and Dental Therapists~~ (Dentists, Dental Therapists, Dental Hygienists, and Dental Assistants)

§ 185-10-2601 Definitions

(a) **"ADA"** is the American Dental Association.

(b) **"ADHA"** is the American Dental Hygiene Association.

(c) **"Administer local anesthetic agents,"** means the administration of local anesthetic agents by injection, both infiltration and block, limited to the oral cavity, for the purpose of pain control.

(d) **"Conscious sedation"** is a minimally depressed level of consciousness that retains the patient's ability to ~~independently and continuously maintain~~ maintain an airway and respond appropriately to physical stimulation or verbal command and that is produced by a pharmacological or non-pharmacological method or a combination thereof independently and continuously.

(e) **"Continuing Dental Education (CDE)"** consists of dental educational activities designed to review existing concepts and techniques, to convey information beyond the basic dental education, and to update knowledge on advances in scientific, clinical, and nonclinical practice related subject matter, including evidence-based dentistry. The objective is to improve the knowledge, skills, and ability of the individual to provide the highest quality of service to the public and the profession. All continuing dental education should strengthen the habits of critical inquiry and balanced judgment that denote the truly professional and scientific person and should make it possible for new knowledge to be incorporated into the practice of dentistry as it becomes available.

(f) **"CPR"** means cardiopulmonary resuscitation.

(g) **"DEA Registration"** means the license given to qualified practitioners to prescribe order or dispense a controlled substance, by the federal Drug Enforcement Agency (DEA).

(h) **"Deep sedation"** is an induced state of depressed consciousness accompanied by partial loss of protective reflexes, including the inability to continually maintain an airway independently and/or to respond purposefully to physical stimulation or verbal command, and is produced by a pharmacological or non-pharmacological method or a combination thereof.

(i) **"Dental Assistant"** means an auxiliary employee of a licensed dentist(s) who performs supportive chair side procedures under the direct supervision and full responsibility of that licensed dentist.

(j) **"Dental Hygiene"** means the delivery of preventive, educational, and clinical services supporting total health for the control of oral disease and the promotion of oral health provided by a dental hygienist within the scope of his or her education, training, and experience.

(k) **"Dental Hygienist"** is a mid-level dental health care provider who has been duly licensed by the Board to practice dental hygiene in the CNMI and to engage in clinical procedures primarily concerned with the performance of preventive dental services that are performed in accordance with the rules and regulations of the Board.

(l) **"Dental Specialist"** means a dentist who has received advanced training and certification in an ADA-recognized dental specialty and is licensed as a dental specialist by the Board.

(m) **"Dental Specialty"** means any of the dental specialties which are currently recognized by the American Dental Association which currently include the following: Dental Public Health, Endodontics, Oral and Maxillofacial Pathology, Oral and Maxillofacial Radiology, Oral and Maxillofacial Surgery, Orthodontics and Dentofacial Orthopedics, Pediatric Dentistry, Periodontics, and Prosthodontics.

(n) **"Dental Therapist"** is a mid-level dental health care provider given advanced duties and responsibilities in patient care, having professional education and training as required by the Board, and who has been duly licensed by the Board to practice dental therapy in the CNMI, as defined by the rules and regulations thereof.

(o) **"Dentist"** means a person who has been duly licensed by the Board to practice dentistry in the CNMI, as hereafter defined.

(p) **"Dentistry"** is the diagnosis or treatment, by surgery or other method, of diseases and lesions and the correction of malpositions of the human teeth, alveolar process, gums, jaws, or associated structures; and such diagnosis or treatment may include all necessary related procedures as well as the use of drugs, anesthetic agents, and physical evaluation. Without limiting the foregoing, a person practices dentistry within the meaning of this chapter who does any one or more of the following:

(1) By written, verbal, or in any other way advertises him or herself or represents him or herself to be a dentist able to perform procedures on patients in the CNMI;

(2) Performs or offers to perform an operation or diagnosis of any kind, or treats diseases or lesions of the human teeth, alveolar process, gums, jaws, or associated structures, or corrects malposed positions thereof;

(3) In any way indicates that he will perform by himself or his agents or servants any operation upon the human teeth, alveolar process, gums, jaws, or associated structures, or in any way indicates that he will construct, alter, repair, or sell any bridge, crown, denture, or other prosthetic appliance or orthodontic appliance;

(4) Makes, or offers to make, an examination of, with the intent to perform or cause to be performed any operation on the human teeth, alveolar process, gums, jaws, or associated structures.

(q) **"Direct Supervision"** means that the dentist is available for consultation over procedures which the dentist has authorized, and for which the dentist remains responsible. To qualify as direct supervision, the dentist must either ~~by~~ be physically present in the dental facility, or supervise using telehealth.

(r) **"Dispense"** means to give out a medication.

(s) **"General anesthesia"** means a controlled state of unconsciousness intentionally produced by anesthetic agents and accompanied by partial or complete loss of protective reflexes, including the inability to independently maintain an airway and respond purposely to physical stimulation or verbal command.

(t) **"General Supervision"** means a licensed dentist has authorized the procedures and they are being carried out in accordance with the dentist's diagnosis and treatment plan.

(u) **"Indirect Supervision"** means the supervision of tasks or procedures that do not require continuous supervision at the time the tasks or procedures are being performed, but require the tasks be performed with the prior knowledge and consent of the dentist.

(v) **"Irreversible Tasks"** are those intra-oral treatment tasks which, when performed, are irreversible, create unalterable changes within the oral cavity or the contiguous structures, or which cause an increased risk to the patient.

(w) **"JCNDE"** is the Joint Commission on National Dental Examinations. The JCNDE is the agency responsible for the development and administration of the National Board Dental Examination as well as the National Board Dental Hygiene Examination.

(x) **"Licensee"** is any person who has been lawfully issued a license to practice in the CNMI by this Board.

(y) **"NBDE"** is the National Board Dental Examination and is a two-part examination to assist state boards in determining qualifications of dentists who seek licensure to practice dentistry.

(z) **"Nitrous oxide inhalation analgesia"** is the administration by inhalation of a combination of nitrous oxide and oxygen, producing an altered level of consciousness that retains the patient's ability to ~~independently and continuously~~ maintain an airway and respond appropriately to physical stimulation or verbal command independently and continuously.

(aa) **"NPI Number"** is the National Practitioner Identifier (NPI), an identification number given to health care providers by the Centers for Medicare and Medicaid Services.

(bb) **"Order,"** ~~with~~ regarding ~~to~~ medication, means the verbal or written instruction to administer a medication to a patient.

(cc) **"OSHA"** means the Occupational Safety and Health Administration, the main federal agency charged with the enforcement of safety and health legislation.

(dd) **"OTC medication"** means over-the-counter medication or medication that can be purchased without a prescription.

(ee) **"Pediatric Advanced Life Support (PALS) certification"** is a certification that means a person has successfully completed a pediatric advanced life support course offered by a recognized accrediting organization.

(ff) **"Prescribe"** means the written or electronic instruction given to dispense a medication to a patient.

(gg) **"Reversible Tasks"** are those intra-oral treatment tasks which are readily reversible; do not create unalterable changes within the oral cavity or the contiguous structures; and which do not cause any increased risk to the patient.

(hh) **"Teledentistry"** means the delivery of dental health care and patient consultation ~~through the use of~~ using telehealth systems and technologies, including live, two-way interactions between a patient and a dentist licensed in the CNMI using audiovisual telecommunications technology, or the secure transmission of electronic health records and medical data to a dentist licensed in the CNMI to facilitate evaluation and treatment of the patient outside of a real-time or in-person interaction. Prior to engaging the use of telehealth, a dentist must demonstrate to the Board that (1) there is limited access to dentistry services in the intended community; and (2) must enter a written collaborative agreement with each dental therapist who will be performing services under the dentist's direct supervision using telehealth.

(ii) **"U.S. Territory"** shall mean all territories, commonwealths, or possessions of the United States.

(jj) **"U.S. state"** shall refer to any of the fifty states or U.S. territory, unless otherwise specifically defined in these regulations.

(kk) **"Written Collaborative Agreement"** means a written agreement with a licensed dentist who authorizes and accepts responsibility for the services performed by a dental therapist using telehealth. The services authorized under a collaborative agreement may further limit a dental therapist's scope of practice and limit tasks that may be performed under the written collaborative agreement and conferred direct supervision but may not expand the dental therapist's scope beyond tasks as described in the rules and regulations of the Board. A written collaborative agreement must contain, at minimum:

(1) the tasks which may be performed by the dental therapist under direct supervision of the dentist; and

(2) the protocol for using telehealth consultation; and

(3) the procedures for amending the content of the agreement; and

(4) the duration of the agreement not to exceed one year; and

(5) the name of a secondary, alternative supervising dentist, if desired; and

(6) endorsement by all parties.

§ 185-10-2605 Exemptions from License Requirements

The following individuals are exempt from obtaining a CNMI license to practice as a dentist, dental hygienist, or dental therapist:

(a) A dentist, dental hygienist, or dental therapist in the U.S. Military in the discharge of official duties;

(b) A visiting dentist, dental hygienist, or dental therapist from another jurisdiction presenting information or demonstrating procedures before a dental society, dental study club, organization, or convention in the CNMI; or

(c) A physician or other medically trained and licensed individual, when emergency treatment is necessary for the relief of pain, in the absence of a licensed dentist, dental hygienist, or dental therapist.

§ 185-10-2610 Licensure by Endorsement

(a) The Board may grant a license to a person to practice as a dentist, dental hygienist, dental therapist, or specialist without examination if:

(1) The person holds a valid, active license to practice as a dentist, dental hygienist, dental therapist, or specialist in any U.S. state or Canada; and

(2) The person substantially complies with the requirements for licensure in § 185-10-2615–2620; and

(3) The requirements in the jurisdiction of licensure are at least as stringent as those under these regulations; and

(4) Applicant is not the subject of an adverse report from the National Practitioner Data Bank, the American Association of Dental Examiners Clearinghouse for Board Actions, or the licensing/regulatory entity of any jurisdiction, including foreign countries.

(b) The Board may deny a license by endorsement to a person to practice dentistry, dental hygiene, or dental therapy if the person has been the subject of an adverse action in which his/her license was suspended, revoked, placed on probation, conditioned, or renewal denied.

§ 185-10-2615 Dentist – Licensure

(a) Requirements.

An applicant to practice as a dentist must be at least twenty-one years of age; a U.S. citizen or a foreign national who is lawfully entitled to remain and work in the CNMI; and must meet the following requirements:

(1) Applicant is a graduate of a dental school accredited by the Commission on Dental Accreditation (CODA) of the American Dental Association (ADA) or the Commission on Dental Accreditation of Canada; and

(2) Applicant has taken and passed the examination administered by the Joint Commission on National Dental Examinations or the written examination and the Objective Structured Clinical Examination (OSCE) administered by the National Dental Examiner Board of Canada; or the applicant has a current and active license to practice as a dentist in any U.S. state or Canada; and

(3) Applicant is not the subject of any adverse action against their license to practice dentistry in any U.S. State or territory, or Canada and is not the subject of any pending litigation ~~in~~ regarding to their practice of dentistry.

(b) Application.

An application for a license to practice dentistry shall be made under oath on a form provided by the Board and shall be accompanied with the following information, documentations, and fees (non-refundable) as required in these regulations:

(1) The applicant's full name and all aliases or other names ever used, current address, date, and place of birth, NPI, and social security number; and

(2) Applicant's 2x2 photograph taken within six months from date of application; and

(3) A list of all jurisdictions, U.S. or foreign, in which the applicant has ever been licensed or has applied for a license to practice dentistry, has been denied licensure, or voluntarily surrendered a license to practice dentistry; and

(4) A curriculum vitae including a detailed education and experience history which shall include dates, places, institutions, educational programs, and description of all prioreducation and work experience; and

(5) A list of all sanctions, judgments, awards, settlements, or convictions against the applicant in any jurisdiction, U.S. or foreign, that may constitute grounds for disciplinary action in that jurisdiction or be of concern to the Board; and

(6) A current report from the National Practitioner Data Bank (NPDB), the American Association of Dental Examiners Clearinghouse for Board Actions, or any other entity having information pertinent to the applicant's performance; and

(7) Notarized or certified copies acceptable to the Board of the following:

(i) Diploma showing a degree of Doctor of Dental Surgery or Doctor of Dental Medicine; and

(ii) Current and active license to practice as a dentist in any U.S. state or Canada; and

(iii) Current DEA registration certificate, if held by the applicant.

(8) Proof of cardiopulmonary resuscitation (CPR) certification by a Board-approved institution or organization.

(c) Dental Specialist.

A specialist license will be issued by the Board to those applicants that have met all other requirements and have completed a specialty program accredited by the American Dental Association Commission on Dental Accreditation or the Commission on Dental Accreditation of Canada, or hold a specialty permit issued by the appropriate specialty board.

§ 185-10-2620 Dentist – Scope of Practice

(a) A CNMI-licensed dentist engaging in the practice of dentistry may:

(1) Perform or hold out to the public as being able to perform dental operations;

(2) Use the words "doctor," "dentist," or "dental surgeon" or the letters "D.D.S." or "D.M.D." or other letter or title that represents the dentist as engaging in the practice of dentistry;

(3) Diagnose, treat, operate on, correct, attempt to correct, or prescribe for a disease, lesion, pain, injury, deficiency, deformity, or physical condition, malocclusion or malposition of the human teeth, alveolar process, gingiva, maxilla, mandible, or adjacent tissues;

(4) Perform or attempt to perform an operation incident to the replacement of teeth;

(5) Furnish, supply, construct, reproduce, or repair dentures, bridges, appliances, or other structures to be used and worn as substitutes for natural teeth;

(6) Extract or attempt to extract human teeth;

(7) Exercise control over professional dental matters or the operation of dental equipment in a facility where the acts and things described in this section are performed or done; and

(8) Evaluate, diagnose, treat, or perform preventive procedures related to diseases, disorders, or conditions of the oral cavity, maxillofacial area, or adjacent and associated structures; a dentist whose practice includes the services described in this paragraph may only perform the services if they are within the scope of the dentist's education, training, and experience and in accord with the generally recognized ethical precepts of the dental profession.

(b) Dental Specialist.

A licensed dentist may not hold out to the public as being a specialist in a branch of dentistry by verbal communication, advertising, or using such terms as "specialist" or using the name of the specialty or other verbiage in a way that would imply to the public that the dentist is so qualified, without first securing a specialist's license issued by the Board.

§ 185-10-2625 Dentist – Continuing Dental Education (CDE)

(a) Each dentist licensed to practice dentistry in the CNMI is required to complete forty (40) CDE hours (20 hours per year) as a prerequisite to the renewal of his/her biennial license.

(b) One CDE unit or credit equals one contact hour.

(c) Approved continuing dental education activities may not exceed 20 hours to include, but are not limited to, courses, educational presentations, professional meetings, workshops, or symposiums approved, provided, or sponsored by the American Dental Association (ADA), Academy of General Dentistry (AGD), or the World Dental Federation.

(d) If a licensee fails to meet the CDE requirements for renewal of license because of illness, military service, medical, or religious activity, residence in a foreign country, or other extenuating circumstances, the Board, upon appropriate written request from the applicant, may grant an extension of time to complete same, on an individual basis.

(e) It shall be the responsibility of the licensee to obtain documentation, satisfactory to the Board, from the organization or institution of his or her participation in the continuing dental education, and the number of course/credit hours.

(f) Licensure renewal shall be denied to any licensee who fails to provide satisfactory evidence of completion of CDE requirements or who falsely certifies attendance at and/or completion of the CDE as required herein.

§ 185-10-2630 Dental Therapist – Licensure

(a) Requirements.

An applicant applying for a license to practice as a dental therapist in the CNMI must be at least twenty-one years of age, be a U.S. citizen or a foreign national lawfully entitled to remain and work in the CNMI, and must meet the following requirements:

(1) Applicant is a graduate of an accredited dental therapy educational program in the U.S. or Canada or is a foreign trained dentist having graduated from a school of dentistry recognized by the department of health in that respective country; and

(2) Applicant can communicate proficiently in the English language. If proficiency in the English language is in question, the applicant may be required by the Board to show a passing score on the TOEFL test; and

(3) Applicant has a current and active license to practice as a dental therapist in any U.S. state or Canada, or as a dentist in any foreign country; and

(4) Applicant is not the subject of any adverse action against their license to practice as a dental therapist in any U.S. State or Canada, or as a dentist in any foreign country, and is not the subject of any pending litigation ~~in regard to~~ regarding their practice as a dental therapist or dentist; and

(5) Applicant must specify in the application the dentist(s) by whom the applicant is to be employed.

(6) Proof of cardiopulmonary resuscitation (CPR) certification by a Board-approved institution or organization.

(b) Application.

An application for a license to practice as a dental therapist shall be made under oath on a form provided by the Board and shall be accompanied with the following information, documentations, and fees (non-refundable) as required in these regulations:

(1) Completed application with information that includes the applicant's full name and all aliases or other names ever used, current address, date and place of birth, and social security number; and

(2) Current 2x2 photograph of the applicant taken within six months from date of application; and

(3) A list of all jurisdictions, U.S. or foreign, in which the applicant has ever been licensed or has applied for a license to practice as a dental therapist or a dentist; has been denied licensure; or voluntarily surrendered a license to practice as a dental therapist or dentist; and

(4) A curriculum vitae including a detailed education and experience history which shall include dates, places, institutions, educational programs, and description of all prioreducation and work experience; and

(5) A list of all sanctions, judgments, awards, settlements, or convictions against the applicant in any jurisdiction, U.S. or foreign, that may constitute grounds for disciplinary action in that jurisdiction or be of concern to the Board; and

(6) Notarized or certified copies acceptable to the Board of the following:

(i) Diploma showing a degree of Dental Therapy or a degree of Doctor of Dental Surgery from a school of dentistry recognized by the department of health in that respective country; and

(ii) Documents showing proof that applicant is licensed to practice as a dental therapist in any U.S. state or Canada, or a foreign trained dentist graduated from a school of dentistry recognized by the department of health in that respective country;

§ 185-10-2635 Dental Therapist-Scope of Practice

(a) A person licensed as a dental therapist in the CNMI must adhere to the specific parameters and scope of practice and may perform the following services under the general supervision of a CNMI-licensed dentist:

(1) Oral examination and diagnosis of dental disease;

(2) Oral health instruction and disease prevention education, including nutritional counseling and dietary analysis;

(3) Preliminary charting of the oral cavity;

(4) Taking intra-oral and extra-oral photographs;

(5) Exposing and developing radiographs;

(6) Prophylaxis or removal of stains, accretions, or deposits and polishing of the coronal portion of the teeth above the cemento enamel junction (CEJ); and

(7) Scale and root planning (removal of calculus or deposits below the cemento enamel junction (CEJ));

(8) Application of topical preventive or prophylactic agents, including fluoride varnishes and gel;

(9) Placement of pit and fissure sealants;

(10) Application of silver diamine fluoride;

(11) Pulp vitality testing;

(12) Application of desensitizing agents on primary or permanent teeth;

(13) Placement of temporary restorations on primary or permanent teeth;

(14) Fabrication and cementation of temporary crowns on permanent teeth;

(15) Placement and removal of restorative bands;

(16) Suture removal and dressing changes;

(17) Impressions for, and delivery of, occlusal guards, athletic mouth guards and whitening trays but not laser bleaching;

(18) Impressions for removable prosthesis;

(19) Tissue Conditioning and soft reline for removal prosthesis; and

(20) Minor adjustments of removable prosthesis.

(b) A licensed dental therapist may perform the following services under direct supervision of a dentist:

(1) Cavity preparation;

(2) Placement, shaping, polishing, and adjustment of restorative materials or fillings on primary or permanent teeth;

(3) Indirect and direct pulp capping on primary and permanent teeth;

(4) Placement and removal of space maintainers on primary teeth;

(5) Recommendation of permanent crowns;

(6) Try-in of removable prosthesis;

(7) Non-surgical extraction of primary teeth;

(8) Non-surgical extraction of permanent teeth with greater than grade 2 mobility;

(9) Tooth re-implantation;

(10) Stabilization of re-implanted teeth or teeth otherwise affected by trauma;

(11) Emergency palliative treatment or dental pain;

(12) Administration and monitoring of nitrous oxide (with proof of certification from a Board- approved program);

(13) Fabrication and cementation of temporary crowns on permanent teeth;

(14) Dispensing medications as ordered by the dentist;

(15) Observation and monitoring of patients under sedation; and

(16) Administration of local anesthetic.

(c) The supervising dentist is professionally and legally responsible for all care provided by the dental therapist.

(1) A supervising dentist is allowed to supervise no more than three (3) dental therapists.

(d) Limitation of Practice as a Dental Therapist.

A licensed dental therapist in the CNMI must strictly adhere to the following:

(1) Must work under the supervision of a dentist holding a current and unrestricted license to practice dentistry in the CNMI; and

(i) May perform services of a dental therapist, independent of a CNMI-licensed dentist, for educational and preventative oral health services provided by dental therapists employed by the Commonwealth Healthcare Corporation which are rendered pursuant to the Public Health's Oral Health Program for children, within the scope of these regulations;

(2) May not hold themselves out to the public as a dentist, dental hygienist, or refer to themselves as "doctor" or hold themselves out to the public in any written, verbal, or other form to be a Doctor of Dental Surgery or Doctor of Dental Medicine, regardless of their training or title in any foreign country; and

(3) Must not diagnose, do a treatment plan, or write prescriptions for medications, except under the direct order and supervision of a CNMI-licensed dentist; and

(4) Must not perform other procedures that require the professional competence and skill of a dentist.

(5) No licensed Dental Therapist may practice without a valid Practice Agreement on file with the Board.

§ 185-10-2640 Dental Therapist – Continuing Dental Education (CDE)

(a) All dental therapists licensed to practice in the CNMI are required to complete ~~twenty-four~~ thirty (30) CDE hours (~~12~~ 15 hours per year) as a prerequisite to the renewal of their biennial license. At least 50% or more of the CDEs must be in education in the clinical aspect of dentistry.

(b) One CDE unit or credit equals one contact hour.

(c) Approved continuing dental education activities include, but are not limited to:

(1) Courses, workshops, or symposiums approved, provided, or sponsored by the American Dental ~~Hygienist~~ Therapy Association (AD~~H~~ TA), Academy of General Dentistry (AGD), American Dental Association (ADA), or the World Dental Federation;

(2) Courses, workshops, or symposiums approved by the Board that are offered by dental colleges or universities, or dental organizations or associations.

(3) Approved presentations given or attended, and workshops geared toward oral health education in the Commonwealth.

(4) Self-study programs offered by a dental college or university, the AGD or the ADA, or other programs approved by the board.

(d) If a licensee fails to meet the CDE requirements for renewal of license because of illness,

military service, medical, or religious activity, residence in a foreign country, or other extenuating circumstances, the Board, upon appropriate written request from the applicant, may grant an extension of time to complete same, on an individual basis.

(e) It shall be the responsibility of the licensee to obtain documentation, satisfactory to the Board, from the organization or institution of his or her participation in the continuing dental education, and the number of course/credit hours.

(f) Licensure renewal shall be denied to any licensee who fails to provide satisfactory evidence of completion of CDE requirements or who falsely certifies attendance at and/or completion of the CDE as required herein.

§ 185-10-2645 Dental Therapist – Practice Agreement

(a) Scope of Practice

The Dental Therapist (DT) shall perform only those dental services appropriate to his or her specific training and experience which may include, but not limited to:

(1) Take medical histories and perform oral exam (comprehensive or emergent)

(2) Order and perform diagnostic and therapeutic procedures;

(3) Diagnose and treat oral diseases;

(4) Perform non-surgical oral health care tasks consistent with his/her training and experience.

A DT may not advertise or otherwise hold him/herself out in any manner, which implies that the DT is either a dentist or an independent practitioner. A DT may not advertise in any manner without the name of the supervising dentist.

A DT shall always, when on duty, wear an ID badge stating their name and title of Dental Therapist or "DT".

(b) Supervising Dentist

The Supervising Dentist must comply with the following requirements to supervise a dental therapist(s):

(1) The Supervising Dentist shall possess a current unrestricted license to practice dentistry in the CNMI that is in good standing with the Board and a valid DEA certificate.

(2) The Supervising Dentist's primary place of practice is within the CNMI. At least 50% of his/her practice must be clinical. A supervising dentist shall delegate to a DT only those tasks consistent with his or her specialty or usual and customary practice.

(3) The Supervising Dentist will direct and exercise supervision over the DT in accordance with the regulations and recognizes that he/she retains full professional and legal responsibility for the performance of the DT and the care and treatment of the patient;

(4) The Supervising Dentist shall always provide adequate means for direct communication between the DT and him/her including but not limited to, clinics, hospitals, ambulatory centers, patient homes, and other institutional settings.

(5) The Supervising Dentist shall always provide adequate means for direct communications between the DT and him/her; that direct communication may occur through the use of technology which may include, but not limited to, two-way radio, telephone, fax machine, internet or another telecommunication device.

(6) The Supervising Dentist shall designate an alternate Supervising Dentist in his or her absence. That alternate Supervising Dentist must satisfy all requirements of a primary Supervising Dentist.

(7) The Supervising Dentist shall petition the Board if she/he wishes to supervise more than 3 full-time DTs or equivalent to 3 full-time DTs.

(c) Prescription Privileges

NOT applicable for DT who is NOT authorized to prescribe ANY medication.

(d) Supervising Dentist Review and Signature of Records

(1) The Board may require that up to 100% of all patient encounters by a DT be reviewed and signed by the Supervising Dentist.
(2) The Board may, at any time, request proof of compliance with the chart review requirement. Non-compliance may result in termination by the Board of Practice Agreement.

(e) General Provisions

(1) The Supervising Dentist and the DT shall notify the Board in writing within seven (7) of any change or the termination of the Practice Agreement.

(2) At a minimum a Practice Agreement shall be renewed every 2 years or at the time of license renewal, whichever is sooner, if there is no change to the agreement within the two-year period.

(3) The terms, conditions and provisions of this Practice Agreement cannot be altered, changed, or modified or added to unless approved by the Board.

§ 185-10-2650 Dental Hygienist – Licensure

(a) Requirements.

An applicant applying for a license to practice dental hygiene in the CNMI must be at least twenty-one years of age, be a U.S. citizen or a foreign national lawfully entitled to remain and work in the NMI, and must meet the following requirements:

(1) Applicant is a graduate of an accredited program for dental hygiene accredited by the Commission on Dental Accreditation (CODA) of the American Dental Association (ADA) or the Commission on Dental Accreditation of Canada; and

(2) Applicant has taken and passed the National Board Dental Hygiene Examination administered by the Joint Commission on National Dental Examinations or the Canadian National Board Dental Hygiene Examination; or the applicant has a current and active license to practice dental hygiene in any U.S. state or Canada; and

(3) Applicant who is a foreign trained dental hygienist and who graduated from a school of dentistry recognized by the department of health in that respective country and can provide evidence of:

(i) Attaining the U.S. equivalent of a ~~B~~bachelor's ~~D~~degree in Dental Hygiene, and

(ii) Provide evidence of 160 hours of supervised clinical practice, demonstrating competent skills to the satisfaction of and as witnessed and certified by a Dentist licensed in the CNMI who is approved by the Board, and:

(4) Applicant has no adverse action against their license to practice dental hygiene in any U.S. State, Canada, or other foreign jurisdiction, and is not the subject of any pending litigation ~~in~~ regarding ~~to~~ their practice of dental hygiene; and

(5) Applicant must specify in the application the dentist(s) by whom the applicant is to be employed.

(b) Application.

An application for a license to practice dental hygiene shall be made under oath on a form provided by the Board and shall be accompanied with the following information, documentations, and fees (non-refundable) as required in these regulations:

(1) Completed application with information that includes the applicant's full name and all aliases or other names ever used, current address, date and place of birth, and social security number; and

(2) Current 2x2 photograph of the applicant taken within six months from date of application; and

(3) A list of all jurisdictions, U.S. or foreign, in which the applicant has ever been licensed, has applied for a license to practice dental hygiene, has been denied licensure, or voluntarily surrendered a license to practice dental hygiene; and

(4) A curriculum vitae including a detailed education and experience history which shall include dates, places, institutions, educational programs, and description of all prior education and work experience; and

(5) A list of ~~all of~~ all sanctions, judgments, awards, settlements, or convictions against the applicant in any jurisdiction, U.S. or foreign, that may constitute grounds for disciplinary action in that jurisdiction or be of concern to the Board; and

(6) Notarized or certified copies acceptable to the Board of the following: A diploma showing a degree of Dental Hygiene; and

(i) Document showing proof that applicant has taken and passed the National Board Dental Hygiene examination administered by the Joint Commission on National Dental Examinations or the Canadian National Board Dental Hygiene Examination; or

(ii)

(iii) Current and active license to practice as a dental hygienist in any U.S. state or Canada.

(7) Proof of cardiopulmonary resuscitation (CPR) certification by a Board-approved institution or organization.

§ 185-10-2655 Dental ~~Assistant~~ Hygienist– Scope of Practice

(a) A CNMI-licensed dental hygienist may:

(1) Educate, demonstrate, and instruct the public on achieving better oral and systemic health;

(2) Examine visually and ~~by the~~ useing of instruments, such as an explorer and a periodontal probe or other means, the teeth and the tissues surrounding the teeth;

(3) Examine visually and by palpation the head and neck region for any lesions or abnormalities;

(4) Remove calcareous deposits, accretions, and stains from the surfaces of the teeth with the use of hand instruments or ultrasonic instrumentation;

(5) Perform root planning and scaling and periodontal soft tissue curettage with the use of hand instruments, ultrasonic instruments, or soft tissue lasers;

(6) Expose and develop radiographs (x-rays);

(7) Administer local anesthetic agents;

(8) Remove restorative overhangs;

(9) Apply topical antimicrobials and preventive agents;

(10) Apply pit and fissure sealants;

(11) Make alginate impressions of the dentition;

(12) Deliver occlusal guards or teeth whitening trays;

(13) Research, as it relates to the field of dentistry; and

(14) Assist the dentist and dental team as needed in delivering quality dental care.

(b) A CNMI-licensed dental hygienist may not:

(1) Deliver dental hygiene services independent of a CNMI-licensed dentist, except for educational and preventative oral health services provided by dental hygienists employed by the Commonwealth Healthcare Corporation which are rendered pursuant to the Public Health's Oral Health Program for children, within the scope of these regulations;

(2) Diagnose, treatment-plan, or write prescriptions for medications, except under the direct order and supervision of a CNMI-licensed dentist;

(3) Cut or incise hard or soft tissues; and

(4) Perform other procedures that require the professional competence and skill of a dentist.

§ 185-10-2660 Dental Hygienist – Continuing Dental Education (CDE)

(a) All dental hygienists licensed to practice dental hygiene in the CNMI are required to complete twenty-four (24) CDE hours (12 hours per year), as a prerequisite to the renewal of their biennial license. At least 50% or more of the CDEs must be in education in the clinical aspect of dentistry.

(1) One CDE unit or credit equals one contact hour.

(2) Approved continuing dental education activities not to exceed 12 hours may include, but are not limited to, courses, educational presentations, professional meetings workshops, or symposiums approved, provided, or sponsored by the American Dental Hygienist's Association (ADHA), Academy of General Dentistry (AGD), American Dental Association (ADA), or the World Dental Federation.

(3) Approved presentations given or attended, and workshops geared toward oral health education in the Commonwealth.

(4) If a licensee fails to meet the CDE requirements for renewal of license because of illness, military service, medical, or religious activity, residence in a foreign country, or other extenuating circumstances, the Board, upon appropriate written request from the applicant, may grant an extension of time to complete same, on an individual basis.

(5) It shall be the responsibility of the licensee to obtain documentation, satisfactory to the Board, from the organization or institution of his or her participation in the continuing dental education, and the number of course/credit hours.

(6) Licensure renewal shall be denied to any licensee who fails to provide satisfactory evidence of completion of CDE requirements or who falsely certifies attendance at and/or completion of the CDE as required herein.

§ 185-10-2665 Dental Assistant – Scope of Practice

(a) The supervising dentist shall be accountable and fully responsible for all dental services, procedures, and duties performed by a dental assistant under the dentist's supervision. However, a dental assistant is responsible for his or her own professional behavior and shall be held accountable for such.

(b) A dental assistant may perform the following supportive dental procedures under the direct supervision of a licensed dentist:

(1) Retract a patient's cheek, tongue, lips, or other tissues during dental procedures;

(2) Place and remove a rubber dam;

(3) Conduct a preliminary oral inspection, conduct preliminary charting of the oral cavity, and report observations to the supervising dentist;

(4) Remove debris as is normally created and accumulated during or after procedures by the dentist with the use of vacuum devices, compressed air, mouthwashes, and water;

(5) Provide assistance, including placement of material in a patient's oral cavity, in response to the specific direction of a licensed dentist who is performing a dental procedure on a patient;

(6) Removal of sutures and post-surgical dressings;

(7) Application of topical preventive or prophylactic agents, including fluoride varnishes;

(8) Placement and removal of matrix retainers for restorations;

(9) Impressions for casts or models;

(10) Removal of excess cement after a dentist has placed or removed a permanent or temporary inlay, crown, bridge, appliance, or orthodontic brackets or bands, using hand instruments and slow-speed handpiece only;

(11) Prophylaxis or removal of stains, accretions, or deposits from the teeth of children below the age of fourteen (14) only;

(12) Coronal polishing using a slow-speed handpiece with a rubber cup or brush;

(13) Placing of retractions, cord, or other material for tissue displacement for crown and bridge impressions;

(14) Fabrication and cementation of temporary crowns after the dentist has prepared the teeth for crown and bridge work;

(15) Placement and removal of orthodontic separators;

(16) Take intra-oral measurements for orthodontic procedures;

(17) Check for loose bands and brackets;

(18) Placement and removal of ligature ties;

(19) Removal of arch wires;

(20) Fitting and removal of head appliances;

(21) Placement and removal of inter-arch elastics;

(22) Preliminary selecting and sizing of bands;

(23) Patient education in oral hygiene;

(24) Take, expose, and process dental radiographs;

(25) Take intra-oral and extra-oral photographs;

(26) Take and record blood pressure and vital signs;

(27) Relate pre- and post-operative or surgical instructions to the patient or their guardian;

(28) Monitoring of nitrous oxide administration;

(29) Placement of pit and fissure sealants;

(30) Dispense medications as ordered by the dentist; and

(31) Observation and monitoring of patients under sedation.

(c) A dental assistant employed by the Commonwealth Healthcare Corporation may ~~assist~~ perform services of a dental assistant ~~hygienist~~, independent of a licensed dentist, but supervised by a dental hygienist or a dental therapist or indirectly supervised by a licensed dentist, dental therapist, or a dental hygienist utilizing telehealth, for educational and preventative oral health services rendered pursuant to the Public Health's Oral Health Program for children, within the scope of these regulations.

(d) Prohibited Duties of Dental Assistants.

A dental assistant shall not perform the following functions or duties or any other activity, which represents the practice of dentistry or requires the knowledge, skill, and training of a licensed dentist, dental hygienist, or dental therapist:

(1) Diagnosis and treatment planning, independent of a CNMI-licensed dentist;

(2) Extraction of teeth and surgical or cutting procedures on hard or soft tissues;

(3) Placement, condensation, carving, finishing, or adjustment of final restorations, placement of pulp capping materials and cement bases; or any cementation procedure;

(4) Prescribing or injecting of medication;

(5) Cementation or bonding of any fixed prosthetic or orthodontic appliance;

(6) Instrumenting or final filling of root canals; and

(7) Intra-orally finishing or adjusting the occlusion of any final restoration.

§ 185-10-2670 [Reserved]

§ 185-10-2675 Schedule of Fees

The following fees shall apply, unless they conflict with NMIAC § 140-50.1-116:

(a)	Application Fee:		
	(1)	Initial Application	$100.00
	(2)	Dental Assistant Registration Application	$100.00
(b)	Licensure Fees:		
	(1)	Dentist	$200.00
	(2)	Dental Specialist	$200.00
	(3)	Dental Hygienist	$100.00
	(4)	Dental Therapist	$100.00
(c)	Renewal Fees:		
	(1)	Dentist	$200.00
	(2)	Dental Specialist	$200.00
	(3)	Dental Hygiene	$100.00
	(4)	Dental Therapist	$100.00
	(5)	Late Fee	$25.00
(d)	Replacement/Duplication of License/Card		$25.00
(e)	Verification of License Fee		$25.00

§ 185-10-2680 Renewal

(a) All licenses issued by the Board expire every two years following issuance or renewal and

become invalid after that date.

(b) Each licensee shall be responsible for submitting a completed renewal application at least sixty days before the expiration date. The Board shall send, by mail or email, a notice to every person licensed hereunder giving the date of expiration and the fee and any additional requirement for the renewal thereof.

(c) All licensees must submit satisfactory evidence of completion of CDE requirements, as required under these regulations.

(d) A late fee of $25.00 will be charged every 1st of the month after the expiration date.

(e) Licenses which have expired for failure to renew on or before the date required may be reinstated within one year of the expiration date upon payment of the renewal and late fees for each calendar month until the renewal fee is paid.

(f) A licensee whose license has been revoked, suspended, or placed on probation by the licensing authority of another U.S. state, Canada, or foreign jurisdiction, or who has voluntarily or involuntarily surrendered his or her license in consideration of the dismissal or discontinuance of pending or threatened administrative or criminal charges, following the expiration date of his CNMI license, shall be deemed ineligible for renewal of his or her license to practice as a physician in the CNMI.

§ 185-10-2685 [Reserved]

§ 185-10-2690 Infection Control

The following shall be adhered to with regarding ~~to~~ infection control where dental services are provided:

(a) All instruments that come in contact with blood and/or saliva shall be sterilized after each use with the employment of one of the following:

(1) Steam autoclave;
(2) Dry heat;
(3) Chemical vapor; or
(4) disinfectant/chemical sterilant approved by the U.S. Environmental Protection Agency (EPA) with the recommended dilution and specified soaking times.

(b) All dental health care workers shall take appropriate precautions, pursuant to OSHA standard 29 C.F.R. 1910.1030, "Blood borne Pathogens," or its successor, to prevent injuries caused by needles, scalpels, and other sharp instruments or devices during procedures. If a needle stick injury occurs, the dentist shall comply with the requirements established by OSHA. All sharp items and contaminated wastes must be packaged and disposed of according to the requirements established by any federal and local government agencies which regulate health or environmental standards.

(c) All dental health care workers who have exudative lesions or weeping dermatitis shall refrain from contact with equipment, devices, and appliances that may be used for or during patient care, where such contact holds potential for blood or body fluid contamination, and shall refrain from all patient care and contact until condition(s) resolves unless barrier techniques would prevent patient contact with the dental health care worker's blood or body fluid.

(d) All dental health care workers shall follow the guidelines for Infection Control in Dental Health-Care Settings established by the Centers for Disease Control (CDC).

§ 185-10-2695 Prescribing, Ordering or Dispensing of Medication

The following must be adhered to for the prescribing, ordering, or dispensing of medication:

(a) A CNMI-licensed dentist wishing to prescribe, order, or dispense any controlled substance shall hold a current DEA registration that is on file with the Board; and

(b) Any clinic or facility that holds in-stock any medication to order or dispense to patients shall register with the Board, on an application provided by the Board; shall list the dentist under whose license and DEA number the medication is being purchased; and must list the type of medications being kept in stock to order or dispense; and

(c) The ordering or dispensing of any medication, other than OTC medications, can ONLY be done under the direct command of a CNMI-licensed dentist who holds a current DEA registration, and given to a patient that has been examined by that dentist.

§ 185-10-2700 Prohibition on Interference by a Non-Dentist

No person or entity, whether owner, manager, or other entity other than the designated Dental Director, shall:

(a) Direct or interfere with the clinical judgment and competent practice of dentistry, dental hygiene, dental therapy, or dental assisting; and

(b) Select a course of treatment for a patient, the procedures, or materials to be used as part of the course of treatment, or the ~~manner in which~~ way such course of treatment is carried out.

§ 185-10-2701 Designation of a Dental Director

A non-dentist owned business, corporation, or entity providing dental services beyond basic educational and preventive services shall name a CNMI-licensed dentist as a dental director. The dental director shall have responsibility for the clinical practice of dentistry, which includes, but is not limited to:

(a) Diagnosis of conditions within the human oral cavity and its adjacent tissues and structures;

(b) Prescribing, ordering, or dispensing of drugs to patients;

(c) The treatment plan of any dental patient;

(d) Overall quality of patient care that is rendered or performed in the practice of dentistry, dental hygiene, dental therapy, and dental assisting;

(e) Supervision of dental hygienists, dental therapist, dental assistants, or other personnel involved in direct patient care and the authorization for procedures performed by them in accordance with the standards of supervision established by the Board; and

(f) Other specific services within the scope of clinical dental practice.

§ 185-10-2705 Patient Records and Their Transfer

(a) Dentists shall maintain and keep adequate records of the diagnosis made and the treatment performed for a reasonable period ~~of time~~.

(b) Upon written request, original patient treatment records shall be made available for inspection by the members of the Board or its designated representative, for the ascertainment of facts. Reasons for requesting records would include investigation of patient complaints, verification of dental treatments, and any other valid reasons involving the Board's need toknow.

(c) Upon written request, copies of patient records, including dental x-rays, dental models, and the treatment rendered shall be made available to another dentist for continued treatment. A dentist is entitled to charge the patient a reasonable fee for their duplication.

§ 185-10-2710 Requirements for General Anesthesia, Parental Sedation, and Oral Sedation

(a) A facility in which there will be the administration of general anesthesia, parenteral sedation, or oral sedation for dental procedures shall contain the following properly operating equipment and supplies that are properly used:

(1) Anesthesia machine (only required for general anesthesia);

(2) Emergency medications;

(3) Electrocardiograph monitor;

(4) Pulse oximeter;

(5) Cardiac defibrillator;

(6) Positive pressure oxygen;

(7) Suction equipment;

(8) Laryngoscope and blades;

(9) Endotrachial tubes;

(10) Magill forceps;

(11) Oral airways;

(12) Stethoscope;

(13) Blood pressure monitoring device; and

(14) Precordial stethoscope.

(b) Maintain a staff of supervised personnel capable of handling procedures, complications, and emergency incidents. All personnel involved in administering and monitoring general anesthesia, parenteral sedation, or oral sedation shall hold a current certificate in basic cardiopulmonary resuscitation (CPR).

(c) A dentist wishing to administer general anesthesia may only do so if approved by the Board, having completed a recognized residency, and shall hold a current and valid general anesthesia permit issued by any U.S. State (excluding U.S. territories) or Canadian Territory.

(d) A dentist wishing to administer intra venous (I.V.) sedation shall have a current and valid I.V. sedation permit issued by any U.S. State (excluding U.S. territories) or Canadian Territory.

(e) A dentist wishing to administer pediatric oral sedation shall have completed at least twenty hours of accredited continuing education in this area and shall hold a current certificate in Pediatric Advanced Life Support (PALS).

§ 185-10-2715 Patient Rights

Each patient shall, at a minimum, be afforded the following rights:

(a) To be treated with respect, consideration, and dignity;

(b) To privacy in treatment;

(c) To have their records kept confidential and private;

(d) To be provided information concerning their diagnosis, evaluation, treatment options, and progress;

(e) An opportunity to participate in decisions involving their health care;

(f) To refuse any diagnostic procedure or treatment and be advised of the consequences of that refusal; and

(g) To obtain a copy or summary of their personal dental record.

§ 185-10-2720 Impaired Dentists or Dental Hygienists

(a) The Board shall have the power to deny an application; refuse to renew or restore; suspend; revoke; place on probation; or condition the license of any dentist or dental hygienist whose mental or physical ability to practice medicine with reasonable skill and safety is impaired.

(b) By submission of an application for licensure or renewal, an applicant shall be deemed to have given his or her consent to submit to mental or physical examination and/or chemical dependency evaluation, including the taking of tissue or fluid samples, at his or her own expense, as the Board may direct, and to waive all objections as to the admissibility or disclosure of such information and related findings, reports, or recommendations in an administrative or judicial proceeding. If a licensee or applicant fails to submit to an

examination or evaluation when properly directed to do so by the Board, unless failure was due to circumstances deemed beyond the licensee's control, the Board shall be permitted to enter a final order upon proper notice, hearing, and proof of refusal.

(c) If the Board finds, after examination and hearing, that the applicant or licensee is impaired, he/she shall be subject to the following:

(1) Direct the applicant or licensee to submit to care, counseling, or treatment, at his or her own expense, acceptable to the Board; and

(2) Deny the application, suspend, place on probation, or condition the license for the duration of the impairment; or

(3) Revoke the license.

(d) Any licensee or applicant who is prohibited from practicing dentistry or dental hygiene under this section shall, at reasonable intervals, be afforded an opportunity to demonstrate to the satisfaction of the Board that he or she can resume or begin to practice dentistry or dental hygiene with reasonable skill and safety. A license shall not be reinstated, however, without the payment of all applicable fees and the fulfillment of all requirements, as if the applicant had not been prohibited.

§ 185-10-2725 Reporting Requirements

(a) Reporting to the Board.

(1) Each licensee and each person in the Commonwealth employing a dental care professional shall report to the Board:

(i) Information, which it receives relating to the professional competence and conduct of a dental care professional, regulated pursuant to the law or these regulations. ~~In particular, i~~It shall report negative information;

(ii) A professional review action that adversely affects the dental privileges of a dental care professional for a period of more than 30 days; and

(iii) Acceptance of the surrender of dental privileges, or any restriction of such privileges, of a dental care professional.

(2) The Board shall provide a form for such reports.

(3) The report shall be made within thirty-five days of receipt of the information by the person or by a management-level individual.

(b) Reporting to National and Interstate Data Banks.

(1) The Board shall report adverse dental care professional information to the National Practitioner Data Bank (NPDB), the American Association of Dental Examiners Clearinghouse for Board Actions, and such other interstate or national dental professional data bank within thirty-five days following such determination.

(2) The information to be reported shall include:

(i) Discipline of a dental care professional described by, or undertaken pursuant to, the law and these regulations, and without regard to whether the action of the disciplining entity has been stayed by a reviewing court;

(ii) A professional review action that adversely affects the dental privileges of a dental care professional for a period of more than thirty days; and

(iii) Acceptance of the surrender of dental privileges or any restriction of such privileges of a dental care professional.

§ 185-10-2730 Disciplinary Action

The Board shall have the power to impose administrative penalties and/or reprimands; revoke or suspend; or refuse to issue, restore, or renew the license of any person who is found guilty of one or more of the violations pursuant to P.L. 15-105 § 2224 and §§ 185-10-901 to 1300 of the regulations, including, but not limited to the following:

(a) Exercising undue influence on the patient or client, including the promotion of the sale of services, goods, appliances, or drugs in such manner as to exploit the patient or client for the financial gain of the practitioner or a third party;

(b) Failing to make available to a patient or client, upon request, copies of documents in the possession or under the control of the licensee that have been prepared for and paid for by

the patient or client;

(c) Making false or materially incorrect or inconsistent entries in any patient records or in the records of any health care facility, school, institution, or other workplace location;

(d) Revealing personally identifiable facts, data, or information obtained in a professional capacity without the prior consent of the patient or client, except as authorized or required by law;

(e) Practicing or offering to practice beyond the scope permitted by law; accepting and performing professional responsibilities which the licensee knows or has reason to know that he or she is not competent to perform; or performing, without adequate supervision, professional services that the licensee is authorized to perform only under the supervision of a licensed professional, except in an emergency situation where a person's life or health is in danger;

(f) Delegating professional responsibilities to a person when the licensee delegating such responsibilities knows or has reason to know that such person is not qualified, by training, by experience, or by licensure, to perform them;

(g) Performing professional services which have not been duly authorized by the patient or client or his or her legal representative;

(h) Failing to maintain an accurate and legible written evaluation and treatment history for each patient;

(i) Failing to identify to a patient, patient's guardian, or the Board the name of an employee, employer, contractor, or agent who renders dental treatment or services upon request;

(j) Failing to report suspected child abuse to the proper authorities, as required by law;

(k) Failing to respond to written communications from the Board to make available any relevant records, with respect to an inquiry or complaint, about the licensee's unprofessional conduct;

(l) Falsifying, altering, or destroying treatment records in contemplation of an investigation by the Board or a lawsuit being filed by a patient;

(m) Intentionally presenting false or misleading testimony, statements, or records to the Board or the Board's investigator or employees during the scope of any investigation or at any hearing of the Board;

(n) Committing or conspiring to commit an act which would tend to coerce, intimidate, or preclude any patient or witness from testifying against a licensee in any disciplinary hearing, or retaliating in any manner against any patient or other person who testifies or cooperates with the Board during any investigation involving the Board;

(o) Violating any lawful order of the Board previously entered in a disciplinary hearing, or failing to comply with a lawfully issued subpoena of the Board;

(p) Violating any term of probation, condition, or limitation imposed on the licensee by the Board;

(q) Practicing with an expired, suspended, or revoked license, permit, or registration;

(r) Using the title "doctor," "dentist," "dental surgeon," "dental hygienist," "dental therapist," or the letters "D.D.S." or "D.M.D." or other modifications, derivatives, or acronyms thereof, in the individual or firm name, or in any title, sign, card, ad, electronic communication, or other device to indicate that the person or firm is practicing dentistry, dental hygiene, or dental therapy;

(s) Prescribing controlled substances for a habitual drug user in the absence of substantial dental justification, if the licensee knows or has reason to know the patient is a habitual drug user;

(t) Using or removing controlled substances from any health care facility or other workplace location without prior authorization;

(u) Failing to exercise reasonable diligence to prevent partners, associates, and employees from engaging in conduct which would violate any rule, regulation, or order of the Board;

(v) Failing to avoid interpersonal relationships that could impair professional judgment or risk the possibility of exploiting the confidence of a patient, including committing any act of sexual abuse, misconduct, or exploitation related to the licensee's practice of dentistry;

(w) Termination of a dentist-patient relationship by a dentist, unless reasonable notice of the termination is provided to the patient. For purposes of this provision, a "dentist patient" relationship exists where a dentist has provided dental treatment to a patient on at least one occasion within the preceding year. "Termination of a dentist-patient relationship by the dentist" means that the dentist is unavailable to provide dental treatment to a patient, under the following circumstances:

(1) The office where the patient has received dental care has been closed for a period ~~in excess of~~ more than fifty days; or

(2) The dentist discontinues treatment of a particular patient for any reason, including non- payment of fees for dental services, although the dentist continues to provide treatment to other patients at the office location.

(x) Interfering or attempting to interfere with the professional judgment of an individual who is licensed or certified by the Board. Examples include, but are not limited to, the following:

(1) Establishing professional standards, protocols, or practice guidelines which conflict with generally accepted standards within the dental profession;

(2) Entering into any agreement or arrangement for management services that interferes with a dentist's exercise of his/her independent professional judgment or encourages improper overtreatment or undertreatment by dentists;

(3) Placing limitations or conditions upon communications, clinical in nature, with the dentist's patients;

(4) Precluding or restricting an individual's ability to exercise independent professional judgment over all qualitative and quantitative aspects of the delivery of dental care; or

(5) Penalizing a dentist for reporting violations of a law regulating the practice of dentistry.

§ 185-10-2735 Principles of Ethics and Code of Professional Conduct

(a) For licensed dentists, the Board adopts, as if fully set out herein and to the extent that it does not conflict with CNMI laws, rules, or Board Position Statements, the American Dental Association (ADA) Principles of Ethics and Code of Professional Conduct as it may, from time to time, be amended. A copy of the ADA Principles of Ethics and Code of Professional Conduct may be obtained by contacting the American Dental Association at 211 East Chicago Avenue, Chicago, IL 60611, or by phone at (312) 440-2500, or on the Internet at http://www.ada.org.

(b) For licensed dental hygienists, the Board adopts, as if fully set out herein and to the extent that it does not conflict with CNMI laws, rules, or Board Position Statements, the American Dental Hygienists' Association (ADHA) Code of Ethics for Dental Hygienists as it may, from time to time, be amended. A copy of the ADHA Code of Ethics for Dental Hygienists may be obtained by contacting the American Dental Hygienists' Association at 444 North Michigan Avenue, Suite 3400, Chicago, IL 60611, or by phone at (312) 440-8900, or on the Internet at http://www.adha.org.

(c) For registered dental assistants, the Board adopts, as if fully set out herein and to the extent that it does not conflict with CNMI laws, rules, or Board Position Statements, the American Dental Assistants Association (ADAA) Principles of Ethics and Professional Conduct as it may, from time to time, be amended. A copy of the ADAA Principles of Ethics and Professional Conduct may be obtained by contacting the American Dental Assistants Association at 203 North LaSalle Street, Chicago, IL 60601-1225, or by phone at (312) 541- 1550, or on the Internet at http://www.dentalassistant.org.

Part 2700 - [Reserved and continued as Part of 2600]

Commonwealth of the Northern Mariana Islands
HEALTH CARE PROFESSIONS LICENSING BOARD
P.O. Box 502078, Bldg., 1242 Pohnpei Court
Capitol Hill, Saipan, MP 96950
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Email: cnmi@cnmibpl-hcplb.net
Website: cnmibpl-hcplb.net

PUBLIC NOTICE AND CERTIFICATION OF ADOPTION OF THE AMENDMENT TO THE HEALTH CARE PROFESSIONS LICENSING BOARD FOR TELEHEALTH AND TELEDMEDICINE

PRIOR PUBLICATION IN THE COMMONWEALTH REGISTER AS PROPOSED AMENDMENTS TO REGULATIONS

VOLUME 45, NUMBER 04, April 28, 2023, Pages 049748 – 049756

ACTION TO ADOPT PROPOSED REGULATIONS: The Health Care Professions Licensing Board, HEREBY ADOPTS AS PERMANENT regulations the Proposed Regulations which were published in the Commonwealth Register at the above-referenced pages, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The Health Care Professions Licensing Board announced that it intended to adopt them as permanent, and now does so.

PRIOR PUBLICATION: The prior publication was as stated above. The Health Care Professions Licensing Board adopted the attached regulations as final as of the date of signing below.

MODIFICATIONS FROM PRIOR PUBLISHED PROPOSED REGULATIONS, IF ANY: NONE

AUTHORITY: The Health Care Professions Licensing Board has statutory power to promulgate and effect regulations pursuant to 4 CMC §2206(b), as amended.

EFFECTIVE DATE: Pursuant to the APA, 1 CMC § 9105(b), these adopted amendments to the Regulations for **Telehealth and Telemedicine** 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: Pursuant to the APA, 1 CMC § 9104(a)(2), the agency received no comments on the proposed amendments to the regulations for **Telehealth and Telemedicine**. Upon this adoption of the amendments, the agency, if requested to do so by any interested person, within 30 days of adoption, will issue a concise statement of the principal reasons for and against its adoption.

ATTORNEY GENERAL APPROVAL: The adopted regulations for **Telehealth and Telemedicine** were approved for promulgation by the CNMI Attorney General in the above cited pages of the Commonwealth Register, pursuant to 1 CMC § 2153 (e) (to review and approve, as to form and legal sufficiency, all rules and regulations to be promulgated by any department, agency or instrumentality of the Commonwealth government, including public corporations, except as otherwise provided by law).

I DECLARE under penalty of perjury that the foregoing is true and correct copy, and that this declaration was executed on the 27th day of July, 2023, at Saipan, Commonwealth of the Northern Mariana Islands.

Certified and ordered by:

Esther S. Fleming
Executive Director

07/27/23
Date

Filed and recorded by:

Esther San Nicolas
Commonwealth Register

07.28.2023
Date

SUBCHAPTER 185-10
COMMONWEALTH HEALTH CARE PROFESSIONS LICENSING BOARD REGULATIONS

Part 1400 Telehealth and Telemedicine

§ 185-10-1401 Definitions
§ 185-10-1405 Practice of Telehealth and Telemedicine
§ 185-10-1410 Requirement to be Licensed
§ 185-10-1415 Informed Consent
§ 185-10-1420 Confidentiality
§ 185-10-1425 Complaints to the Board
§ 185-10-1430 Exception to Licensure for Telehealth/Telemedicine

Part 1400 Telehealth and Telemedicine

§ 185-10-1401 Definitions

(a) **"Telehealth service"** is a health service delivered by a health professional licensed, certified, or otherwise entitled to practice in the Commonwealth and acting within the scope of the health professional's license, certification, or entitlement to a patient at a different physical location than the health professional using telecommunications or information technology.

(b) **"Telemedicine medical service"** is a health care service delivered by a physician licensed in the Commonwealth, or a health professional acting under the delegation and supervision of a physician licensed in the Commonwealth and acting within the scope of the physician's or health professional's license to a patient at a different physical location than the physician or health professional using telecommunications or information technology.

(c) **"Telemedicine"** is the delivery of medical services and any diagnosis, consultation, treatment, transfer of medical data or education related to health care services by a health care professional using interactive audio or interactive video communication instead of in person contact.

(d) **"Health Care Professional"** or **"Health Professional"** is anyone licensed by the Commonwealth of the Northern Mariana Islands Healthcare Professions Licensing Board or who is authorized to practice through a Compact to which the CNMI is a member.

§ 185-10-1405 Practice of Telehealth and Telemedicine

Any health care professional licensed in the Commonwealth or who is authorized to practice through a Compact to which the CNMI is a member may practice telehealth and/or telemedicine.

§ 185-10-1410 Requirement to be Licensed

To be eligible to practice telehealth or telemedicine, a health professional must be licensed in the Commonwealth of the Northern Mariana Islands in accordance with their specific licensing requirements or be authorized to practice through a Compact to which the CNMI is a member.

§ 185-10-1415 Informed Consent

A treating physician or health professional who provides or facilitates the use of telemedicine medical services or telehealth services shall ensure that the informed consent of the patient, or another appropriate individual authorized to make health care treatment decisions for the patient, is obtained, consistent with the guidelines for their profession before telemedicine medical services or telehealth services are provided.

§ 185-10-1420 Confidentiality

(a) Health professionals who provide or facilitate the use of telemedicine medical services or telehealth services shall ensure that the confidentiality of the patient's medical information is maintained as required by applicable local and federal laws.

(b) Health care professionals that communicate with patients by electronic communications must provide patients with written or electronic notification of the health care professional's privacy practices prior to evaluation or treatment via a telehealth service. In addition, a good faith effort must be made to obtain the patient's written or electronic acknowledgement, including by e-mail, of the notice.

§ 185-10-1425 Complaints to the Board

Health professionals that use telehealth or telemedicine medical services must provide notice of how patients may file a complaint with the Board.

§ 185-10-1430 Exception to Licensure for Telehealth/Telemedicine

A licensed health care professional who resides outside of the Commonwealth within a State, Federal jurisdiction or country is not subject to Commonwealth licensure requirements where said licensed health care professional is providing consultation to a Commonwealth licensed health care professional using telemedicine technology if:

(a) the non-resident licensed consulting health care professional operates no clinical practice or office in the Commonwealth.

(b) the non-resident licensed consulting health care professional does not render any final written or otherwise documented final medical opinion concerning the diagnosis or treatment of a patient in the Commonwealth directly to the patient; and

(c) the non-resident licensed consulting health care professional does not render any treatment to any patient in the Commonwealth.

(d) the non-resident licensed consulting health care professional may render care and provide final diagnostic and treatment decisions without an active Commonwealth license if the consultant is to act as a receiving health care professional for the patient in the consultant's jurisdiction.

(e) the non-resident licensed consulting health care professional may render care and provide diagnostic and treatment recommendations without an active Commonwealth license if the consulting health care professional acts jointly and directly with the local attending health care professional of the patient who is the subject of the consultation.

(f) the non-resident licensed consulting health care professional rendering consultation shall abide by all local and federal laws regarding patient confidentiality.

Commonwealth Ports Authority
Francisco C. Ada/Saipan International Airport
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PUBLIC NOTICE

Proposed Amendments to the Personnel Rules and 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 Personnel Rules and Regulations.

INTENDED ACTION TO ADOPT THESE PROPOSED AMENDMENTS TO THE PERSONNEL RULES AND 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 Personnel Rules and Regulations.

TERMS, SUBSTANCE, AND DESCRIPTION OF THE SUBJECTS AND ISSUES INVOLVED: These proposed regulations amend CPA's Personnel Rules and Regulations by defining the terms "attending physician" and "immediate family member;" expanding the use of sick leave to include care for immediate family members; establishing documentation requirements for qualifying as a "domestic partner;" increasing the number of hours of donated sick leave an employee may receive; requiring an employee work at least 1,250 hours in the calendar year to receive a sick leave donation; and defining the term "calendar year," as used in NMIAC § 40-40-425.

AUTHORITY: The substance of the following proposed amendments was approved by the CPA Board of Directors at the June 2, 2023, CPA Board of Directors Meeting. 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 and Newly Adopted 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 Mr. Christopher S. Tenorio, Executive Director, CPA, by means of one of the following: Email, fax, mail or hand-delivery to the CPA Administrative Office located on the Second Floor of the Francisco C. Ada/Saipan International Airport with the subject line **"Comments on Proposed Personnel Rules and Regulations."**

Commonwealth Ports Authority
P.O. Box 501055 Saipan, MP 96950
Tel. (670) 237-6500/6501
Fax: (670) 234-5962
Email: cpa.admin@pticom.com

All written comments shall be submitted within 30 days after publication of this notice.

Submitted by:

CHRISTOPHER S. TENORIO — Date 7/5/23
Executive Director, CPA

Received by:

OSCAR M. BABAUTA — Date 7/10/23
Special Assistant for Administration

Filed and Recorded by:

ESTHER R.M. SAN NICOLAS — Date 7.13.2023
Commonwealth Registrar

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. 1 CMC § 2153(f).

EDWARD MANIBUSAN — Date 7/10/2023
Attorney General

Commonwealth Ports Authority
Francisco C. Ada/Saipan International Airport
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ARONGORONGOL TOULAP

Ppwommwol Liiwel ngáli Alléghúl me Mwóghutughutúl Personnel reel Commonwealth Ports Authority

Executive Director-il Commonwealth Ports Authority ("CPA") e arongaar toulap bwe Commonwealth Ports Authority re mángemángil ebwe aronga liiwel ngáli Alléghúl me Mwóghutughutúl Personnel.

MÁNGEMÁNGIL MWÓGHUT REEL REBWE ADÓPTÁÁLI PPWOMWOL LIIWEL NGÁLI PERSONNEL ALLÉGH ME MWÓGHUTUGHUTÚL COMMONWEALTH PORTS AUTHORITY: Arongorong yeel nge sángi 1 CMC § 9104(a) reel Administrative Procedure Act bwe Commonwealth Ports Authority re mángemángil rebwe arongawow liiwel ikka e amwirimwiritiw ngáli Alléghúl me Mwóghutughutúl Personnel.

KKAPASAL, AWEEWEEL, ME FFATAAL REEL KKAPASAL ME AUTOL: Ppwommwol liiwel kkaal e liiweli Alleghúl me Mwóghutughutúl Personnel sángi CPA reel igha re ayoora weeweel kkapas iye "attending physician" me "immediate family member", aschéélapayló yáayál mille "sick leave" ebwe schuulong lemelem ngáli "immediate family members"; ghikkillil pappid ikka e bwe bwal toolong ngáli "domestic partner", ebwe lapaló ooral "sick leave" iye rebwe donate-li escháy schóól angaang emmwelil bwughi; re tipáli bwe schóól angaang e tarabwaagholi 1,250 oora llól "calendar year" reel ebwe bwughi mille "sick leabe donation"; me ebwe ffat weeweel kkapas iye "calendar year", igha re yáayá llól NMIAC § 40-40-425.

BWÁNGIL: Autol ppwommwol liiwel ikka e amwirimwiritiw aa átirow sángi CPA Board-il Directors wóól Alimaté 2, 2023, CPA Board-il Directors igha re yéélágh. Ppwommwol liiwel nge ngáli arongorong me llól Commonwealth Register ngáli Arongorong me Kkapas sángi Administrative Procedure Act me ngáli átirow sángi Soulemelemil Allégh Lapalap sángi 1 CMC § 2153(e). Eyoor bwángil Commonwealth Ports Authority reel rebwe aronga mwóghutughut kkaal sángi 2 CMC § 2122.

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Ebwe akkatééwow Ppwommwol Mwóghutughut kkaal me llól Commonwealth Register llól tálil Ppwommwol me Ffél Mwóghutughut ikka ra adóptáali, 1 CMC § 9102(a)(1), me ebwe appaschetá llól civic center me bwal llól bwulasiyol gobetnameento llól senatorial district, fengál reel English me Mwáliyaasch. 1 CMC § 9104(a)(1).

REEL ISIISILONGOL KKAPAS: Aramas ngáre schóó kka re tipáli rebwe isiisilong ischil kkapas rebwe isii ngáli Mr. Christopher S. Tenorio, Executive Director, CPA, ebwe yááyá eew meleyil ikka e amwirimwiritiw: Email, fax, kkatta ngáre bwughiló CPA Administrative Office iye e lo Second Floor me Francisco C. Ada/Saipan International Airport fengál wóól "subject line" bwe **"Comments on Proposed Procurement Rules and Regulations."**

Commonwealth Ports Authority
P.O. Box 501055 Saipan, MP 96950
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Email: cpa.admin@pticom.com

Alongal ischil kkapas ebwe toolong llól eliigh (30) ráál mwiril aal akkatééwow arongorong yeel.

Isáliyalong: _____ 7/5/23
CHRISTOPHER S. TENORIO — Ráál
Executive Director, CPA

Bwughiyal: _____ 7/10/23
OSCAR M. BABAUTA — Ráál
Special Assistant ngáli Administration

Ammwelil: _____ 7.13.2023
ESTHER R.M. SAN NICOLAS — Ráál
Commonwealth Registrar

Sángi 1 CMC § 2153(e) me 1 CMC § 9104(a)(3) ra takkal amwuri fischiiy me átirowa ppwommwol mwóghutughut ikka e appasch bwe aa ffil reel ffééríl me legal sufficiency sángi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow. 1 CMC § 2153(f).

_____ 7/10/2023
EDWARD MANIBUSAN — Ráál
Soulemelemil Allégh Lapalap

Commonwealth Ports Authority
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NUTISIAN PUPBLIKU

Manmaproponi na Amenda gi Areklamentu yan Regulasion Personnel giya Commonwealth Ports Authority

I Eksakatibu Direktot nu i Commonwealth Ports Authority ("i CPA") ha infotma guini i pupbliku na i Commonwealth Ports Authority ha intensiona para u cho'gui i amenda siha gi iyon-ñiha Areklamentu yan Regulasion Personnel.

I AKSION NI MA'INTENSIONA PARA U ADÅPTA ESTI I MANMAPROPONI NA AMENDA SIHA GI AREKLAMENTU YAN REGULASION PERSONNEL GIYA COMMONWEALTH PORTS AUTHORITY: I nutisia guini manå'i sigun para 1 CMC § 9104(a) gi Åkton "Administrative Procedure" na i Commonwealth Ports Authority ha intensiona para u cho'gui i tinattiyi na amenda siha gi iyon-ñiha Areklamentu yan Regulasion personnel.

I TEMA, SUSTÅNSIA, YAN I DISKRIPSION I SUHETU NI MASUMÅRIA YAN ASUNTU NI TINEKKA: Esti i manmaproponi na regulasion siha ha amenda i Areklamentu yan Regulasion Personnel CPA ni dinifi'fina i tema i "manatetendi na doktu" yan "immediate na membrun familia siha;" inaomementa i usun nu sick leave para u inklusu i inadahi para immediate na membrun familia siha; inestableblesi i mamprisisu na dokumentu para i kuålifikåo komu "domestic partner," inaomementa i numirun nu oras nu donated sick leave ni siña i implihåo ha risibi; manaprisisu i implihåo u facho'chu'i maseha 1,250 na oras gi halum i såkkan na kalendåriu para u risibi i sick leave donation; yan dinifi'fina i tema "såkkan na kalendåriu," komu ma'usa hålum i NMIAC § 40-40-425.

ÅTURIDAT: I "substance" nu i tinattitiyi na manmaproponi na amenda siha ginen maninaprueba ni i Kuetpun Mandirektot CPA gi Huniu 2, 2023, gi Huntan Kuetpun Mandirektot CPA. Esti i manmaproponi na amenda siha para u mapupblika gi halum Rehistran Commonwealth gi Nutisia yan Upiñon sigun gi Åkton Administrative Procedure yan para u inaprueba ni Abugådu Hiniråt sigun para i 1 CMC § 2153(e). I Commonwealth Ports Authority gai aturidåt para u cho'gui esti siha na regulasion sigun para i 2 CMC § 2122.

DIREKSION PARA U MAPO'LU YAN PUPBLIKASION: Esti i Manmaproponi na Regulasion siha debi na u mapupblika gi halum Rehistran Commonwealth gi halum seksion i Manmaproponi yan i Mannuebu na Manma'adåpta na Regulasion siha, 1 CMC § 9102(a)(1), ya u mapega hålum gi kumbinienti na lugåt gi halum civic center yan gi halum ufisinan gubietnamentu gi kada distritun senadot, parehu Inglis yan i prinsipåt na lingguåhin natibu. 1 CMC § 9104(a)(1).

PARA U MAPRIBENIYI UPIÑON SIHA: I petsona siha pat atyu i malagu manna'halum upiñon siha debi di u macho'gui gi tinigi' para guatu as Siñot Christopher S. Tenorio, Eksakatibun

Direktot, CPA, gi unu na tinattiyi na manera: Email, fax, mail o sino intrega hålum gi Ufisinan Atministradot i CPA ni gaigi gi Sigundu na Bibienda gi plåsan Francisco C. Ada/Saipan International yan i suhetu na råya "**I Upiñon siha gi Manmaproponi na Areklamentu yan Regulasion Personnel.**"

Commonwealth Ports Authority
P.O. Box 501055 Saipan, MP 96950
Tel. (670) 237-6500/6501
Fax: (670) 234-5962
Email: cpa.admin@pticom.com

Todu i tinigi' na upiñon siha debi na u fanhålum gi halum trenta (30) dihas dispues di pupblikasion nu esti na nutisia.

Nina'hålum as:
CHRISTOPHER S. TENORIO
Eksakatibun Direktot, CPA
7/5/23
Fetcha

Rinisibi as:
OSCAR M. BABAUTA
Ispisiåt na Ayudånti para i Atministrasion
7/10/23
Fetcha

Pine'lu yan Ninota as:
ESTHER R.M. SAN NICOLAS
Rehistran Commonwealth
7.13.2023
Fetcha

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'aprueba kumu fotma yan sufisienti ligåt ginin i Abugådu Heneråt CNMI yan debi na u mapupblika, 1 CMC § 2153(f).

EDWARD MANIBUSAN
Abugådu Hiniråt
7/10/2023
Fetcha

§ 40-40-415 Sick Leave

(a) An employee commences sick leave accrual at the beginning of the first full pay period following the employee's employment. Each employee will accrue four hours of sick leave per pay period. If an employee's accrued sick leave is depleted, any additional days the employee is not at work will be deducted from accrued annual leave. When accrued annual leave has been depleted, the employee will go on leave without pay (LWOP). If an official holiday occurs while an employee is on sick leave, that day will not be deducted from accrued sick leave.

(b) When an employee is absent due to illness or to care for an immediate family member, the employee himself/herself, unless incapacitated, should give notice of his/her illness to the employee's supervisor within the first hour of scheduled duty or the entire day may be charged against annual leave, at the discretion of the immediate supervisor. Each employee returning from sick leave after an absence of three days or more shall furnish a written certification from the attending physician regarding the employee's illness. If the required certification is not furnished, all absence which would have been covered by such certification shall be indicated on the time and attendance record and payroll as absent without leave (AWOL). The Executive Director may require certification for such other period(s) of illness as is determined appropriate due to suspected abuse of the sick leave benefit.

(c) Sick leave may be accumulated and carried over to succeeding years up to 1,040 hours of sick leave. A report showing the accrued sick leave balance will be provided to the employee each pay period. Any current employee with sick leave in excess of the 1,040- hour threshold will no longer accrue sick leave until such time that their sick leave hours are reduced to 1,040 hours or below.

(d) The use of sick leave is subject to the following special provisions:
(1) Falsification of an illness report shall be considered sufficient cause for disciplinary action, including termination from employment.
(2) Accrued and unused sick leave will not prevent a termination for medical reasons. Employees are not entitled to exhaust accrued and unused sick leave.
(3) No employee shall be allowed to undertake gainful employment while on sick leave status.

(e) Sick leave accrued for service with the government in any branch or agency shall vest in the employee upon accrual and shall remain vested so long as the individual is employed by the government, provided that if such employee is separated from government service for a period longer than three years, the employee shall be divested of accumulated sick leave.

(f) "Attending physician" as used within this Section shall mean licensed healthcare professionals, such as medical doctors, physician assistants, nurses, physical therapists, dentists, and orthodontists, and other licensed alternative medicine practitioners, such as licensed chiropractors or licensed practitioners of traditional medicine, that provided care directly to the employee.

(g) "Immediate family member" as used within this Section shall be defined as including the employee's parent (including step or adoptive), spouse, domestic partner, sibling (including step or half), child (including step, adopted, or children-in-law), grandparents, mother-in-law and father-in-law (including step or adoptive).
(1) To qualify as a "domestic partner" under this Section, the employee must submit at least three of the following items to the Human Resource Manager for inclusion in that employee's personnel file:

(i) Affidavit of Domestic Partnership
(ii) Joint mortgage or lease for a residence identifying both parties as responsible for payments;
(iii) Designation of each other as a primary beneficiary for life insurance or retirement benefits;
(iv) Durable power of attorney for health care or financial management;
(v) Joint ownership of a motor vehicle;
(vi) Record of joint checking or savings account;
(vii) Other forms of evidence depicting significant joint financial interdependency.

§ 40-40-425 Sick Leave Donation

(a) An employee may, in writing on a Commonwealth Ports Authority-approved form, donate his/her accrued sick leave to another Commonwealth Ports Authority employee who has completed his/her probationary status and who is in need of medical treatment. An employee under medical treatment must provide certification from his/her attending physician on his/her medical status and duration of time that he/she shall be on medical leave. Sick leave donation requests must be approved, in writing, in advance by the Executive Director or her or his designee, prior to the transfer of sick leave and subject to the following:
(1) An employee donating his/her accrued sick leave does so voluntarily and without compensation or sick leave replacement. The donation shall be limited to 160 hours;
(2) The employee requesting donation must provide certification that he/she is undergoing medical treatment and the number of days he/she is expected to be on medical leave. Under no circumstances may the requesting employee receive more than 480 hours of donated sick leave per calendar year;~~during his/her employment with the Commonwealth Ports Authority;~~
(3) The employee requesting the donation must have worked at least 1,250 hours in the calendar year.
(4) The employee receiving a sick leave donation has exhausted all his annual leave, sick leave, and accrued comp-time hours;
(45) The employee receiving a sick leave donation shall not accrue any other leave while on medical leave status.

(b) The term "calendar year" as used within this Section shall mean a one-year period ending on the date the requested donated leave is received by the employee.

(~~b~~c) Any Commonwealth Ports Authority employee may also donate accrued sick leave to non-Commonwealth Ports Authority CNMI government employees subject to the CNMI Sick Leave Bank Regulations (NMIAC, Title 10, Chapter 10-50) being administered by the Office of the Personnel Management.

§ 40-40-445 Bereavement Leave for a Death in the Immediate Family

(a) An employee who suffers a death in his or her immediate family will be given a maximum of five days leave with pay.

(b) Immediate family shall be defined as including the employee's parent (including step or adoptive), spouse, domestic partner, sibling (including step or half), child (including step, adopted, or children-in-law), grandparents, mother-in-law and father-in-law (including step or adoptive). ~~For the purposes of this section a "Domestic partner" is defined to be a person with whom the CPA employee has a personal, household relationship and with whom the employee has established substantial personal ties for several years.~~
(1) To qualify as a "domestic partner" under this Section, the employee must submit at least three of the following items to the Human Resource Manager for inclusion in that employee's personnel file:

(i) Affidavit of Domestic Partnership
(ii) Joint mortgage or lease for a residence identifying both parties as responsible for payments;
(iii) Designation of each other as a primary beneficiary for life insurance or retirement benefits;
(iv) Durable power of attorney for health care or financial management;
(v) Joint ownership of a motor vehicle;
(vi) Record of joint checking or savings account;
(vii) Other forms of evidence depicting significant joint financial interdependency.

Commonwealth Healthcare Corporation
Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950

PUBLIC NOTICE OF PROPOSED AMENDMENTS TO THE CHCC CHARGEMASTER FOR VARIOUS FEES

INTENDED ACTION TO ADOPT THESE PROPOSED REVISIONS TO THE RULES AND REGULATIONS: The Commonwealth Healthcare Corporation (CHCC) intends to adopt as permanent the attached additional Chargemaster pursuant to the procedures of the Administrative Procedure Act,1 CMC § 9104(a). The additional Chargemaster will become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b))

AUTHORITY: The Board of Trustees may prepare and adopt rules and regulations to assure delivery of quality health care and medical services and the financial viability of the Corporation that will best promote and serve its purposes. 3 CMC Section 2826(c).

THE TERMS AND SUBSTANCE: These are new fees.

THE SUBJECTS AND ISSUES INVOLVED: New fees.

DIRECTIONS FOR FILING AND PUBLICATION: This Notice of Proposed Amendments to the Chargemaster shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular (1CMC § 9104(A)(1)) codified at NMIAC Sections 140-10.8-101. Copies are available upon request from Tiffany Sablan, Director of Revenue.

TO PROVIDE COMMENTS: Send or deliver your comments to Tiffany Sablan, Director of Revenue, tiffany.sablan@chcc.health, *Attn: Amendments to the Chargemaster, for Various Fees* at the above address, fax or email address, with the subject line "Amendments to the Chargemaster, for Various Fees." Comments are due within 30 days from the date of publication of this notice. Please submit your data, views or arguments. (1 CMC § 9104(a)(2)).

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

These proposed amendments to the Chargemaster, for Various Fees were approved by the CHCC Board of Trustees and the CHCC CEO.

Submitted by:

ESTHER L. MUNA
Chief Executive Officer

07/03/23
Date

POLLY D.G. MASGA
Board Chair

7/05/2023
Date

Filed and
Recorded by:

ESTHER M. SAN NICOLAS
Commonwealth Registrar

07.27.2023
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

Dated the 6 day of July, 2023.

EDWARD E. MANIBUSAN
Attorney General

Commonwealth Healthcare Corporation
Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950

ARONGORONGOL TOULAP REEL PPWOMMWOL LIIWEL NGALI CHCC CHARGEMASTER NGALI AKKÁÁW ÓBWÓSS
PUBLIC NOTICE OF PROPOSED AMENDMENTS TO THE CHCC CHARGEMASTER FOR VARIOUS FEES

MÁNGEMÁNGIL MWÓGHUTH REEL REBWE ADÓPTÁÁLI PPWOMMWOL SIIWEL NGALI ALLÉGH ME MWÓGHUTUGHUT: Commonwealth Healthcare Corporation (CHCC) re mángemángil rebwe adóptááli Chargemaster ikka e schuulong ikka e appasch bwe ebwe lléghló sángi mwóghutughutúl Administrative Procedure Act, 1 CMC § 9104(a). Chargemaster ikka rebwe bwal aschuulong ebwe bwunguló seigh (10) ráál mwiril aal adóptááli me akkatééwowul me llól Commonwealth Register. (1 CMC § 9105(b))

BWÁNGIL: Emmwel bwe Board of Trustees rebwe ayoora mmwelil me adóptááli allégh me mwóghutughut reel ebwe ffat issisiwowul ghatchúl health care me alilisil mediku me mille financial viability sángi Corporation iye ebwe ghatch le alisi ffééru aar angaang. 3 CMC Tálil 2826(c).

KKAPASAL ME WEEWEEL: Ikkaal ffél óbwóss.

KKAPASAL ME AUTOL: Ffél óbwóss.

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Ebwe akkatééwow Arongorongol Ppwommwol Liiwel ngáli Chargemaster me llól Commonwealth Register llól tálil ppwommwol me ffél mwóghutughut ikka ra adóptááli (1 CMC § 9102(a)(1)) me ebwe appaschetá llól civic center llól bwulasiyol gobetnameento me llól senatorial district, fengál reel English me mwáliyaasch (1CMC § 9104(A)(1)) iye e itittiw me NMIAC Tálil 140-10.8-101. Emmwel ubwe tingór pappidil mille sángi Tiffany Sablan, Director-il Revenue.
REEL ISIISILONGOL KKAPAS: Afanga ngare bwughiló yóómw ischil kkapas ngáli Tiffany Sablan, Director-il Revenue, tiffany.sablan@chcc.health, *Attn: Amendments to the Chargemaster, for Various Fees* reel féléfél iye e lo weiláng, fax ngare email address, fengál wóól subject line bwe "Amendments to the Chargemaster, for Various Fees." Ebwe toolong ischil kkapas llól eliigh (30)

ráál mwiril aal akkatééwow arongorong yeel. Isiisilong yóómw data, views ngare angiingi. (1 CMC § 9104(a)(2)).

Aa átirow ppwommwol liiwel kkaal ngáli Chargemaster, for Various Fees sángi CHCC Board-il Trustees me CHCC CEO.

Isáliyalong:

ESTHER L. MUNA
Chief Executive Officer
03 July 2023
Ráál

POLLY O.G. MASGA
Board Chair
7/05/2023
Ráál

Ammwelil:

ESTHER M. SAN NICOLAS
Commonwealth Registrar
07.27.2023
Ráál

Sángi 1 CMC § 2153(e) (sángi átirowal AG reel mwóghutughut kkaal bwe aa lléghlól reel ffééról me ebwe arongowow) me 1 CMC § 9104(a)(3) (sángi átirowal AG) reel ppwommwol mwóghutughut ikka e appasch bwe ra takkal amwuri fischiiy me aa lléghló reel ffééról me legal sufficiency sángi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow, 1 CMC § 2153(f) (arongowowul allégh me mwóghutughut).

Ghikkill wóól 6 ráálil July, 2023.

EDWARD E. MANIBUSAN
Soulemelemil Allégh Lapalap

Commonwealth Healthcare Corporation
Commonwealth gi Sankattan na Islas Mariånas
1178 Hinemlu' St. Garapan, Saipan, MP 96950

NUTISIAN PUPBLIKU PUT I MANMAPROPONI NA AMENDA SIHA GI CHCC CHARGEMASTER PARA DIFIRENTIS NA ÅPAS

I AKSION NI MA'INTENSIONA PARA U ADÅPTA ESTI I MANMAPROPONI NA TINILAIKA GI AREKLAMENTU YAN REGULASION SIHA: I Commonwealth Healthcare Corporation (i CHCC) ha intensiona para u adåpta komu petmanienti i mañechettun na hina'halum Chargemaster sigun gi maneran i Åkton Administrative Procedure, 1 CMC § 9104(a). I hina'halum Chargemaster siempri umifektibu gi halum dies (10) dihas dispues di adåptasion yan pupblikasion gi halum Rehistran Commonwealth. (1 CMC § 9105(b))

ATURIDÅT: I Board of Trustees siña mapripåra yan adåpta i areklamentu yan regulasion siha para u mana'garantiha na manmannånå'i kuålidåt na inadahin hinemlu' yan setbisiun mediku yan i macho'cho'chu' na fainansiåt nu i Corporation ni mås ha na'adilantåo yan sietbi i rason-ñiha siha. 3 CMC Seksiona 2826(c).

I TEMA YAN SUSTÅNSIAN I PALÅBRA SIHA: Mannuebu na åpas siha.

I SUHETU NI MASUMÅRIA YAN ASUNTU NI TINEKKA: Nuebu na åpas siha.

DIREKSION PARA U MAPO'LU YAN PARA U MAPUPBLIKA: Esti na nutisia put i Manmaproponi na Amenda siha gi Chargemaster siempri mapupblika gi halum Rehistran Commonwealth halum i seksiona gi maproponi yan nuebu na manma'adåpta na regulasion siha (1 CMC § 9102(a)(1)) yan mapega gi halum kumbinienti na lugåt halum i civic center yan halum i ufisinan gubietnamentu gi kada distritun senadot, parehu gi finu' Inglis yan i prinsipåt na lingguåhi natibu (1 CMC § 9104(A)(1)) codified gi NMIAC na Seksiona 140-10.8-101. Managuaha kopia yanggin marikuesta ginen as Tiffany Sablan, i Direktot Reditu.

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

PARA U MAPRIBENIYI UPIÑON SIHA: Na'hånåo pat intrega hålum i upiñom-mu guatu as Tiffany Sablan, i Direktot Reditu, tiffany.sablan@chcc.health, *Attn: "Amenda gi Chargemaster, para Difirentis na Åpas" gi sanhilu' na address, fax osino email address, yan i suhetu na råya "Amenda gi Chargemaster, para Difirentis na Åpas."* I upiñon siha debi na u fanhålum gi halum trenta (30) dihas ginen i fetchan pupblikasión esti na nutisia. Put fabot na'hålum i infotmasion, upiñon pat testimonion kinentråm-mu siha. (1 CMC § 9104(a)(2)).

Esti i manmaproponi na amenda siha gi Chargemaster, para Difirentis Åpas ginen maninaprueba ni i Kuetpun CHCC Trustees yan i CHCC CEO.

Nina'hålum as:

ESTHER L. MUNA
Chief Executive Officer

03 Jul 2023
Fetcha

POLLY D.G. MASGA
Kabesiyun Kuetpu

7/05/2023
Fetcha

Pine'lu yan
Ninota as:

ESTHER M. SAN NICOLAS
Rehistran Commonwealth

07. 27. 2023
Fetcha

Sigun i 1 CMC § 2153 (e), (Inaprueban Abugådu Hinirât i regulasion siha ni para u macho'gui kumu fotma) yan i 1 CMC § 9104 (a) (3) (hentan inaprueban Abugådu Hinirât) i manmaproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan sufisient i ligât ginin i CNMI Abugådu Henerât yan debi na u mapupblika, 1 CMC § 2153 (f) (pupblikasion areklamentu yan regulasion siha).

Mafetcha gi diha 6 gi July 2023.

EDWARD E. MANIBUSAN
Abugådu Hinirât

COMMONWEALTH HEALTHCARE CORPORATION
Fee Edits - as of 02/2023

REV CODE	CHARGECODE	CPT	MOD	Description	COVID Related?	Reason for change	Previous Price	New Price
	425000583025	97168		OCCUPATIONAL THER RE-EVAL EST PLAN CARE 30 MIN	N	NEW	N/A	$228.06
	425000583026	97167		OCCUPATIONAL THERAPY EVAL HIGH COMPLEX 60 MINS	N	NEW	N/A	$328.95
	425000583027	97166		OCCUPATIONAL THERAPY EVAL HIGH COMPLEX 45 MINS	N	NEW	N/A	$328.95
	425000583028	97165		OCCUPATIONAL THERAPY EVAL LOW COMPLEX 30 MIN	N	NEW	N/A	$328.95
	965002583234	32608	26	THORASCOPY W/ DIAGNOSTIC BX OF LUNG NODULE(S) OR MASS(ES) (	N	NEW	N/A	$1,143.54
	775000480555	M0222		BEBTELOVIMAB INJECTION	Y	NEW	N/A	$1,051.50
	775000480566	0094A		IMM ADMN SARSCOV2 50 MCG/0.5 ML BOOSTER DOSE	Y	NEW	N/A	$85.17
	315000180960	86037		ANTINEUTROPHIL CYTOPLASMIC ANTB TITER EA ANTB	N	NEW	N/A	$36.15
	775000480566	0124A		ADM SARSCV2 BVL 30MCG/.3ML B	Y	NEW	N/A	$85.17
	965002583235	00529	26	ANES MEDIASTINOSCOPY&THORACOSCOPY W/1 LUNG VNT	N	NEW	N/A	496.54
	965001185000	49407	26	IMAGE FLUID COLLXN DRAINAG CATH TRANSREC/VAGINAL	N	NEW	N/A	5632.19
	365000289403	49407	TC	IMAGE FLUID COLLXN DRAINAG CATH TRANSREC/VAGINAL	N	NEW	N/A	$4,310.97
	999003701123	1123F	26	ADV CARE PLN TLKD & ALT DCSN MARKER DOCD	N	NEW	N/A	$0.00
	999003701124	1124F	26	ADV CARE PLN/NO ALT DCSN MKR DOCD OR REFUSAL	N	NEW	N/A	50.00
	315000180961	87483		CNS DNA/RNA AMP PROBE MULTIPLE SUBTYPES 12-25	N	NEW	N/A	$1,250.34
	315000180962	86364		TISSUE TRANSGLUTAMINASE EA IMMUNOGLOBULIN CLASS	N	NEW	N/A	$34.59
	365000289406	92524	TC	BEHAVIORAL & QUALIT ANALYSIS VOICE AND RESONANCE	N	NEW	N/A	$ 349.26
	365000289407	92610	TC	EVAL ORAL&PHARYNGEAL SWLNG FUNCJ	N	NEW	N/A	$ 273.72
	365000289408	92521	TC	EVALUATION OF SPEECH FLUENCY (STUTTER CLUTTER)	N	NEW	N/A	$ 425.58
	365000289409	92522	TC	EVALUATION OF SPEECH SOUND PRODUCTION ARTICULATE	N	NEW	N/A	$ 353.97
	365000289410	92523	TC	EVAL SPEECH SOUND PRODUCT LANGUAGE COMPREHENSION	N	NEW	N/A	$ 729.87
	365000289411	92616	TC	FLEXIBLE NDSC EVAL SWLNG&LARYN SENS C/V REC	N	NEW	N/A	$ 747.87
	965002583236	92617	26	FLEXIBLE NDSC EVAL SWLNG&LARYN SENS C/V I&R	N	NEW	N/A	$ 126.18
	365000289412	92612	TC	FLEXIBLE ENDOSCOPIC EVAL SWALLOW C/V REC	N	NEW	N/A	$ 663.36
	965002583237	92613	26	FLEXIBLE ENDOSCOPIC EVAL SWLLOW C/V REC I&R	N	NEW	N/A	$ 114.51
	365000289413	92614	TC	FLEXIBLE ENDOSCOPIC EVAL LARYN SENSORY C/V REC	N	NEW	N/A	$ 489.24
	965002583238	92615	26	FLEXIBLE ENDOSCOPIC EVAL LARYN SENS C/V REC I&R	N	NEW	N/A	$ 101.70
	365000289414	92511	TC	NASOPHARYNGOSCOPY W/ENDOSCOPE SPX	N	NEW	N/A	$ 536.25
	965002583239	92511	26	NASOPHARYNGOSCOPY W/ENDOSCOPE SPX	N	NEW	N/A	$ 119.46
	365000289415	92526	TC	TX SWALLOWING DYSFUNCTION&/ORAL FUNCJ FEEDING	N	NEW	N/A	$ 273.12
	365000289404	92633	TC	AUDITORY REHABILITATION POSTLINGUAL HEARING LOSS	N	NEW	N/A	$118.80
	365000289405	92630	TC	AUDITORY REHABILITATION PRELINGUAL HARING LOSS	N	NEW	N/A	$205.20

Commonwealth Healthcare Corporation
Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950

PUBLIC NOTICE OF PROPOSED AMENDMENTS TO THE CHCC CHARGEMASTER FOR VARIOUS NEW FEES

INTENDED ACTION TO ADOPT THESE PROPOSED REVISIONS TO THE RULES AND REGULATIONS: The Commonwealth Healthcare Corporation (CHCC) intends to adopt as permanent the attached additional Chargemaster pursuant to the procedures of the Administrative Procedure Act,1 CMC § 9104(a). The additional Chargemaster will become effective 10 days after adoption and publication in the Commonwealth Register. (1 CMC § 9105(b))

AUTHORITY: The Board of Trustees may prepare and adopt rules and regulations to assure delivery of quality health care and medical services and the financial viability of the Corporation that will best promote and serve its purposes. 3 CMC Section 2826(c).

THE TERMS AND SUBSTANCE: These are new fees.

THE SUBJECTS AND ISSUES INVOLVED: New fees.

DIRECTIONS FOR FILING AND PUBLICATION: This Notice of Proposed Amendments to the Chargemaster shall be published in the Commonwealth Register in the section on proposed and newly adopted regulations (1 CMC § 9102(a)(1)) and posted in convenient places in the civic center and in local government offices in each senatorial district, both in English and in the principal vernacular (1CMC § 9104(A)(1)) codified at NMIAC Sections 140-10.8-101. Copies are available upon request from Tiffany Sablan, Director of Revenue.

TO PROVIDE COMMENTS: Send or deliver your comments to Tiffany Sablan, Director of Revenue, tiffany.crisostomo@chcc.health, *Attn: Amendments to the Chargemaster, for Various New Fees* at the above address, fax or email address, with the subject line "Amendments to the Chargemaster, for Various Fees." Comments are due within 30 days from the date of publication of this notice. Please submit your data, views or arguments. (1 CMC § 9104(a)(2)).

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

OFFICE OF THE ATTORNEY GENERAL
CIVIL DIVISION
RECEIVED
7/13/23
BY: DATE:

These proposed amendments to the Chargemaster, for Various Fees were approved by the CHCC Board of Trustees and the CHCC CEO.

Submitted by:

ESTHER L. MUNA
Chief Executive Officer

07/13/23
Date

POLLY O.P. MASGA
Board Chair

7/13/2023
Date

Filed and
Recorded by:

ESTHER M. SAN NICOLAS
Commonwealth Registrar

07.27.2023
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a)(3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

Dated the 14 day of July, 2023.

EDWARD E. MANIBUSAN
Attorney General

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

Commonwealth Healthcare Corporation
Commonwealth gi Sankattan na Islas Mariånas
1178 Hinemlu' St. Garapan, Saipan, MP 96950

NUTISIAN PUPBLIKU PUT I MANMAPROPONI NA AMENDA SIHA GI CHCC CHARGEMASTER PARA DIFIRENTIS NA ÅPAS SIHA

I AKSION NI MA'INTENSIONA PARA U ADÅPTA ESTI I MANMAPROPONI NA TINILAIKA GI AREKLAMENTU YAN REGULASION SIHA: I Commonwealth Healthcare Corporation (i CHCC) ha intensiona para u adåpta komu petmanienti i mañechettun na hina'halum Chargemaster sigun gi maneran i Åkton Administrative Procedure, 1 CMC § 9104(a). I hina'halum Chargemaster siempri umifektibu gi halum dies (10) dihas dispues di adåptasion yan pupblikasion gi halum Rehistran Commonwealth. (1 CMC § 9105(b))

ATURIDÅT: I Board of Trustees siña mapripåra yan adåpta i areklamentu yan regulasion siha para u mana'garantiha na manmannånå'i kuålidåt na inadahin hinemlu' yan setbisiun mediku yan i macho'cho'chu' na fainansiåt nu i Corporation ni mås ha na'adilantåo yan sietbi i rason-ñiha siha. 3 CMC Seksiona 2826(c).

I TEMA YAN SUSTÅNSIAN I PALÅBRA SIHA: Mannuebu na åpas siha.

I SUHETU NI MASUMÅRIA YAN ASUNTU NI TINEKKA: Nuebu na åpas siha.

DIREKSION PARA U MAPO'LU YAN PARA U MAPUPBLIKA: Esti na nutisia put i Manmaproponi na Amenda siha gi Chargemaster siempri mapupblika gi halum Rehistran Commonwealth halum i seksiona gi maproponi yan nuebu na manma'adåpta na regulasion siha (1 CMC § 9102(a)(1)) yan mapega gi halum kumbinienti na lugåt halum i civic center yan halum i ufisinan gubietnamentu gi kada distritun senadot, parehu gi finu' Inglis yan i prinsipåt na lingguåhi natibu (1 CMC § 9104(A)(1)) codified gi NMIAC na Seksiona 140-10.8-101. Managuaha kopia yanggin marikuesta ginen as Tiffany Sablan, i Direktot Reditu.

PARA U MAPRIBENIYI UPIÑON SIHA: Na'hånåo pat intrega hålum i upiñom-mu guatu as Tiffany Sablan, i Direktot Reditu, tiffany.crisostomo@chcc.health, *Attn: "Amenda gi Chargemaster, para Difirentis na Åpas" gi sanhilu' na address, fax osino email address, yan i suhetu na råya "Amenda gi Chargemaster, para Difirentis na Åpas."* I upiñon siha debi na u fanhålum gi halum trenta (30) dihas ginen i fetchan pupblikasión esti na nutisia. Put fabot na'hålum i infotmasion, upiñon pat testimonion kinentråm-mu siha. (1 CMC § 9104(a)(2)).

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

Esti i manmaproponi na amenda siha gi Chargemaster, para Difirentis Åpas ginen maninaprueba ni i Kuetpun CHCC Trustees yan i CHCC CEO.

Nina'hålum as:

ESTHER L. MUNA
Chief Executive Officer

07/13/23
Fetcha

POLLY D.L.G. MASGA
Kabesiyun Kuetpu

7/13/2023
Fetcha

Pine'lu yan
Ninota as:

ESTHER M. SAN NICOLAS
Rehistran Commonwealth

07.27.2023
Fetcha

Sigun i 1 CMC § 2153 (e), (Inaprueban Abugådu Hinirât i regulasion siha ni para u macho'gui kumu fotma) yan i 1 CMC § 9104 (a) (3) (hentan inaprueban Abugådu Hinirât) i manmaproponi na regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan sufisient i ligât ginin i CNMI Abugådu Henerât yan debi na u mapupblika, 1 CMC § 2153 (f) (pupblikasion areklamentu yan regulasion siha).

Mafetcha gi diha 14 gi July, 2023.

EDWARD E. MANIBUSAN
Abugådu Hinirât

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

Commonwealth Healthcare Corporation
Commonwealth of the Northern Mariana Islands
1178 Hinemlu' St. Garapan, Saipan, MP 96950

ARONGORONGOL TOULAP REEL PPWOMMWOL LIIWEL NGALI CHCC CHARGEMASTER NGALI AKKÁÁW FFÉL ÓBWÓSS

MÁNGEMÁNGIL MWÓGHUTH REEL REBWE ADÓPTÁÁLI PPWOMMWOL SIIWEL NGALI ALLÉGH ME MWÓGHUTUGHUT: Commonwealth Healthcare Corporation (CHCC) re mángemángil rebwe adóptááli Chargemaster ikka e schuulong ikka e appasch bwe ebwe llégh1ó sángi mwóghutughutúl Administrative Procedure Act, 1 CMC § 9104(a). Chargemaster ikka rebwe bwal aschuulong ebwe bwunguló seigh (10) ráál mwiril aal adóptááli me akkatééwowul me llól Commonwealth Register. (1 CMC § 910S(b))

BWÁNGIL: Emmwel bwe Board of Trustees rebwe ayoora mmwelil me adóptááli allégh me mwóghutughut reel ebwe ffat issisiwowul ghatchúl health care me alilisil mediku me mille financial viability sángi Corporation iye ebwe ghatch le alisi ffééró aar angaang. 3 CMC Tálil 2826(c).

KKAPASAL ME WEEWEEL: Ikkaal ffél óbwóss.

KKAPASAL ME AUTOL: Ffél óbwóss.

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Ebwe akkatééwow Arongorongol Ppwommwol Liiwel ngáli Chargemaster me llól Commonwealth Register llól tálil ppwommwol me ffél mwóghutughut ikka ra adóptááli (1 CMC § 9102(a)(1)) me ebwe appaschetá llól civic center llól bwulasiyol gobetnameento me llól senatorial district, fengál reel English me mwáliyaasch (1CMC § 9104(A)(1)) iye e itittiw me NMIAC Tálil 140-10.8-101. Emmwel ubwe tingór pappidil mille sángi Tiffany Sablan, Director-il Revenue.

REEL ISIISILONGOL KKAPAS: Afanga ngare bwughiló yóómw ischil kkapas ngáli Tiffany Sablan, Director-il Revenue, tiffany.crisostomo@chcc.health, *Attn: Amendments to the Chargemaster, for Various New Fees* reel féléfél iye e lo weiláng, fax ngare email address, fengál wóól subject line bwe "Amendments to the Chargemaster, for Various Fees." Ebwe toolong ischil kkapas llól eliigh (30) ráál mwiril aal akkatééwow arongorong yeel. Isiisilong yóómw data, views ngare angiingi. (1 CMC § 9104(a)(2)).

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

Aa átirow ppwommwol liiwel kkaal ngáli Chargemaster, for Various Fees sángi CHCC Board-il Trustees me CHCC CEO.

Isáliyalong:

ESTHER L. MUNA
Chief Executive Officer

07/13/23
Ráál

POLLY O.G. MASGA
Board Chair

7/13/2023
Ráál

Ammwelil:

ESTHER M. SAN NICOLAS
Commonwealth Registrar

07.27.2023
Ráál

Sángi 1 CMC § 2153(e) (sángi átirowal AG reel mwóghutughut kkaal bwe aa lléghlói reel ffééról me ebwe arongowow) me 1 CMC § 9104(a)(3) (sángi átirowal AG) reel ppwommwol mwóghutughut ikka e appasch bwe ra takkal amwuri fischiiy me aa lléghló reel ffééról me legal sufficiency sángi Soulemelemil Allégh Lapalapal CNMI me ebwe akkatééwow, 1 CMC § 2153(f) (arongowowul allégh me mwóghutughut).

Ghikkill wóól 14 ráálil July, 2023.

EDWARD E. MANIBUSAN
Soulemelemil Allégh Lapalap

P.O. Box 500409 CK, Saipan, MP 96950
Telephone: (670) 236-8201/2 FAX: (670) 233-8756

Fee Edits - as of 05/2023						
CPT	MOD	Description	COVID Related?	Reason for change	Previous Price	New Price
69801	TC	LABYRINTHOTOMY TRANSCANAL	N	NEW	N/A	$2,776.28
69801	26	LABYRINTHOTOMY TRANSCANAL	N	NEW	N/A	$386.73
92520	TC	LARYNGEAL FUNCTION STUDIES	N	NEW	N/A	$232.22
81256		HFE HEMOCHROMATOSIS GENE ANAL COMMON VARIANTS	N	NEW	N/A	$196.08
81235		EGFR GENE ANALYSIS COMMON VARIANTS	N	NEW	N/A	$973.74
35011		DIR RPR ANEURYSM AXIL-BRACHIAL ARM INCISION	N	NEW	N/A	$5,139.76
00214		ANESTHESIA SKULL DRAINAGE	N	NEW	N/A	$362.16
67875	TC	TEMPORARY CLOSURE EYELIDS SUTURE	N	NEW	N/A	$1,745.28
35703	26	EXPLORATION N/FLWD SURG LOWER EXTREMITY ARTERY	N	NEW	N/A	$1,223.58
35702	26	EXPLORATION N/FLWD SURG UPPER EXTREMITY ARTERY	N	NEW	N/A	$1,222.65
0081A		ADM SARSCV2 3MCG TRS-SUCR 1	N	NEW	N/A	$85.17
0082A		ADM SARSCV2 3MCG TRS-SUCR 2	N	NEW	N/A	$85.17
0083A		ADM SARSCV2 3MCG TRS-SUCR 3	N	NEW	N/A	$85.17
0091A		ADM SARSCOV2 50 MCG/.5 ML 1ST	N	NEW	N/A	$85.17
0092A		ADM SARSCOV2 50 MCG/.5 ML 2ND	N	NEW	N/A	$85.17
0093A		ADM SARSCOV2 50 MCG/.5 ML 3RD	N	NEW	N/A	$85.17
0111A		ADM SARSCOV2 25MCG/0.25 ML 1ST DOSE	N	NEW	N/A	$85.17
0112A		ADM SARSCOV2 25MCG/0.25 ML 2ND DOSE	N	NEW	N/A	$85.17
0113A		ADM SARSCOV2 25MCG/0.25 ML 3RD	N	NEW	N/A	$85.17
00541		ANES THORACOTOMY & THORACOSCOPY W/1 LUNG VNTJ	N	NEW	N/A	$635.40
90677		PCV20 VACCINE FOR INTRAMUSCULAR USE	N	NEW	N/A	$304.61
0174A		ADM SARSCV2 NVL 3MCH/.2ML A	N	NEW	N/A	$85.17
		ROOM-BOARD/SEMI	N	NEW	$2,500.00	$3,000.00
		PSTAY/PVT	N	NEW	$2,800.00	$3,300.00
81243		FMR1 ANALYSIS EVAL TO DETECT ABNORMAL ALLELES	N	NEW	N/A	$171.12
81229		CYTOG ALYS CHRML ABNR SNPCGH	N	NEW	N/A	$3,480.00

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CIVIL SERVICE COMMISSION
OFFICE OF PERSONNEL MANAGEMENT
P.O. BOX 5153 CHRB, SAIPAN, MP 96950-5153
CSC TEL NO: (670) 233-1606 | FAX NO: (670) 233-4096
OPM TEL NO: (670) 234-6925 / 6958 / 8036 | FAX NO. (670) 234-1013
CSC website: http://www.cnmicsc.net | OPM website: http://www.cnmiopm.net

RAYMOND M. MUÑA
Chairperson, CSC

FRANCES TORRES-SALAS
Director of Personnel

JUL 18 2023
of the GOVERNOR

NOTICE OF AMENDMENT TO PREMIUM PAY - TYPHOON EMERGENCY (NMIAC § 10-20.2.350 (d))

NOTICE OF INTENDED ACTION: The Commonwealth of the Northern Mariana Islands, Civil Service Commission ("Commission") intends to amend the Premium Pay Regulations pertaining to typhoon emergencies pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104 (a). The amendment will become effective 10 days after compliance with 1 CMC § § 9102 and 9104 (a) as stipulated by 1 CMC § 9105 (b).

AUTHORITY: The Commission has statutory authority to promulgate and effect personnel regulations pursuant to 1 CMC § 8117, as amended by Public Law No. 17-80.

TERMS AND SUBSTANCE: The Commission proposes to adopt amendments to the Premium Pay Regulations pertaining to typhoon emergency codified as NMIAC §10-20.2-350 (d).

SUBJECTS AND ISSUES INVOLVED: In accordance with the NMIAC §10-20.2-350 (d) regulation, which pertains to Premium Pay for typhoon emergencies, it is stipulated that employees who work during a typhoon and tropical storm emergency, as declared by the Governor, are entitled to compensation. However, it has been recognized that an amendment to this regulation is necessary in order to specify the conditions under which employees can avail themselves of typhoon emergency pay. To address this requirement, the Commission convened on June 15, 2023, and adopted the proposed amendments to the regulations under NMIAC §10-20.2-350 (d) Premium Pay for typhoon emergency. These amendments establish the eligibility for typhoon emergency pay when the Governor declares typhoon condition 2.

DIRECTIONS FOR FILING AND PUBLICATION: The Civil Service Commission is soliciting comments regarding this proposed regulation, which must be received by the Commission within thirty (30) days of first publication of this notice in the Commonwealth Register, 1 CMC § 9104(a)(2). Interested parties may submit comments on the proposed amendments to Teresa Borja, Executive Assistant, Civil Service Commission, to the following address, or email address, with the subject line "Amendments to the Premium Pay - Typhoon Emergency."

CIVIL SERVICE COMMISSION
P.O. BOX 5153 CHRB, SAIPAN MP 96950
Email address: staff@cnmicsc.net

Submitted by:

Bernadita Palacios
Acting Chairperson
Civil Service Commission

July 12, 2023
Date

Received by:

Oscar Babauta
Special Assistant for Administration

7/19/23
Date

Filed and recorded by:

Esther R.M. San Nicolas
Commonwealth Registrar

07.20.2023
Date

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

Edward Manibusan
Attorney General

7/20/2023
Date

COMMONWEALTH GI SANKATTAN NA ISLAS MARIÅNAS
KUMISIÓN CIVIL SERVICE
UFISINAN ATMINISTRASIÓN IMPLI'ÅO
P.O. BOX 5153 CHRB, SAIPAN, MP 96950-5153
CSC TEL NO: (670) 233-1606 | FAX NO: (670) 233-4096
OPM TEL. NO: (670) 234-6925 / 6958 / 8036 | FAX NO. (670) 234-1013
CSC website: http://www.cnmicsc.net | OPM website: http://www.cnmiopm.net

RAYMOND M. MUÑA
Kabesiyu, CSC

FRANCES TORRES-SALAS
Direktot Personnel

NUTISIAN PUT TINILAIKA SIHA GI PREMIUM PAY – ASILLIUN PÅKYU (NMIAC § 10-20.2.350 (d))

NUTISIAN I MA'INTENSIONA NA AKSION: I Commonwealth gi Sankattan na Islas Mariånas, i Kumisión Civil Service ("i Kumisión") ha intensiona para u amenda i Regulasion Premium Pay ni sumåsåonåo gi asilliun påkyu siha sigun gi maneran nu i Åkton Administrative Procedure, 1 CMC § 9104 (a). I tinilaika siempri umifektibu gi dies (10) dihas dispues compliance yan i 1 CMC § § 9102 yan 9104 (a) komu mamensiona ni 1 CMC § 9105 (b).

ÅTURIDÅT: I Kumisión gai åturidåt estatua para u cho'gui yan u implimenta i regulasion personnel sigun para 1 CMC § 8117, komu ma'amenda ni Lain Pupbliku No. 17-80.

I TEMA YAN I SUSTÅNSIAN I PALÅBRA SIHA: I Kumisión mampropoponi para u adåpta i tinilaika siha gi Regulasion Premium Pay para asilliun påkyu ni ma-codified komu NMIAC § 10-20.2-350 (d).

I SUHETU YAN I ASUNTU SIHA NI TINETEKKA': Sigun yan i NMIAC §10-20.2-350 (d) regulasión, ni såonåo gi Premium Pay para asilliun påkyu siha, mapega huyung na i impli'åo siha ni manmacho'chu' gi durântin i påkyu yan asilliun papakyu, komu madiklåra ni Maga'låhi, manma'aturisa para u fanma'apåsi. Låo, ginen marekuknisa na i tinilaika gi esti na regulasión nisissåriu put para u na'klåru i kundisión gi papa' impli'åo siha ni siña inasistin maisa siha nu i åpas asilliun påkyu. Para u ma-address esti na dinimånda, i Kumisión magepti huntan-ñiha gi Huniu 15, 2023, yan ma'adåpta i manmaproponi na tinilaika siha gi regulasion papa' i NMIAC §10-20.2-350 (d) Premium Pay para asilliun påkyu. Esti na tinilaika siha inestablesi i siña mansåonåo para åpas asilliun påkyu annai i Maga'låhi ha diklåra påkyu condition 2.

DIREKSION PARA U MAPO'LU YAN MAPUPBLIKA: I Kumisión Civil Service manmamamaisin upiñon siha put esti i manmaproponi na regulasión, ni debi di u marisibi ginen i Kumisión gi halum trenta (30) dihas ginen i fine'na na pupblikasión esti na nutisia gi halum Rehistran Commonwealth, 1 CMC § 9104(a)(2). I manintires na pattida siña muna'halum upiñon siha gi maproponi na tinilaika siha para as Teresa Borja, Eksakatibun Ayudånti, Kumisión Civil Service, gi tinåttiyi na address, osino email address, yan i suhetu na råya "Tinilaika siha gi Premium Pay – Asilliun Påkyu."

CIVIL SERVICE COMMISSION
P.O. BOX 5153 CHRB, SAIPAN MP 96950
Email address: staff@cnmicsc.net

Nina'hålum as:

Bernadita Palacios
Acting Kabesiyu
Kumisión Civil Service

July 12, 2023
Fetcha

Rinisibi as:

Oscar Babauta
Ispisiåt na Ayudånti para i Atministradot

7/19/23
Fetcha

Pine'lu yan Ninota as:

Esther R.M. San Nicolas
Rehistran Commonwealth

07.20.2023
Fetcha

Hu testiguyi, sigun gi 1 CMC § 2153 (e) yan gi 1 CMC § 9104 (a)(3), na hu ribisa yan apreba esti siha na regulasion komu fotma yan ligåt sufisienti.

Edward Manibusan
Abugådu Hiniråt

7/20/2023
Fetcha

COMMONWEALTH TÉÉL FALÚW KKA EFÁNG LLÓL MARIANAS
CIVIL SERVICE COMMISSION
OFFICE OF PERSONNEL MANAGEMENT
P.O. BOX 5153 CHRB, SAIPAN, MP 96950-5153
CSC TEL NO: (670) 233-1606 | FAX NO: (670) 233-4096
OPM TEL. NO: (670) 234-6925 / 6958 / 8036 | FAX NO. (670) 234-1013
CSC website: http://www.cnmicsc.net | OPM website: http://www.cnmiopm.net

RAYMOND M. MUÑA
Chairperson, CSC

FRANCES TORRES-SALAS
Director of Personnel

ARONGORONGOL LIIWEL NGÁLI PREMIUM PAY – TYPHOON EMERGENCY (NMIAC § 10-20.2.350 (d))

ARONGORONG REEL MÁNGEMÁNGIL MWÓGHUT: Commonwealth Téél Falúw kka Efáng llól Marianas, Civil Service Commission ("Commission") re mángemángil rebwe liiweli mwóghutughutúl Premium Pay ikka e súllúngáli typhoon emergencies sángi mwóghutughutúl Administrative Procedure Act, 1 CMC § 9104 (a). Ebwe bwunguló liiwel yeel seigh ráál mwiril aal angúúngú fengál me 1 CMC § § 9102 me 9104 (a) iye e ffat sángi 1 CMC § 9105 (b).

BWÁNGIL: Eyoor bwángil Commission rebwe aronga me ayoroai mwóghutughutúl personnel sángi 1 CMC § 8117, igha re liiweli sángi Alléghúl Toulap No. 17-80.

KKAPASAL ME WEEWEEL: Commission re ppwommw rebwe adóptááli liiwel ngáli Mwóghutughutúl Premium Pay ikka e súllúngáli typhoon emergency iye e ghikkill bwe NMIAC §10-20.2-350 (d).

KKAPASAL ME AUTOL: Llól abwungubwung me NMIAC §10-20.2-350 (d) mwóghutughut, iye e súllúngáli Premium Pay ngáli typhoon emergencies, e ffat bwe schóól angaang ikka re angaang atol malúmal me tropical storm emergency, iye e Soulemelem e aronga, rebwe bwughi mille compensation. Iwe, ebwe yoor arongorongol liiwel ngáli mwóghutughut yeel iye e ffil llól atiiwligh reel ebwe ffat conditions ikka schóól angaang rebwe bwughi mille typhoon emergency pay. Reel ebwe yoor maas lemelem ngáli tingór yeel, Commission re schuu wóól Alimaté 15, 2023, me ra adóptááli ppwommwol liiwel ngáli mwóghutughut faal NMIAC §10-20.2-350 (d) Premium Pay ngáli typhoon emergency. E itittiw sángi liiwel kkaal ikka e ffil ngáli typhoon emergency pay igha Soulemelem e aronga typhoon condition 2.

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Civil Service Commission re tingór kkapas ikka e súllúngáli ppwommwol mwóghutughut, iye Commission ebwe bwughi llól eliigh (30) ráál mwiril aal ghommwal akkatééwow arongorong yeel me llól Commonwealth Register, 1 CMC § 9104(a)(2). Schóó kka re mwuschel isiisilong kkapas wóól ppwommwol liiwel rebwe isiis ngáli Teresa

Borja, Executive Assistant, Civil Service Commission, ngáli féléfél yeel, ngáre email address, ebwe lo wóól subject line bwe "Amendments to the Premium Pay – Typhoon Emergency."

Isáliyalong:

Bernadita Palacios
Acting Chairperson
Civil Service Commission

July 12, 2023
Ráál

Bwughiyal:

Oscar Babauta
Special Assistant ngáli Administration

7/19/23
Ráál

Ammwelil:

Esther R.M. San Nicolas
Commonwealth Registrar

07.20.2023
Ráál

I átirow, sángi 1 CMC § 2153 (e) me 1 CMC § 9104 (a)(3), bwe I ya takkal amwuri fischiiy me átirowa mwóghutughut kkaal bwe aa ffil reel ffééról me legal sufficiency.

Edward Manibusan
Soulemelemil Allégh Lapalap

7/28/2023
Ráál

§ 10-20.2-350 Premium Pay

(d) Typhoon Emergency. Employees who are required by the government to work in a location and during a period of time in which a typhoon condition 2 ~~or tropical storm~~ emergency has been declared by the Governor shall be compensated as follows:

(1) For the employee's regularly scheduled work hours during which other government employees are released from work as a result of the emergency, the employee shall receive pay for administrative leave, and shall also receive pay for the actual hours worked; and

(2) For all other hours such employees are required to work while such declaration of emergency shall remain in force, compensation shall be at the rate of two and one-half times the base salary rate. Employees being paid typhoon emergency differential are not eligible to receive any other premium pay or overtime pay for the same time period.

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 OF PROPOSED ADOPTION OF AMENDMENTS FOR THE NORTHERN MARIANAS HOUSING CORPORATION'S INFRASTRUCTURE PROGRAM POLICIES AND PROCEDURES UNDER THE CDBG-DR PROGRAM

Notice of Intended Action: The Board of Directors of the Northern Marianas Housing Corporation intends to adopt the following amendments to NMHC's Infrastructure Program Policies and Procedures pursuant to the Administrative Procedure Act, I 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 Infrastructure Program Policies and Procedures affect the regulations relating to reimbursements of Pre-Agreement Costs and CDBG-DR Planning and Administrative Activities and appendices.

Citation of Related and/or Affected Statutes, Rules and Regulations. The proposed Amendments were formulated to amend NMHC's Infrastructure Program Policies and Procedures, namely Eligible Activities (5.3), Reimbursement of Pre-Agreement Costs (5.3.1), Reimbursements of NMHC CDBG-DR Planning and Administrative Activities (5.3.2), Intergovernmental Agency Agreement (Appendix B) and CDBG-DR Duplication of Benefits Certification Form (Appendix E).

Directions for Filing and Publication: These proposed Amendments to the Infrastructure Polices and 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 Jesse S. Palacios, Corporate Director, NMHC, to the following address, fax or email address, with the subject line "Proposed Amendments to the NMHC Procurement Regulations:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021
Email address: jspalacios@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.

The attached proposed Amendments to the Procurement Regulations were approved by the Northern Marianas Housing Corporation (NMHC) on May 2, 2023.

Submitted by: _____ 06/28/2023
Merced "Marcie" M. Tomokane — Date
Chairperson
NMHC Board of Directors

Received by: _____ 6/30/23
Oscar M. Babauta — Date
Special Assistant for Administration

Filed and
Recorded by: _____ 07.13.2023
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 Procurement Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 30 day of June, 2023.

_____
EDWARD MANIBUSAN
Attorney General

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ARONGORONGOL TOULAP REEL LIIWEL NGALI NORTHERN MARIAN AS HOUSING CORPORATION REEL MILLE PROGRÓÓMAL INFRASTRUCTURE REEL POLICIES ME PROCEDURES FAAL PROGRÓÓMAL CDBG-DR

Mángemángil Mwóghut: Board-il Directors me Northern Marianas Housing Corporation re mángmángil rebwe aschuulong liiwel ikka e amwirimwiritiw ngáli aar NMHC Infrastructure Programs Policies me procedures sángi Administrative Procedure Act, 1 CMC § 9104(a). Ebwe bwunguló Liiwel ngáli Mwóghutughut kkaal seigh (10) ráál mwiril aal akkatééwow me llól Commonwealth Register.

Bwángil: Ebwe arongowow Liiwel kkaal faal bwángil Board-il Directors, sángi layúr Chairperson, ebwe arongowow allégh me mwóghutughut sángi 2 CMC § 4433(t).

Kkapasal me Aweeweel: Liiwel ngáli Infrastructure Programs Policies me Procedures e liiweli mwóghutughut ikka e súllúngáli óbwóss sefááli reel Pre-Agreement Costs me CDBG-DR Planning me Mwóghutughutúl Administrative me appendices.

Citation reel Milikka e Schuu me/ngare "Affected Statutes", Allégh me Mwóghutughut: Re ayoora Liiwel reel ebwe liiweli aar NMHC Infrastructure Programs Policies me Procedures. Mwóghutughut ikka e lo bwe Eligible (5.3), Reimbursements reel Pre-Agreement Cost (5.3.1), Reimbursements reel NMHC CDBG-DR Planning me Mwóghutughutúl Administration (5.3.2) Intergovernmental Agency Agreement (appendix B) me CDBG-DR Duplication reel Pappidil Benefits Certification (appendix E).

Afal reel Ammwelil me Akkatééwowul: Liiwel kkaal ngáli Infrastructure Programs Policies me Procedures ebwe akkatééwow me llól Commonwealth Register llól tálil ppwommol me ffél mwóghutughut ikka ra adóptááli (1 CMC § 9102(a)(1)) me ebwe appaschetá llól civic center me bwal llól bwualsiyol goebtnameento llól senatorial district; Arongorongol Toulap reel Ppwommwol Adóptaal ebwe lo llól English me mwáliyaasch (1 CMC § 9104(a)(1)).

I ARONGA faal autol pappid yeel bwe e wel me ebwe isiisiwow wóól _____ ráálil Alimaté, 2023, me Seipél, Commonwealth Téél Falúw kka Efáng llól Marianas.

Isáliyalong: _____ 06/28/2023
Merced "Marcie" M. Tomokane — Ráál
Chairperson
NMHC Board-il Directors

Bwughiyal: _____ 6/30/23
Oscar M. Babauta — Ráál
Special Assistant ngáli Administration

Ammwelil: _____ 07.13.2023
Ms. Esther R.M. San Nicolas — Ráál
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)).

Ghikkill wóól 30 ráálil Alimaté, 2023

Mr. Edward Manibusan
Soulemelemil Allégh Lapalap

NORTHERN MARIANAS HOUSING CORPORATION

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NUTISIAN PUPBLIKU

I MANMAPROPRONI NA REGULASION PARA HU MA ADÅPTA I TINILAIKAN I NI NORTHERN MARIANAS HOUSING CORPORATION INFRASTRUCTURE NA PRUGRÅMA NA POLICIES YAN PROCEDURES GI PAPA I CDBG-DR NA PRUGRÅMA

NOTISIA I MA'INTENSION NA AKSION: I Kuetpun Direktot siha gi Northern Marianas Housing Corporation maproponi para hu ma adåpta i tinattiyi na tinilaikan i NMHC Infrastructure na Programma na Policies yan Procedures sigun para i Åktun Administrative Procedure, 1 CMC § 9104(a). Kumu ma'adåpta, esti na policies yan procedures siha para u ifektibu gi hålum dies (10) dihas ni mafetcha dispues di pupblikasion i Nutisian i Adåptasion gi hålum i Rehistran Commonwealth dispues di compliance yan i CMC §§ 9102 yan 9104 (a), yan 9105(b).

ÅTURIDÅT: Esti na mapropoponi na tinilaika manmacho'gui gi påpa' i aturidåt i Kuetpun Direktot siha, ginin iyon-ñiha Chairperson, para u macho'gui i areklamentu yan regulasion siha sigun para i 2 CMC § 4433 (i).

I TEMA YAN SUSTÅNSIAN I PALÅBRA SIHA: Esti i maproponi na tinilaika gi policies yan procedures i NMHC Infrastructure na prugråma para hu afekta i areklun esti na prugråma.

SITASION I ASOSIÅT YAN/PAT I MANINA'FEKTA NA STATUTES, AREKLAMENTU YAN REGULASION SIHA: I maproponi na policies yan procedures siha para hu amenda i Eligible Activities (5.3), Reimbursement of Pre-Agreement Costs (5.3.1), Reimbursements of NMHC CDBG-DR Planning and Administrative Activities (5.3.2), Intergovernmental Agency Agreement (Appendix B) yan i CDBG-DR Duplication of Benefits Certification Form (Appendix E).

DIREKSION SIHA PARA U MAPO'LU YAN PUPBLIKASION: Esti i maproponi na amendan regulasion debi na u mapupblika gi hålum i Rehistran Commonwealth gi hålum seksion i maproponi yan nuebu na ma'adåpta na regulasion siha (1 CMC § 9102(a)(1) yan u mapega gi hålum i mangkumbinienti na lugåt gi hålum i Civic Center yan i hålum ufisinan gubietnamentu siha gi kada distritun senadot; i nutisian publiku pot i propositun adåptasion debi na gi finu' English yan i dos na lingguåhi Chamorro yan Refaluwasch. (1 CMC § 9104(a)(1)).

PARA U MAPRIBENIYI UPIÑON SIHA: I intirisao na petsona siha siña muna'hålum tinigi' upiñon siha put i manmaproponi na amendasion siha guatu gi as Jesse S. Palacios, Corporate Director, NMHC gi sigienti na address, fax, pat email address, yan i råyan suhetu "Proposed Amendments to the NMHC's CDBG-DR Infrastructure Program's Policies and Procedures."

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I upiñon, infotmasion yan kuntestasion siha debi na u fanhålum gi hålum trenta (30) dihas ginin i fetchan pupblikasion esti na nutisia. Kumu guaha maseha håfa na kuestion-mu, siña un ågan i NMHC gi numerun tilifon gi 234-6866/234-9447, 234-7689.

Esti na mapropoponi na amendasion para i Infrastructure na Programma na policies yan procedures siha ma aprueba ni Northern Marianas Housing Corporation (NMHC) gi May 2, 2023.

Nina'halum as: _____ Fetcha: 06/24/2023
Merced "Marcie" M. Tomokane
Kabesiyu
Kuetpun Mandirektot NMHC

Rinisibi as: _____ Fetcha: 6/30/23
Oscar M. Babauta
Ispisiåt Na Ayudånti Para I Atministrasion

Pine'lu yan
Ninota as: _____ Fetcha: 07.13.2023
Esther R.M. San Nicolas
Rehistran Commonwealth

I Abugådu Heneråt CNMI ha' sitifikåo, sigun para i 1 CMC § 2153(e) yan 1 CMC § 9104(a)(3), yan ha' ribisa yan aprueba esti siha na propositun amedasion i Policies yan Procedures i NMHC CDBG-DR Infrastructure na prugråma kumu para u fotma yan ligåt na sufisienti pues para hu ma publika (1 CMC § 2153(f) (publikasion areklamento yan regulasion)).

_____ Fetcha: 6/27/2023
EDWARD MANIBUSAN
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NUTISIAN PUPBLIKU

I MANMAPROPRONI NA REGULASION PARA HU MA ADÅPTA I TINILAIKAN I NI NORTHERN MARIANAS HOUSING CORPORATION INFRASTRUCTURE NA PRUGRÅMA NA POLICIES YAN PROCEDURES GI PAPA I CDBG-DR NA PRUGRÅMA

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Esti na mapropoponi na amendasion para i Infrastructure na Programma na policies yan procedures siha ma aprueba ni Northern Marianas Housing Corporation (NMHC) gi May 2, 2023.

Nina'halum as: _____ Fetcha: 06/29/2023
Merced "Marcie" M. Tomokane
Kabesiyu
Kuetpun Mandirektot NMHC

Rinisibi as: _____ Fetcha: 6/30/23
Oscar M. Babauta
Ispisiåt Na Ayudånti Para I Atministrasion

Pine'lu yan
Ninota as: _____ Fetcha: 07.13.2023
Esther R.M. San Nicolas
Rehistran Commonwealth

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_____ Fetcha: 6/30/2023
EDWARD MANIBUSAN
Abugådu Heneråt

NORTHERN MARIANAS HOUSING CORPORATION

INFRASTRUCTURE PROGRAM POLICIES

VERSION: 2.0

May 30, 2023

Prepared by:

Northern Marianas Housing Corporation – CDBG-DR Program Division

The policies stated in this manual are current as of May 30, 2023. This Manual represents the current version of the Northern Marianas Housing Corporation's (NMHC) policies which provide general guidance for the operation of the Infrastructure Programs. All manuals will be reviewed periodically and updated. Therefore, users are strongly encouraged to visit our website: www.cnmi-cdbgdr.com to access the latest version.

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1.0 CONTENT

1.1 Version Policy

Version history is tracked in Table 1, with notes regarding version changes. The dates of each publication are also tracked in this table. The first version of this document is 1.0.

Substantive changes within this document that reflect a policy change will result in the issuance of a new version 2.0, an increase in the primary version number. Future policy changes will result in additional revision and the issuance of a new primary version number.

Non-substantive changes such as minor wording and editing, or clarification of existing policy, that do not affect the interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number. Such changes would result in a version number such as 2.1, 2.2, etc.

Version	Date of Publication	Notes
Version 1.0	May 25, 2021	
Version 2.0	May 30, 2023	**Added New Sections**: 5.3.1 Reimbursements on Pre-Agreement Costs 5.3.2 Reimbursements on NMHC CDBG-DR Planning and Administrative Activities **Renumbered** 5.3.3 Ineligible Activities **Added Additional Appendices**: Appendix B: Intergovernmental Agency Agreement Appendix E: CDBG-DR Duplication of Benefits Certification Form **Renumbered** Appendix A: Project Application Form, Appendix C: HUD Rider, and Appendix D: Crosscutting Requirements and Process Overview **Added** "Eligible Reimbursements on Pre-Agreement Costs" on Table 5 Summary of Infrastructure Program Eligible Activities **Added** "Eligible Reimbursements on NMHC CDBG-DR Planning and Administrative Activities" to Table 5 Summary of Infrastructure Program Eligible Activities

1.2 Agencies and Acronyms

BCA Benefit Cost Analysis

DOB	Duplication of Benefits
CUC	Commonwealth Utilities Corporation
DLNR	CNMI Department of Lands and Natural Resources
DPL	CNMI Department of Public Lands
DPW	CNMI Department of Public Works
FEMA	Federal Emergency Management Agency
GIS	Geographic Information System
HCDA	Housing and Community Development Act
HMGP	Hazard Mitigation Grant Program
HPO	Historic Preservation Office
HUD	U.S. Department of Housing and Urban Development
NAI	No Adverse Impacts
NMHC	Northern Marianas Housing Corporation
NTP	Notice to Proceed
PW	Project Worksheet
QPR	Quarterly Status Report
USACE	United States Army Corps of Engineers
USDOL	U.S. Department of Labor
HSEM	CNMI Homeland Security and Emergency Management

1.3 Definitions

Action Plan: A plan to guide the spending of a HUD CDBG-DR grant award to address housing economic, and infrastructure needs after a disaster.

Allocation: 1) Amount of a grant award that has been determined for a particular grantee. 2) Amount of funding attributed to a program.

Community Development Block Grant-Disaster Recovery: Flexible grant assistance from HUD to help the CNMI recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.

Cross-cutting regulations: Regulations outside CDBG-DR regulations that apply to CDBG-DR programs. These include regulations pertaining to financial management, procurement, environmental, labor, acquisition, relocation, fair housing, and non-discrimination.

Davis Bacon and Related Acts (DBRA): Federal law requiring payment of prevailing wages as determined by the U.S. Department of Labor on certain federally funded projects or most HUD-assisted construction projects. It applies to contractors and subcontractors performing work on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or repair of public buildings or public works.

Duplication of Benefits (DOB): A duplication of benefit is the receipt of funding from multiple sources for the same purpose. 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 Disaster Recovery funding with respect to any part of the loss resulting from a major disaster as to which he/she has already received financial under any other program or from insurance or any other sources. It is an amount determined by the program that may result in the reduction of an award value.

Eligible Activity: Activities eligible to be assisted under the CDBG program. All CDBG-DR grantees must: (1) use CDBG funds only for activities that fall under an authorized category of basic eligibility; (2) properly classify the activity; and (3) provide adequate documentation as required by the category it selects for each such activity.

Emergency work: FEMA's Public Assistance program designation for disaster response tasks including debris removal (Category A) and emergency protective measures (Category B) that occur immediately after a disaster.

Emergency Review Record (ERR): The document resulting from required environmental review which includes a description of activities, evaluation of environmental impact, documentation of compliance with applicable environmental regulations, and an environmental determination.

FEMA Individual Assistance Program (FEMA IA): Provides financial help or direct services to those who have necessary expenses and serious needs if they are unable to meet these needs through other means. The forms of help available are housing assistance (temporary housing, repair, replacement) and other needs assistance (personal property, other items).

FEMA Public Assistance Program (FEMA PA): Provides grants to state, tribal, territorial, and local governments, and certain types of private non-profit organizations so that communities can quickly respond to and recover from major disasters or emergencies. Through the program, FEMA provides supplemental federal disaster grant assistance for debris removal, life-saving emergency protective measures, and the repair, replacement, or restoration of disaster-damaged publicly-owned facilities, and the facilities of certain private non-profit organizations.

Grantee: HUD grantees receive funding from HUD to support HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD grantees include state and local governments, non-profit and for-profit organizations, public housing authorities, and tribal entities.

Implementing Partner: CNMI agencies that are provided CDBG-DR funds by a grantee for their use in carrying out agreed-upon, eligible activities through an Intergovernmental Agreement with NMHC.

Low- and Moderate-Income (LMI): A household considered to be of low- and moderate-income if the household income (including income derived from assets) is at or below 80 percent of an area's median income. All income is based on the Area Median Income limits set annually by HUD.

National Objective: The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The three national objectives are: 1) Benefit to low- and moderate (LMI) persons; 2) Aid in the prevention or elimination of slums and blight; and 3) Meet a need having a particular urgency (referred to as urgent need). An activity that does not meet a national objective is subject to recapture.

Permanent work: FEMA's Public Assistance program designation for "recovery work" which restores or rebuilds a damaged asset and is comprised of five categories: roads and bridges (Category C); water control facilities (Category D); building and equipment (Category E); utilities (Category F); and parks, recreation facilities, and other facilities (Category G).

Project Worksheet (PW): FEMA form used to document the scope of work and cost estimate for a FEMA Public Assistance project. This form supplies FEMA with the information necessary to approve the scope of work and itemized cost estimate prior to funding.

Request for Release of Funds (RROF): An environmental review term for a process used by Responsible Entities (CNMI) when requesting the release of funds and the authority to use such funds for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and states. The approval of the RROF is required before environmental clearance may be provided to a recipient of CDBG-DR funds.

Section 3: A provision of the Housing and Urban Development (HUD) Act of 1968 that requires the recipients of HUD financial assistance, to the greatest extent feasible, provide training, employment, and contracting opportunities for low- or very-low-income residents in connection with projects and activities in their neighborhoods.

Section 504: A provision of the Rehabilitation Act of 1973 which provides that no qualified individual with a disability should, only by reason of his or her disability, be excluded from the

participation in, be denied benefits of, or be subjected to discrimination under any program or activity receiving financial assistance.

2.0 INTRODUCTION

2.1 Summary

As a result of the 2018 typhoons 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 are being administered by the Northern Marianas Housing Corporation (NMHC). The U.S. Department of Housing and Urban Development's (HUD) allocations for the CNMI's CDBG-DR program total $243,946,000 to assist local entities with unmet recovery needs for housing, infrastructure, and economic development. This document represents the policies of implementation of the Infrastructure Programs, which include the Local Match for Federal Disaster Recovery Program, the Infrastructure Repair and Resilience Programs.

2.2 Background

In the wake of the storms, President Trump announced a Major Disaster Declaration for Typhoon Mangkhut (**DR-4396**) and another for Super Typhoon Yutu (**DR-4404**) to make federal disaster assistance available to the CNMI. Subsequently, the U.S. Congress approved Supplemental Appropriations for Disaster Relief Requirements (Public Laws 115-254 and 116-20, respectively, which made available $243,946,000 for the purpose of addressing disaster recovery unmet needs following the onslaught of Typhoon Mangkhut and Super Typhoon Yutu. The CNMI will be strategic in optimizing the mix of the allocation towards infrastructure programs to ensure effective and efficient use of funds. The CNMI, through NMHC, requested for a *Tourism Waiver* by which HUD subsequently approved with certain conditions. *See* **Federal Register Notice No. 85 60821**

3.0 INFRASTRUCTURE PROGRAMS OVERVIEW

3.1 Summary

The Infrastructure Programs, designed to conform with NMHC's CDBG-DR Action Plan addresses multiple unmet needs for proper functioning of its infrastructure systems. Reliance on these systems which include but not limited to public utilities, educational institutes, and transportation infrastructure, was clearly evident when many failed and closed following the aftermath of Typhoon Mangkhut and Super Typhoon Yutu.

The CNMI has identified multiple infrastructure priorities that must be addressed, many of which directly support housing needs. Residents not only suffered from direct damage to their homes from the 2018 disasters, but also endured the loss of critical services such as power due to damaged

public infrastructure. Without water and power, residents were forced to evacuate their homes and seek shelter and emergency assistance.

3.2 Objectives

The objectives of this Infrastructure Programs' policy and procedural manual in addressing the unmet needs of the CNMI through:

(1) Comprehensive planning to identify resilience opportunities;
(2) Adoption and enforcement of codes to bring critical infrastructure up to industry standards;
(3) Holistic mitigation designs to meet future challenges and hazards; and
(4) Covering a portion of the CNMI's local match obligations.

All CDBG-DR programs must meet one of three HUD National Objectives: benefit low- to moderate-income persons (LMI), elimination of slum and blight, or address an urgent need. For the Infrastructure Programs, it is expected that most projects will seek to meet the Low- to Moderate-Income Area (LMA) Benefit as the National Objective. This objective is met when at least 51% of residents in the service area are classified as LMA. Projects seeking funding under these programs will need to assess the service area and beneficiaries of the project's impact as a part of the overall benefit requirement.

4.0 METHOD OF DISTRIBUTION

4.1 Prioritization Criteria Definitions

A standard set of criteria was developed through the Action Plan to ensure funding is allocated to projects that will have the biggest benefit to recovery first. Infrastructure Programs are designed around the same set of criteria, which are used in the concept development and project design phases. These criteria are defined as follows:

- **LMI:** Project beneficiaries are documented to be at least 51% low- and moderate-income persons;
- **LMA:** Project service area has been determined to be at least 51% low/mod and is predominately residential;
- **Readiness:** Projects demonstrate they are ready to begin rehabilitation or construction. A project is considered "ready" if environmental review and engineering have already been completed, where required OR the project can demonstrate an accelerated timeline. For instance, external factors like gubernatorial executive orders or the approach of a new typhoon season may warrant a heightened priority.
- **Criticality:** Determined based on the extent to which the normal conduct of social, economic, or government processes is impeded without the project. Special consideration will be given to projects that have a strong tie to housing unmet needs or will contribute to long-term recovery and restoration of housing.

- **Resilience:** Project includes measures that prevent vulnerability in the future or provide innovative solutions to existing vulnerabilities.
- **Technical Feasibility:** The degree of specialized equipment or advanced technical capacity required.
- **Sustainability:** Degree to which modern sustainability standards or best practices are taken into consideration for the project.
- **Economic Benefit:** The project is evidenced to resolve an impediment to or create new opportunities for economic activities.

Documentation supporting the fulfillment of relevant criteria will be collected in coordination between Implementing Partners and NMHC during the Initial Scope and Budget Phase and the Detailed Scope and Budget Phase. Program staff will then determine the priority level of each project taking into account the criteria as well as the other project needs at the time and evaluation and selection will follow the methodology as prescribed in NMHC's Action Plan and in accordance to HUD requirements on the use of CDBG-DR funds.

Infrastructure activities will be based on a scoring criterion with concentrations on the islands of Saipan and Tinian as most impacted areas. It was also desired that infrastructure activities selected would benefit the Islands as a whole due to the fact that any block group and/or any combination of block groups qualifies as a low- and moderate-income benefit area and that over 90 percent of the population on any island are minority residents. These factors also ensure economic stability so residents can remain in homes and residences and retain their jobs because the infrastructure is improved. The actual size of the Islands also means that all persons will benefit from most of the infrastructure improvements.

The following scoring criteria will be utilized to select priority infrastructure projects and activities.

	Scoring Criteria		Max Points
1	*All priority needs must support housing* **Priority Need:** Meets one of the priority needs identified in the CDBG DR Action Plan		25
	Priority 1	Support the restoration/improvement of utilities, water, and sewer facilities (25 points)	
	Priority 2	Support the restoration/improvement of roads and drainage systems (20 points)	
	Priority 3	Support the restoration/improvement of critical facilities such as the schools, hospital, and others that improve services to the general public (15 points)	
	Priority 4	Support the leverage of funding with other disaster assistance (such as FEMA and USACE) to ensure resiliency in infrastructure (10 points)	
	Priority 5	Support the restoration of other public facilities such as community centers, gymnasiums, etc. (5 points)	

2	**Storm Resilience:** In addition to addressing housing unmet needs, program or project proposals need to show how they would improve resilience to future storm-related damage.	15
3	**Overall LMI benefit (Percent LMI benefit of the activity):** Higher LMI benefit of the activity will receive a higher score. For example, a project with 100 percent LMI benefit would be scored higher than a project with 65 percent LMI benefit.	25
4	**Management Capacity:** Subrecipient, program manager, and/or developer presents a depth of program or project, case, and compliance management capacity to deliver services on-time and on-budget.	15
5	**Cost Reasonable Budget:** Budgets reflect cost reasonableness and affirmative efforts to leverage CDBG-DR funds with additional funding to address unmet needs. The budget narrative reflects research, quotes and/or contracted pricing.	20
	Total Maximum Points	**100**

4.2 Local Match for Federal Disaster Recovery Method

4.2.1 Program Administration

Administering Entities: NMHC and CNMI Public Assistance Office

Eligible Applicants: Governmental and quasi-governmental entities

Estimated Start and End Dates: November 24, 2020 to November 24, 2026.

Eligibility Criteria: The projects must be currently funded under a federal funding source that requires a local match and demonstrate a tie to the storm or have clear evidence of resiliency functions to prevent future damage. Infrastructure projects must exhaust other eligible funding sources, such as FEMA, prior to receipt of CDBG-DR. Applicants need not meet all prioritization criteria to be eligible.

Program Allocation: $105,881,835

Maximum Award: There is no maximum award for an individual project. Awards will be based on project cost estimates and benefit analysis.

National Objectives: Low- and Moderate-Income Area

4.2.2 Program Description

Typically, federal disaster recovery programs require State or local governments to pay a share of the cost of a project, commonly referred to as "local match." In the aftermath of a disaster, the local match requirements can be burdensome on grant recipients with limited resources that have been overwhelmed and depleted by emergency and relief work and further exacerbated by lost government revenues.

To address this financial burden, Congress allows CDBG-DR funds to be used to provide the local match. The CNMI, through NMHC, has developed the Local Match for Federal Disaster Relief Program (Match Program) to provide the cost share for CDBG-DR eligible projects. Priority will be given to infrastructure projects providing critical services directly related to housing needs. CDBG-DR funds for local match will be used as the funding of last resort and only after an eligibility determination has been made and a duplication of benefits analysis is completed.

The CNMI is receiving FEMA PA funds through two disasters: FEMA-4396-DR for Typhoon Mangkhut and FEMA-4404-DR for Super Typhoon Yutu. As of 12/01/2020, FEMA has written one-hundred and twenty-four (124) Project Worksheets (PWs) for a total of $16.5 million.

CDBG-DR funds are limited in the Match Program for FEMA PA-eligible PWs and other federal funding sources requiring a local match, such as EDA funding. For these projects, the CDBG-DR funds many not be used to expand a project beyond the scope already approved by the federal agency. In addition, to be eligible for CDBG-DR assistance, the activity must be an eligible activity and meet a national objective, per CDBG-DR rules and regulations. Similarly, the project must fully comply with all applicable rules and regulations, to include Davis Bacon and Related Acts, Section 3, Section 504, procurement, environmental review and all other CDBG-DR, cross-cutting, local applicable statutes, rules and regulation.

All infrastructure under the FEMA PA program is being designed to consider mitigation components to protect against future damages. Proactive measures to promote risk-informed infrastructure development include diversification of power generation, relocation of critical facilities, and flood mitigated roads. All projects undertaken through the CDBG-DR program will be coordinated with the results of a planning process.

To align future CDBG-DR projects with existing CNMI capital improvement projects, Implementing Partners may be required to consult with the CNMI Department of Public Lands (DPL), CNMI Lands and Natural Resources (DLNR), CNMI Historic Preservation Office (HPO), and CNMI Department of Public Works (DPW). Given the historic and cultural significance of a multitude of buildings and areas, infrastructure projects should also address the historic preservation priorities of HPO. Much of the proposed power and water-related work through this Infrastructure Program are already aligned with the goals of capital projects envisioned by the Commonwealth Utilities Corporation (CUC) and NMHC's HUD-approved Action Plan.

Roles and Responsibilities

NMHC

NMHC administers the grant funds for the Match Program through its CDBG-DR Division. Program staff are responsible for ensuring projects comply with all applicable federal and local regulations, including but not limited to, Pub. L. 115-254 and Pub. L. 116-20, NEPA, HCDA, and local procurement regulations where applicable, and aligned with the CDBG-DR Action Plan. Program staff provide technical assistance to Implementing Partners to meet these requirements as needed. NMHC may proactively identify priority PWs for match based on reporting on PW obligation and draw status provided the PAO.

(1) Determine sufficient capacity and payment procedures are in place for Implementing Partners;
(2) Determine project eligibility and mechanisms to comply with crosscutting requirements;
(3) Disburse funds in accordance with NMHC financial policies;
(4) Complete desk, onsite, and formal monitoring of the project; and
(5) Prepare and maintain documentation of activities and compliance with requirements for monitoring and audits.

Implementing Partner

The Implementing Partner under the Match Program is the entity that serves as the project applicant under any federal program requiring local cost share for Mangkhut and Yutu. Implementing Partners coordinate between NMHC and PAO to ensure critical documentation of activities, such as invoices, timesheets, and records of construction are available for monitoring. Implementing Partners can request funds from the Match Program by submitting the Project Application form (*See* **Appendix B**).

- Meet the requirements of NMHC grant conditions
- Manage all aspects of design and construction
- Coordinate activities with the other federal and CNMI government agencies
- Report back to NMHC on a monthly basis
- Prepare and maintain documentation of activities and compliance with requirements for monitoring and auditing

PAO

PAO is the administering entity for federal cost share of FEMA projects. It is responsible for processing and approving drawdown requests under the FEMA programs requiring local cost shares. NMHC and PAO may be required to coordinate closely on the timing of draw requests, document sharing, and payment schedules to ensure eligible invoices are paid in a timely manner. PAO is responsible for reporting on the status of PW obligations and drawdowns to NMHC to assist in identifying priority PWs.

4.2.3 Method of Match Implementation

Once a project has been identified as a priority for the Match Program, NMHC intends to use a "coordinated match" approach to consolidate requirements and reduce administrative burden.

Using the 10% local match requirement for FEMA PA as an example, the following scenarios demonstrate the advantages of a coordinated match strategy over a traditional approach.

4.2.3.1 Traditional Match

A traditional approach to matching the local cost share is to provide 10% of individual PW line items. This carries heavy administrative burdens as for each FEMA PW requiring a match, every single activity will have to adhere to CDBG-DR and crosscutting requirements, requiring a tedious line-item review. These requirements go beyond the requirements of FEMA, so applying them across the entirety of the project is a heavy administrative requirement and may result in ineligible projects.

4.2.3.2 Coordinated Match

Coordinated match approaches the required cost shares as a holistic package, then isolates 10% of the total activities to focus only on those that are HUD-eligible costs. A project may use CDBG-DR for design, FEMA PA for construction, for example. This reduces administrative burden and avoids duplication of benefits.

4.3 Infrastructure Repair and Resilience Program

4.3.1 Program Administration

Administering Entity: NMHC

Estimated Start and End Dates: November 24, 2020 to November 24, 2026

Eligible Applicants: Governmental and quasi-governmental entities

Eligibility Criteria: Must be a project that meets the proposed goals stated below. Infrastructure projects must exhaust other eligible funding sources such as FEMA prior to receipt of CDBG-DR. Applicants need not meet all prioritization criteria to be eligible.

Program Allocation: $105,881,835

Maximum Award: There is no maximum award for an individual project. Awards will be based on project cost estimates and cost benefit analysis.

National Objective: Low- and Moderate-Income Area benefit, Low- and Moderate-Income Limited Clientele.

4.3.2 Program Description

The goals of the Infrastructure Repair and Resilience Program (Repair and Resilience Program) are to:

- Repair and replace damaged infrastructure
- Harden infrastructure against extreme weather events; and
- Construct new infrastructure to improve the level and breadth of service to communities

The CNMI, through NMHC, shall ensure that there is no duplication of benefits and will follow the guidance for proper documentation and administration of the program. There will be a review process for project selection as contained in the Action Plan and based on the priorities identified and Intergovernmental Agreements as deemed necessary.

Program funds will be used to meet the three goals described below. Priority will be given to projects directly supporting housing needs and critical services. Roads and public and community facilities will be prioritized as they are sectors with the greatest unmet need.

- *Repair and Replacement:* The Repair and Resilience Program will pay for eligible costs to complete repairs and replacements for public infrastructure that have not yet been completed (e.g., repair of non-federal aid roads)
- *Hardening:* The Repair and Resilience Program will cover activities to harden infrastructure against severe weather conditions. This will include both structural and non-structural measures to harden facilities against high winds, heavy rainfall, flood exposure, storm water run-off, and their effects (e.g., erosion).
- *New Construction:* The Repair and Resilience Program will cover the cost of new construction to extend public services to populations that are not currently connected and/or to deliver services more effectively. This reduces the cost of each individual project, minimizes disturbances to traffic flow, and decreases the risk of damage to previously placed but unmarked utilities.

Roles and Responsibilities

NMHC

NMHC administers the grant funds for the Repair and Resilience Program through the CDBG-DR Division. Division staff are responsible for ensuring projects comply with all applicable federal and local regulations including but not limited to, Pub. L. 115-254 and Pub. L. 116-20, NEPA, HCDA, and local procurement regulations where applicable, and aligned with the CDBG-DR Action Plan. NMHC's responsibilities include:

- Determine sufficient capacity and payment procedures for Implementing Partners
- Determine project eligibility and mechanisms to comply with crosscutting requirements
- Disburse funds in accordance to NMHC's financial policies
- Complete desk, onsite, and formal monitoring of projects
- Prepare and maintain documentation of activities and compliance with requirements for monitoring and audits

Implementing Partners

The Implementing Partner under the Repair and Resilience Program refers to the entity managing and executing the project activities. Implementing Partners can request funds from the Repair and Resilience Program by submitting a Project Application (Appendix B). The Implementing Partner's responsibilities include:

- Meet the requirements of NMHC Capacity Assessment and grant conditions
- Manage all aspects of design and construction
- Responsibly manage project funds
- Coordinate activities with other federal and local agencies
- Implement crosscutting requirements
- Report back to NMHC on a monthly basis
- Prepare and maintain documentation of activities and compliance with requirements for monitoring and audits.

5.0 CDBG-DR PROGRAM REQUIREMENTS

The CNMI will ensure that each project that receives funding under the Infrastructure Programs corresponds to a CDBG-DR eligible activity, meets a national objective, and demonstrates a direct connection to the disaster and correlation to housing. Funds will be provided as payment to governmental agencies, eligible organizations, or other entities for eligible activities within approved scopes with relevant documentation from Implementing Partners.

5.1 Overall Program Administration

NMHC will oversee all activities and expenditures in connection with the CDBG-DR funds. Existing NMHC employees, additional personnel and contractors will be hired to aid in the administration of, and to carry out, the recovery programs. These partners will ensure that the Program meets all requirements, including but not limited to: the disaster threshold, eligibility, national objective, compliance, fair housing, labor standards, nondiscrimination, environmental regulations, Section 3, and procurement regulations.

NMHC has created a Compliance and Monitoring Manual in accordance with CDBG-DR requirements so that each activity funded will meet the disaster threshold and one of HUD's three national objectives, which emphasis on eligible activities achieving the primary national objective of benefiting low- and moderate-income persons.

All projects must comply with any applicable federal laws and regulations and effectively meet their stated goals. In accordance with HUD requirements, NMHC will submit a Quarterly Performance Report (QPR) through DRGR no later than thirty days following the end of each calendar quarter. QPRs will posted on a quarterly basis until all funds have been expended and all expenditures have been reported. QPRs will be informed by monthly reports submitted by Implementing Partners to NMHC.

5.2 Tie to the Disaster

All activities funded with CDBG-DR in the Infrastructure Program must in some way respond to a direct to indirect impact of one of the following federally-declared disasters:

- Typhoon Mangkhut (DR-4396)
- Super Typhoon Yutu (DR-4404)

Match Program

FEMA disaster recovery programs, along with the EPA disaster recovery programs, require clear documentation showing a direct storm-related impact as a prerequisite for entry into these programs and funding. Only after an impact threshold has been met will the lead federal agency consider making disaster funds available to the applicant. It is assumed that if the applicant received funding and support through one of the federal recovery programs, set out above, the applicant was impacted by one or more of the declared disasters. For example, the FEMA PA program, a tie to the storm is documented by FEMA's approval of the PW.

Repair and Resilience and Electrical Power System Program

For non-FEMA projects, the tie to the disaster will be determined by one of the following:

- For physical losses – Damage, rebuilding estimates, or insurance estimates
- For economic or other non-physical losses – Post disaster analyses or assessments (documenting relationship between loss and disaster)[1]
- Funds may be used to address an unmet need that arose from a previous disaster, which was exacerbated by a disaster cited in the Appropriation.
- If an impact or need originating from a disaster identified in the Appropriation is subsequently exacerbated by a future disaster, funds may also be used to address the resulting exacerbated unmet need.

5.3 Eligible Activities

Table 5 below summarizes the total infrastructure CDBG-DR allocations in accordance with basic eligible activities per HCDA Section 105:

Table 5. Summary of Infrastructure Program Eligible Activities

Program	Sectors	HCDA Eligible Activities (Section 105(a))
Local Match for Federal Disaster Relief Programs	1. Educational Facilities 2. Energy 3. Government Facilities 4. Hospitals & Healthcare Facilities 5. Telecommunications	• Payment of the Non-federal Share • Acquisition of Real Property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings

[1] https://www.hudexchange.info/resources/documents/CDBG-DR-Eligible-Activities-Slides.pdf

	6. Transportation (including roads, ports, & airports) 7. Waste: Solid Waste/ Landfill 8. Debris 9. Water & Wastewater	• Public Services • Relocation • Assistance to Institutions of Higher Education (must be facility)
Infrastructure Repair and Resilience	Same as above	• Acquisition of Real Property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Public Services • Relocation • Assistance to Institutions of Higher Education (must be facility) • Eligible Reimbursements on Pre-Agreement Costs • Eligible Reimbursements on NMHC CDBG-DR Planning and Administrative Activities
Electrical Power Systems Enhancement and Improvements	Energy	• Acquisition of Real Property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Relocation • Payment of the Non-federal Share

Program	HCDA Ineligible Activities
Local Match for Federal Disaster Relief Programs	• Operations and Maintenance • Content Replacement (Except Firefighting Equipment) • Any improvement made necessary because of poor maintenance or operational practices • Any improvements which will result in operations that are not in compliance with applicable state, federal, and local laws and regulations • Debris Removal
Infrastructure Repair and Resilience	• Operations and Maintenance • Content Replacement (Except Firefighting Equipment) • Any improvement made necessary because of poor maintenance or operational practices • Any improvement which will result in operations that are not in compliance with applicable state, federal, and local laws and regulations
Electrical Power and Water Systems Enhancement and Improvements	• Maintenance of lines • Rehabilitation of lift stations and water reservoirs if no damage or failure to function took place • Any improvements made necessary because of poor maintenance or operational practices • Any improvements which will result in operations that are not in compliance with applicable state, federal, or local laws and regulations

For each activity, the CNMI will determine the appropriate service area based on factors including: the nature of the activity; the location of the activity; accessibility issues; the availability of comparable activities; and boundaries for facilities and public services. The CNMI will ensure that projects will be prioritized to provide services to LMI persons and support unmet housing needs.

5.3.1 Reimbursement on Pre-Agreement Costs

Pursuant to 24 CFR 570.489 (b), the CNMI, through NMHC, may permit, in accordance with procedures NMHC may establish, a unit of general local government (hereinafter referred to as "Implementing Partner," interchangeably) to incur costs for CDBG activities before the establishment of a formal grant relationship between the Implementing Partner and to charge these pre-agreement costs to the grant, provided that the project activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR Part 58. The CNMI may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with the requirements of this part, Part 58 of this title, and the citizen participation requirements of part 91 of this title.

(a) Minimum Reimbursement Requirements.

(1) Formal claims letter to NMHC that delineates and describes incurred costs and justifying request for reimbursement as well as disclosing funding source(s) used to cover incurred costs;
(2) Completion of a Duplication of Benefits Analysis;
(3) NMHC determines that pre-agreement incurred costs are eligible CDBG activities.

5.3.2 Reimbursements of NMHC CDBG-DR Planning and Administrative Activities

(a) Planning

The eligible activity is planning, urban environmental design, and policy-planning-management-capacity building activities as listed in 24 CFR 570.205 or 570.483(b)(5) and (c)(3).

The eligible activity is planning, urban environmental design, and policy-planning-management-capacity building activities that include.

(1) Planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, including, but not limited to:

(i) Comprehensive plans;
(ii) Community development plans;
(iii) Functional plans, in areas such as: Housing, including the development of a consolidated plan; Energy use and conservation; Utilities;
(iv) Other plans and studies such as:

Plans or studies to demonstrate HUD's "Must Impacted and Distressed" (MID) Areas for Saipan and Tinian and for selection of activities that are appropriate for MID areas. Small area and neighborhood plans;

Individual project plans (but excluding engineering and design costs related to a specific activity which are eligible as part of the cost of such activity under §§570.201-570.204);

The reasonable costs of general environmental, urban environmental design and historic preservation studies; and general environmental assessment- and remediation-oriented planning related to properties with known or suspected environmental contamination. However, costs necessary to comply with 24 CFR Part 58, including project-specific environmental assessments and clearances for activities eligible for assistance under this part, are eligible as part of the cost of such activities under §§ 570.201-570.204. Costs for such specific assessments and clearances may also be incurred under this paragraph but would then be considered planning costs for the purposes of § 570.200(g);

Strategies and action programs to implement plans, including the development of codes, ordinances, and regulations; Assessment of Fair Housing.

(2) 24 CFR 570.489(b): Reimbursement of pre-agreement costs. The State may permit, in accordance with such procedures as the State may establish, a unit of general local government to incur costs for CDBG activities before the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR part 58. A State may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with the requirements of this part, part 58 of this title, and the citizen participation requirements of part 91 of this title.

[53 FR 34439, Sept. 6, 1988, as amended at 56 FR 56127, Oct. 31, 1991; 60 FR 1915, Jan. 5, 1995; 71 FR 30035, May 24, 2006; 80 FR 42366, July 16, 2015]

(b) Administration

The eligible activity is program administration as listed in 24 CFR 570.204 as defined by the Federal Register Vol. 85, No. 17 for the 6-yr. duration of the CDBG-DR Program. The activity pays for administration costs such as compliance, monitoring, and audit related functions and supports the overall administration of the projects, programs, and activities funded with the CDBG-DR dollars.

(i) 24CFR 570.489(b): Reimbursement of pre-agreement costs. The State may permit, in accordance with such procedures as the State may establish, a unit of general local government to incur costs for CDBG activities before the establishment of a formal grant relationship between the State and the unit of general local government and to charge these pre-agreement costs to the grant, provided that the activities are eligible and undertaken in accordance with the requirements of this part and 24 CFR part 58. A State may incur costs prior to entering into a grant agreement with HUD and charge those pre-agreement costs to the grant, provided that the activities are eligible and are undertaken in accordance with

the requirements of this part, part 58 of this title, and the citizen participation requirements of part 91 of this title.

5.3.3 Ineligible Activities

The CDBG-DR program regulations identify certain activities as categorically ineligible. They also identify certain other activities that are ineligible unless they are carried out under the authority of §570.204.

The general rule in the CDBG-DR program is that any activity that is not authorized under the provisions of §570.201-570.206 (or, where applicable, the statute) is ineligible to be assisted with CDBG-DR funds. However, the eligible activities are so broad that it is easy to forget that some activities that are ineligible and to provide guidance in determining the eligibility of other activities frequently associated with housing and community development.

Categorically Ineligible

The following activities may not be assisted with CDBG-DR funds under any circumstance:

- General government expenses. Except as otherwise specifically authorized in Subpart C of Part 570 or under OMB Circular A-87, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under their part. Reference: §570.207(a)(2).
- Political activities. CDBG-DR funds may not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG-DR funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any. Reference §570.207(a)(3).

Generally Ineligible

The following activities may not be assisted with CDBG-DR funds unless authorized as Special Economic Development Activities under §570.203 or §570.204.

- Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG-DR funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with PMB Circulars A-21, A-87, or A-122, as applicable) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG-DR funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to §570.201(e)2. Also, these items are eligible when carried out by a for-profit business as part of CDBG-DR assistance under the authority of §570.203(b). Reference: §570.207(b)(1).

- Operating and maintenance expenses. The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements, and services are ineligible.
    - However, specific exceptions to this general rule are operating and maintenance expenses associated with public service activities [see §570.201(e)], interim assistance [see §570.201(f)], and office space for program staff employed in carrying out the CDBG program (see §570.206).
    - For example, the use of CDBG-DR funds to party the allowable costs of operating and maintaining a facility used in providing a public service (e.g., salaries, rent) would be eligible under §570.201 (e), even if no other costs of providing the service there are assisted with such funds. Examples of operating and maintenance expenses that are generally ineligible include:
- Maintenance and repair of publicly-owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior center, centers for persons with disabilities, parking, and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG-DR funds may not be used include the filling of pot holes in streets, repairing of cracks in sidewalks, the mowing of grass in city or county parks, and the replacements of street light bulbs.
- Payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities. Reference: §570.207(b)(2).

5.4 National Objectives

Per HUD CFR 570 Section 101(c), the primary objective of the Program is the development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. The statute further states that this is to be achieved in the CDBG program by ensuring that each funded activity meets one of three named national objectives. Those three objectives are identified as: benefiting low- and moderate-income persons; preventing or eliminating slums or blight; and meeting urgent needs. Federal Register FR-6109-N-01 states that each grantee must ensure that at least 70% of all CDBG-DR funds must be used for activities qualifying under the national objectives of Benefit to Low- and Moderate-Income Persons. The following national objectives are applicable to all Infrastructure Programs and all projects will be required to meet at least one of the national objectives below.

National Objective: Low- and Moderate-Income Area, Low- and Moderate-Income Limited Clientele, or Urgent Need, Slum and Blight.

5.4.1 Low- and Moderate-Income Area (LMA)

To be eligible as LMA, the project service area must be at least 51%LMI households and be predominantly residential. In instances where the infrastructure investment activity does not serve the entire island but a particular location, an LMA analysis will be conducted to determine the low- and moderate-income benefit.

5.4.2 Low- and Moderate-Income Limited Clientele (LMC)

In contrast to the area benefit category, it is not the LMI concentration of the service area of the activity that determines whether the activity will qualify or not, but rather the actual number of LMI persons that benefit from the activity. Activities in this category provide benefits to a specific group of persons rather than everyone in an area. It may benefit particular persons without regard to their residence, or it may be an activity that provides a benefit to only particular persons within a specific area.

5.4.3 Urgent Need

While at least 80% of the entire CDBG-DR grant will be used for activities that benefit LMI persons, for certain activities the Northern Mariana Islands will use the Urgent Need national objective. Activities carried out under the urgent need objective will not count towards the 80% LMI benefit.

5.4.4 Required Documentation

National Objective	Required Documentation
LMI Area Benefit	Boundaries of service area of activity; Census data including total persons and percentage LMI; Evidence area is primarily residential; and Survey documentation (if applicable).
LMI Limited Clientele	Documentation that the beneficiaries are or are presumed to be LMI (by category).
Urgent Need	Per 83-FR-5856, CDBG certification requirements for documentation of urgent need, located at 24 CFR 570.483(d), are waived and replace with: 1. Document how each program and/or activity funded under the urgent need national objective responds to a disaster-related impact. 2. For each activity that will meet an urgent need national objective, the grantee must reference in its action plan needs assessment the type, scale, and location of the disaster-related impacts that each program and/or activity is addressing over the course of the applicable deadline for the expenditure of obligated grant funds.

5.5 Duplication of Benefits

The Infrastructure Programs will include a duplication of benefits as part of the scope and budget review and award calculation process. The requirements of the Robert T. Stafford Act (Stafford Act), as amended, prohibit any person, business concern, or other entity from receiving federal funds for any part of such loss for which they have already received financial assistance under any other program, private insurance, charitable assistance, or any other source. This duplicative funding is called Duplication of Benefit (DOB). Any government entity that provides disaster

recovery assistance must both prevent and correct any DOB by the establishment and implementation of policies to identify and adjust for such duplicative assistance payments.

DOB may apply in the following circumstances: when assistance for the same purpose has been received; when assistance for the same purpose will be received; or when assistance for the same purpose is reasonably available from another source, such as insurance or legal settlements due to the property owner.

All Implementing Partners will be reasonable for accurately reporting the availability or receipt of duplicative grants, loans, insurance payments, legal claims, gifts or other payments pertaining to the property being mitigated. Reporting should occur at any point that such information becomes available, including:

- During scoping process development, pre-award, and approval;
- During the gran period of performance;
- During closeout; and
- After grant closeout, if duplicative funds are received at a later date.

Implementing Partners are responsible for reporting DOB information or NMHC. NMHC is ultimately responsible for ensuring that project participants comply with federal laws and regulations. Any agency receiving duplicate benefits is legally responsible for the repayment of those benefits.

5.5.1 Preventing Duplication

All Implementing Partners and subrecipients must complete the DOB calculations as part of the Initial Scope of Work, as well as the Project Application Form, with assistance from Program staff. Both forms request information about all other sources of funding the agencies must be aware of that may impact the DOB. Agencies must provide documentation of these sources but NMHC will also verify these funding sources with other federal partners. This process will be supported by TA from Program staff. Also included in these forms is the standard calculation method used by Program staff to determine if a duplication is present. Project DOB information must be maintained by the agency and reported to NMHC throughout the life of the project. The agency reviews reported DOB and makes appropriate deductions. Additionally, CDBG-DR funds may not be used to supplant local resources use for infrastructure projects.

NMHC maintains records in accordance with Federal grants requirements and assures that the agency has accurately completed DOB reviews and made deductions as appropriate. FEMA must also take steps to assure that it's disaster-related assistance funds do not duplicate other assistance by providing information to NMHC and agency, as needed, to clarify DOB requirements.
FEMA's role may include coordination with other Federal agencies, insurance companies, or any other public or private entity to request and provide access to records to assure there is no DOB.

5.5.2 Recapture

An applicant may be required to repay all, or a portion of the funds received. The reasons for recapture include but are not limited to the following:

- An Implementing Partner or subrecipient is determined to have provided false or misleading information to the Program;
- An Implementing Partner or subrecipient withdraws from the Program prior to completion of the project;
- An Implementing Partner or subrecipient does not complete construction;
- An Implementing Partner or subrecipient fails to meet a national objective of the Program;
- An Implementing Partner or subrecipient is found to have used program funds for an ineligible activity; and/or
- An Implementing Partner or subrecipient does not report the receipt of additional insurance, SBA, FEMA, non-profit assistance and/or any other duplication of benefits received after award.

The Program will develop a detailed recapture policy for the overall CDBG-DR program. The policy, once developed, will be referenced in an update to this manual.

5.6 Elevation Requirements

The following elevation standards apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1).

Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation, must be elevated or flood proofed, in accordance with FEMA floodproofing standards at CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above base flood elevation. Implementing entities should review the UFAS accessibility checklist available at https://www.hudexchange.info/resources/796/ufas-accessibility-checklist/ along with the HUD Deeming Notice, 79 FR 29671 (May 23, 2014) to ensure that these structures comply with accessibility requirements.

All Critical Actions, as defined as 24 CFR 55.2(b)(3) within the 500-year (or 0.2 percent annual chance) floodplain must be elevated or flood proofed (in accordance with the FEMA standards) to the higher of the 500-year flood plain elevation or three feet above the 100-year floodplain elevation. If the 500-year floodplain is unavailable, and the Critical Action is in the 100-year floodplain, then the structure must be elevated, or flood-proofed at least three feet above the 100-year floodplain elevation. Critical Actions are defined as an "activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage property." Critical actions include hospitals, nursing homes, police stations, fire stations and principal utility lines.

5.7 Infrastructure Program/Specific Requirements

HUD established infrastructure planning and design requirements for Grantees of this and the Prior Notice. Grantees are required to address long-tern recovery and hazard mitigation planning in their Action Plan or substantial amendment by describing how projects will:

- Promote sound sustainable long-tern recovery planning informed by post-disaster hazard risks;
- Adhere to elevation requirements of Prior Notice;
- Coordinate with local and regional planning efforts, including how Grantee will promote community-level and/or regional post-disaster recovery and mitigation planning;
- For infrastructure allocations, Grantee must describe how mitigation measures will be integrated into rebuilding activities, how infrastructure activities will be informed by cost-benefits analysis, how Grantee will ensure infrastructure does not have adverse impact on vulnerable populations, how Grantee will align investments with other planning capital improvements and infrastructure efforts and work to foster and leverage funding from other sources, and how Grantee will employ adaptable and reliable technologies to guard against premature obsolescence of infrastructure. Subrecipients and Implementing Partners will also be held to the requirements.

5.7.1 Integration of Mitigation for Resilience

The CNMI is acutely concerned with the potential impacts of future storms and therefore will prioritize mitigation across all programs to build comprehensive resilience. Resilience is the state of a community in which the foundational systems are strong and capable of withstanding, or quickly bouncing back from, a disruption. Whether this is a natural or man-made hazard or an unanticipated economic downturn, the social cohesion, diverse economic opportunities, strong infrastructure, and emergency response capacities all contribute to such resilience.

All infrastructure under the FEMA PA is being designed to consider mitigation components and this will continue to be done under CDBG-DR. proactive measures to promote risk-informed infrastructure development may include diversification of power generation, micro-grid development, relocation of critical facilities, and flood-mitigated roads.
Recipients of funds may be required to provide a narrative in Project Application of how mitigation principles and practices will be incorporated before the signing of contract agreements to ensure mitigation is a key factor from the onset of project design. The specific mitigation measures and technologies included in the project or program will again be evaluated during a Detailed Scope and Budget phase. This may be done in collaboration with HMPG work to ensure coordination the CNMI's other approaches to mitigation. Potential infrastructure or resilience projects may also be evaluated based on guidance outline in FEMA's Hazard Mitigation Assistance Guidance including:

- Technical Feasibility
- Cost and cost-reasonableness
- Effects on the environment and cultural resources
- Community support
- Promotion of community resilience
- To what extent the project design reduces vulnerability

- To what extent the project includes measures to avoid or minimize adverse impacts to floodplains, wetlands, or other environmental and cultural resources
- Accessibility accommodations for individuals with disabilities and/or access and functional needs

5.7.2 Green Infrastructure

In addition to hardening infrastructure and following elevation requirements, the CNMI will seek to incorporate the "no adverse impacts" approach (NAI) set forth by the Association of State Floodplain Managers. This strategy relies on calculated mix of mitigation approaches to ensure infrastructure development does not increase flooding risks. A key consideration in NAI is green conveyance of water through communities. All proposed projects under the Infrastructure Programs will be required to provide a narrative summary of the green infrastructure components applicable to the project during the Initial Scope and Budget Phase and are encouraged to use the ASFPM's NAI How-to-Guide for Infrastructure to assist in effective project design.[2]

Green infrastructure and sustainable design may be incorporated in multiple stages of NMHC's process for the selection and design of projects. implementing Partners must describe again in the Detailed Scope and Budget Phase, how after more in-depth design, the project will incorporate green infrastructure components.

5.7.3 Costs and Benefits

Infrastructure projects typically carry a high cost of labor and materials, relative to the continental U.S., due to the isolated geography and limited workforce in the CNMI. Each project will be informed by a consideration of cost and benefits, considering these unique circumstances, but whenever possible, should utilize local/regional talent and materials to reduce costs.

The CNMI's approach to assessing costs and benefits may be based on two existing frameworks. The first, HMPG's Guidance on cost effectiveness, relies on a Benefit Cost Analysis, where projects for which benefits exceed costs are generally considered cost effective. The project cost estimate includes a line-item breakdown of all anticipated costs, including, as applicable:

- Costs for anticipated environmental resource impact treatment or historic property treatment measures
- Costs for engineering designs/specifications, including hydrologic and hydraulic studies/analyses required as an integral part of designing the project
- Construction/demolition/relocation costs, such as survey, permitting, site preparation, and material/debris disposal costs
- All other costs required to implement the mitigation project, including any applicable project-type specific costs

Benefits in this methodology are often calculated using standard loss of function estimates provided by relevant federal agencies, which may also be utilized by the CNMI.

[2] https//www.floods.org/ace-images/ASFPMInfrastructureFinalJuly28.pdf

Given the CNMI's approach to mitigation and resilience as giving full consideration systemic, inter-related processes that promote resilience, the method produced through the National Disaster Resilience Competition (NDRC) may help to supplement some of the factors.

Under this method, to the greatest extent possible, a narrative description may be produced to identify evidence-based practices as the basis for the project proposal. This method includes the following steps:

- A full proposed cost, including Federal, Territorial, and private funding, as well as expected operations and maintenance costs and functionally related to geographically related work;
- A description of the current situation and the problem to be solved (including anticipated changes over the analysis period);
- A description of the proposed project or program including functionally or geographically related elements and estimated useful life;
- A description of the risks to the community if the proposal and any land use, zoning or building code changes are not implemented, including costs that might be avoided if a disaster similar to the qualifying disaster struck again, including costs avoided if as a result of the project remaining effective in a future disaster;
- A list of the benefits and costs of the proposal and the rationale for including each effect using the table provided according to the following categories:
  - Lifecycle Costs;
  - Resiliency Value;
  - Environmental Value;
  - Social Value; and,
  - Economic Revitalization.
- A description of risks to ongoing benefits from the proposed project or program; and
- An assessment of challenges faced with implementing the proposal.[3]

NMHC will determine applicability of these cost and benefit analyses at the time of the Detailed Scope and Budget development.

5.7.4 Opportunities and Impacts

A key target papulation for this program will be low-income residents and businesses that qualify under Section 3. The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons. Each agency receiving funds under the Infrastructure Programs will receive technical assistance from NMHC and direct hiring and training assistance from CNMI DOL to ensure their projects are compliant with Section 3 to the greatest extent feasible.

[3] https://www.hudexchange.info/resources/documents/NDRC-Phase-2-NOFA-Appendix-H-Benefits-Cost-Analysis-Instrucctions.docx

It is a guiding principle of this allocation to combat the effects of disproportionate impacts for vulnerable populations. Each project will be assessed during design and implementation to determine who benefits from the resulting infrastructure repairs and improvements. For all three Infrastructure Programs, geographic and demographic analysis will be used to determine how oft-neglected communities will be impacted by a project. In the CNMI, low- and moderate-income residents will be the priority beneficiaries for all infrastructure work.

These guiding principles should be incorporated into the projects under the Infrastructure Programs and include:

- Design of processes and materials to facilitate access and full participation by at-risk groups.
- Facilitating access to financial resources, technical assistance, and logistics support to ensure adequate preparation and full participation.
- Ensuring that at-risk groups can articulate and represent their interests.
- Ensuring that assessment protocols for policies, programs, strategies, and projects include measures for assessing the impact on at-risk groups.

5.7.5 Covered Projects

Requirements under 83 FR 40314 state that projects surpassing a total investment of $200 million threshold or that are complex enough in the opinion of the Federal Permitting Improvement Steering Council will require enhanced oversight including additional environment reviews. While the CNMI has not identified any infrastructure projects that currently reach this threshold, should any projects meet this criteria, the CNMI may choose to complete these additional requirements under Fixing America's Surface Transportation, Title 41 (FAST-41), which established federally accepted procedure to improve early consultation and coordination among government agencies; increase transparency through the publication of project-specific timetables with completion dates for all federal authorizations and environmental reviews; and increase accountability through consultation and reporting on projects.[4] per the Federal Register Notice, CDBG-DR grantees may choose to participate in reporting on their environmental review and permitting of covered projects under FAST-41.

NMHC may be administering projects which meet this threshold through any of the two Infrastructure Programs. NMHC will be actively reporting environmental reviews and permitting for projects of all sizes to HUD and relevant Territorial agencies but does not currently plan to participate in FAST-41.

[4] https://www.energy.gov/oe/mission/transmission-permitting-and-technical-assistance-division/fast-41

6.0 APPENDICES

1. **Appendix A: Project Application Form**
2. **Appendix B: Intergovernmental Agency Agreement**
3. **Appendix C: HUD Rider**
4. **Appendix D: Crosscutting Requirements and Process Overview**
5. **Appendix E: CDBG-DR Duplication of Benefits Certification Form**

NORTHERN MARIANAS HOUSING CORPORATION

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PUBLIC NOTICE

PROPOSED AMENDMENTS TO THE NORTHERN MARIANAS HOUSING CORPORATION'S COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) HOMEOWNER REHABILITATION AND RECONSTRUCTION PROGRAM AND HOMEBUYER ACTIVITIES PROGRAM POLICIES AND 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) Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies and 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) Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies and Procedures affect the regulations relating to §100-100.3 and §100-100.4 conversion from a loan program to a grant program to continue assisting eligible applicants with home repairs or new construction of decent, safe, and sanitary housing.

Citation of Related and/or Affected Statutes, Rules and Regulations. The proposed Amendments relating to §100-100.3 and §100-100.4 conversion from a loan program to a grant program to continue assisting eligible applicants with home repairs or new construction of decent, safe, and sanitary housing.

Directions for Filing and Publication: These proposed Amendments to the Northern Marianas Housing Corporation's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies and 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 Jesse S. Palacios, 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) Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies and Procedures:"

NORTHERN MARIANAS HOUSING CORPORATION
PO Box 500514
Saipan, MP 96950
Fax: 234-9021
Email address: jspalacios@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.

The attached proposed Amendments to the Northern Marianas Housing Corporation's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies & Procedures were approved by the Northern Marianas Housing Corporation (NMHC) on May 02, 2023.

Submitted by: _____ 07/25/2023
Merced "Marcie" M. Tomokane — Date
Chairperson
NMHC Board of Directors

Received by: _____ 7/26/23
Oscar M. Babauta — Date
Special Assistant for Administration

Filed and
Recorded by: _____ 7.28.2023
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 Procurement Regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published (1 CMC § 2153(f) (publication of rules and regulations)).

Dated the 28 day of July, 2023.

_____
Edward Manibusan
Attorney General

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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 HOMEOWNER REHABILITATION YAN MANRIPEHAN YAN MAMÅHAN GUMA' OSINO PROPIEDÅT

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 Homeowner Rehabilitation yan Manripehan yan Mamåhan Guma' osino Propiedåt sigun gi Åkton Administrative Procedure, 1 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 1 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 Homeowner Rehabilitation yan Manripehan yan Mamåhan Guma' osino Propiedåt ha afekta i regulasion ni umasosiåt gi §100-100.3 yan §100-100.4 konbetsión ginen i prugråman loan para prugråman grant para u kuntinuha manasissisti mansiña na aplikånti siha gi manripehan guma' osino nuebu na kunstruksion put hinemlu' yan håfa na nisissåriu para u macho'gui gi lugåt

Sitasión i Asosiåt yan/pat i Manina'fekta na Statutes, Areklamentu yan Regulasion siha: I maproponi na Tinilaika siha ni umasosiåt gi §100-100.3 yan §100-100.4 konbetsión ginen i prugråman loan para prugråman grant para u kuntinuha manasissisti mansiña na aplikånti siha gi manripehan guma' osino nuebu na kunstruksion put hinemlu' yan håfa na nisissåriu para u macho'gui gi lugåt.

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 Homeowner Rehabilitation yan Mamåhan Guma' osino Propiedåt 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 na Tinilaika siha guatu gi as Jesse S. Palacios, 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 Homeowner Rehabilitation yan Mamåhan Guma' osino Propiedåt:"

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Email address: jspalacios@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.

I chechettun na maproponi na Tinilaika siha gi Northern Marianas Housing Corporation's Community Development Block Grant – Disaster Recovery (CDBG-DR) i Policies yan i Maneran Prugråman Homeowner Rehabilitation yan Mamåhan Guma' osino Propiedåt maninaprueba ni i Northern Marianas Housing Corporation (NMHC) gi Måyu 02, 2023.

Nina'halum as: _____ Fetcha: 07/25/2023
Jacqueline" M. Tomokane
Kabesiyu
Kuetpun Mandirektot NMHC

Rinisibi as: _____ Fetcha: 7/26/23
Oar M. Babauta
Ispisiåt Na Ayudånti Para I Atministrasion

Pine'lu yan
Ninota as: _____ Fetcha: 07.28.2023
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 Procurement ni chechettun guini maribisa yan maninaprueba komu para u fotma yan ligåt sufisienti ginen i Abugådu Hinirât iya CNMI yan debi na u mapupblika (1 CMC § 2153(f) (pupblikasion nu areklamentu yan regulasion siha)).

Mafetcha gi diha 28 gi Huliu, 2023.

Edward Manibusan
Abugådu Hiniråt

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ARONGORONGOL TOULAP

PPWOMMWOL LIWEL NGÁLI NORTHERN MARIANAS HOUSING CORPORATION'S COMMUNITY DEVELOPMENTAL BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) HOMEOWNER REHABILITATION ME RECONSTRUCTION PROGRAM ME HOMEBUYER ASCTIVITIES PROGRAM POLICIES ME PROCEDURES

Mángemángil Mwóghut: Board-il Directors me Northern Marianas Housing Corporation re mángmángil rebwe liiweli aar NMHC Community Development Block Grant – Disaster Recovery (CDBG-DR) Homeowner Rehabilitation me Reconstruction Program me Homebuyer Activities Program Policies me Procedures sángi Administrative Procedure Act, 1 CMC § 9104(a). Ngáre re adóptááli, ebwe bwunguló Liiwel ngáli Mwóghutughut kkaal seigh (10) ráál mwiril aal akkatééwow me llól Commonwealth Register bwe Arongorongol Adópta mw mwiril aal angúúngú fengál me 1 CMC §§ 9102, 9104(A), me 9105(b).

Bwángil: Ebwe arongowow Liiwel kkaal faal bwángil Board-il Directors, sángi layúr Chairperson, ebwe arongowow allégh me mwóghutughut sángi 2 CMC § 4433(t).

Kkapasal me Aweeweel: Ppwommwol Liiwel ngáli aar NMHC Community Development Block Gant – Disaster Recovery (CDBG-DR) Homeowner Rehabilitation me Reconstruction Program me Homebuyer Activities Program Policies me Procedures e liiweli mwóghutughut ikka e schuu ngáli §100-100.3 me §100-100.4 conversion sángi progróómal loan ngáli progróómal grant ngáli bwal alisiir aramas ikka re ffil ngáli aghatchúl iimw ngáre akkayúl iiwm iye e ffé, ghatch,ffil me ghasaghas.

Citation reel Milikka e Schuu me/ngare "Affected Statutes", Allégh me Mwóghutughut: Ppwommwol Liiwel ikka e schuu ngáli §100-100.3 me §100-100.4 conversion sángi progróómal loan ngáli progróómal grant ebwe alisiir aramas ikka re ffil ngáli aghatchúl iimw ngáre akkayúl iimw iye e ffé, ghatch, ffil me ghasaghas.

Af'al reel Ammwelil me Akkatééwowul: Ebwe akkatééwow ppwommwol Liiwel ngáli Northern Marianas Housing Corporation Community Block Grant – Disaster Recovery (CDBG-DR) Homeowner

Rehabilitation me Reconstruction Program me Homebuyer Activities Program Policies me Procedures me llól Commonwealth Register llól tálil ffél mwóghutughut ikka ra adóptáálil (1 CMC § 9102(a)(1) me ebwe appaschetá me llól civic center me bwal llól bwulasiyol gobetnameento llól sentorial district; ebwe lo Arongorongol Toulap reel Ppwommwol Liiwel ikka ra Adóptááli llól English me mwáliyaasch (1 CMC § 9104(a)(1)).

Kkapas: Schóó kka re tipáli rebwe isiisilong ischil kkapas wóól ppwommwol liiwel kkaal rebwe isiis ngáli Jesse S. Palacios, 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) Homeowners Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies and Procedures".

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Kkapas, data, views, ngáre angiingi ebwe toolong llól eliigh (30) ráál mwiril aal akkatééwow arongorong yeel. 1 CMC § 9104(a)(2). Ngáre eyoor yóómw aiyegh, faingiló NMHC me 234-6866/234-9447/234-7689.

Aa átirow ppwommwol Liiwel ikka e appasch ngáli Northern Marianas Housing Corporation's Community Development Block Grant – Disaster Recovery (CDBG-DR) Homeowner Rehabilitation and Reconstruction Program and Homebuyer Activities Program Policies & Procedures sángi Northern Marianas Housing Corporation (NMHC) wóól Ghúúw 02, 2023.

Isáliyalong: _____ 07/25/2023
Merced "Marcie" M. Tomokane — Ráál
Chairperson
NMHC Board-il Directors

Bwughiyal: _____ 7/26/23
Oscar M. Babauta — Ráál
Special Assistant ngáli Administration

Ammwelil: _____ 07-28-2023
Ms. Esther R.M. San Nicolas — Ráál

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)).

Ghikkill wóól 29 ráálil Wuun, 2023.

Mr. Edward Manibusan
Soulemelemil Allégh Lapalap

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

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

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APPENDIX A.1: Crosscutting Requirements

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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 AMD Property Manager will provide technical assistance and work with the 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) U.S. Post Offices;
(2) Major shopping centers;
(3) Public health centers;
(4) Places of worship;
(5) Government office buildings;
(6) The Nutrition Assistance Program (Food Stamp) office(s); and
(7) 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.

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;

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

(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 income eligibility within six 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 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 green card holder.

(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/borrowers to complete, sign, and submit to NMHC in order to confirm and have on file that they are continually occupying the mortgaged property and housing. The following stipulations apply for a principal residence:

(i) A deed restriction or covenant running with the land shall incorporate this requirement;

(ii) The 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 borrowers. 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 borrower(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
Rehabilitation	5 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.

§ 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, ten years. On the fourth year, the borrower sells the house for $60,000. Since the borrower failed to comply with the minimum five years of the ten-year affordability period, the recaptured amount is $50,000.

(2) Forgiveness. 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(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 $12,000. ($60,000/15 years affordability period x 2 years remaining = $8,000 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 ten 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 HOME 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) Title binders and 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) Relocation costs include:
(1) Replacement housing, moving costs, and out-of-pocket expenses;
(2) Advisory services; and
(3) Staff and overhead related to relocation assistance and services.

(d) Grant closing fees and related costs:
NMHC shall charge $3,914.00 (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.	$14.00	----	Credit Report
b.	$200.00	----	Preliminary Title Report (PTR)
c.	$600.00	----	Appraisal Report
d.	$150.00	----	Recordation of Covenant
e.	$1,050.00	----	First Annual Premium for Hazard Insurance
f.	$500.00	----	Initial Utility Connection
g.	$1,400.00	----	Title Policy
	$3,914.00 Total		

Grant closing fees and associated hard and soft costs may be bundled into the total approved grant amount. A borrower who is approved for a $120,000 grant may use a portion of the grant to pay for the grant closing costs and soft costs. In this case, the $3,914.00 incurred closing costs shall be subtracted from the total approved grant of $120,000 and the resulting net amount of $116,086.00 shall then be used for the construction, purchase and/or rehabilitation of their principal residence.

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.

(e) 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).

(f) 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 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, with the assistance of NMHC's MCD Manager 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. However, the duplication of benefits analysis must be conducted by the CDBG-DR Compliance Manager to determine net financial assistance to be provided to the homebuyer applicant.

(2) The CDBG-DR Housing Administrator and MCD Manager shall review each submitted application, ensure all supporting documentation is in place and make any necessary recommendations to the Corporate Director prior to the Corporate Director 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) In the interim, after the CDBG-DR Housing Administrator review, the MCD Manager shall review the grant write-up for concurrence before submitting the same to the Corporate Director for a final decision. Final approval or denial of any CDBG-DR grant or grant shall be made by the Corporate Director except as follows:

(i) If the Corporate Director 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 Deputy Corporate Director may make the final decision to approve or deny the CDBG-DR grant; or

(ii) If the Corporate Director and Deputy Corporate Director are both simultaneously off-island or on extended leave at the time the grant or grant is submitted for a final decision, then the Acting Corporate Director may make the final decision to approve or deny the CDBG-DR grant.

(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 Board of Directors by submitting their appeal in writing to the Corporate Director 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 Corporate Director shall submit the same to the Board of Directors for review and action at the next scheduled Board meeting.

§ 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 eight (8) hours. Upon completion of the housing counseling, the borrower(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.

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

The minimum grant amount shall not be less than $1,000.00.

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.

§ 100-100.3-735 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 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 grant amount. Financial hardships will be reviewed on a case-by-case basis.

(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 900 - Miscellaneous Circumstances Affecting Grant Agreement

§ 100-100.3-901 Assumption of a Grant

(1) Death of a homebuyer/borrower: Upon the death of the borrower 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 if a final decree in the probate of the borrower 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(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 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, 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 CDBGCR 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 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 written construction cost estimates from at least three 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 and the appraiser's after-construction estimated value 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 borrower not be able to deposit the difference or the contractor unwilling to lower the contract amount, then the borrower shall select his/her/their next choice. The homebuyer(s) shall submit a contractor selection notice notifying NMHC of his/her/their selection. 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(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) 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.

(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 borrower/homebuyer's acceptance of the project. In addition, each billing submitted must include pictures of the progress of the project and a copy of the payment schedule.

(2) Payment schedule shall be as follows:
(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, pictures of project interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable.

(3) Change Order Procedures. From time to time, the homebuyer(s) may request for changes in the plans and specifications. In the event that this should occur, the following steps must be taken to address such request:

(i) The borrower/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 years after project completion. [24 CFR 92.508(c)(2)]

(2) NMHC shall retain documents imposing recapture provisions for five 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 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) DTI—Debt-to-Income Ratio

(k) EA—Environmental Assessment

(l) GFE—Good Faith Estimate

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

(n) HQS—Housing Quality Standards

(o) MCD—Mortgage Credit Division

(p) MPS—Minimum Property Standards

(q) MPV—Maximum Property Value

(r) NAHA—National Affordable Housing Act

(s) NEPA—National Environmental Policy Act

(t) NMHC—Northern Marianas Housing Corporation

(u) NTP—Notice to Proceed

(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

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 8 or more units under common ownership, on same or contiguous lots, or with common financing, Residential property that contains 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 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 LOAN APPLICATION CHECKLIST

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

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

[ ] Uniform Residential Loan Application
[ ] Eligibility Release Form (each adult member of the household must sign, date and initial)
[ ] Use of Funds Certification (both Applicant and Co-Applicant must sign)
[ ] Duplication of Benefits Affidavit and Subrogation Agreement (both Applicant and Co-Applicant must sign)
[ ] Verification of Employment (employee's employer must complete this form)
[ ] Statement of Unemployment (each adult member of the household who is unemployed must complete this form)
[ ] Verification of Child Support Payments, if applicable
[ ] Social Security -Consent to Release Information (must be completed by each household member)
[ ] Check/Pay stubs (4 most current)
[ ] 1040 Tax Form for previous two (2) years (20___ and 20___)
[ ] Division of Tax & Revenue- Certificate of Compliance (For both Applicant and Co-Applicant)
[ ] Loan Payment record(s), if any
[ ] 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 cash value)
[ ] Divorce Decree, Judgment(s), etc., if applicable
[ ] Certificate of Title, Deed, or Residential Homestead Permit, etc. with Property Map (if applicable)
[ ] 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)
[ ] Documentation for any Federal assistance such as WIC, MEDICAD, MEDICARE, LIHEAP, NAP, CHILDCARE ASSISTANCE, etc.
[ ] Utility Bill (most current)
[ ] If a bankruptcy has been filed, a copy of your discharge letter (WE CANNOT PROCEED WITHOUT THE LETTER)
[ ] 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)532-9411

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

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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 Office of Housing under the CDBG-DR Program, Planning 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) U.S. Post Offices;
(2) Major shopping centers;
(3) Public health centers;
(4) Places of worship;
(5) Government office buildings;
(6) The Nutrition Assistance Program (Food Stamp) office(s); and
(7) 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 between 81% and 120% 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 which (a) the combined household income is greater than 120% AMI of the national median, (b) whose property sustained damage in the typhoons and was located in a floodplain at the time of the disaster, **and** (c) 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% but less than 120% of 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.
(5) 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 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*

Part 200 - Grant Specifications

§ 100-100.4-201 Grant Amount

(a) The maximum grant amount is capped at $200,000, excluding possible optional relocation costs. In special circumstances, a Review Panel may authorize a greater amount,

§ 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 – 120% 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 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 between 80% and 120% of the area median income are also eligible once LMI households have been served,

§ 100-100.4-215 Property Eligibility

(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. In addition, 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. 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 The 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 5 years, 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;

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) 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, borrower(s) shall be recertified annually for principal residency throughout their affordability period. An annual recertification for principal residency notices and form shall be sent to homeowners/borrowers to complete, sign, and submit to NMHC in order

to confirm and have on file that they are continually occupying the 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.

(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 Program Specialist shall verify the borrower(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 borrower(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 borrower's physician must complete the homebuyer/homeowner program disability eligibility verification to certify the borrower'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 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.

(b) NMHC shall set aside $2,050.00 (more or less, depending on current costs) per project from the program budget to assist each qualified rehab or recon borrower 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. Borrowers will not be required to pay back any of this amount so long as they are in compliance with NMHC affordability restrictions. The entire amount shall be immediately due and payable by the borrower should NMHC determine that borrower(s) are not in compliance with NMHC affordability restrictions.

(1)	$500.00	Utility connection*;
(2)	$1,200.00	First annual premium for hazard insurance;
(3)	$250.00	Recordation of covenant
(4)	$100.00	Preliminary title report (PTR);
	$2,050.00	Total

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

(1) 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 to the NMHC Board for reconsideration.

§ 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 borrower(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) <u>For those homes that were completed before January 1, 1978, the following forms must be completed by the contractor:</u>

(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) <u>NMHC-issued Notifications</u>

(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 @ Site Specific Review - RER Appendix A when an individual loan or 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 assign program specialists to assist in grant signings under the Homeowner Rehabilitation and Reconstruction Program.

(2) The Housing Administrator shall review each submitted application, ensure all supportive documentation is in place and complete, and concur or make any necessary recommendations to the Corporate Director prior to the Corporate Director 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 Housing Administrator shall review the grant application for concurrence before submitting the same to the Corporate Director for a final decision. Final approval or denial of any grant shall be made by the Corporate Director except as follows:

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

(ii) If the Corporate Director and Deputy Corporate Director are both simultaneously off island or on extended leave at the time the grant is submitted for a final decision, then the Acting Corporate Director may make the final decision to approve or deny the grant.

(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 loan or grant is submitted to the Corporate Director 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 Board of Directors for informational purposes.

(c) Grant Denial Appeals Process

(1) Applicants denied assistance under this program may appeal the final decision to the NMHC Board of Directors (Board) by submitting their appeal in writing to the Corporate Director 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 Corporate Director shall submit the same to the Board of Directors for review and action at the next scheduled Board meeting.

§ 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 eight (8) 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 Grant Agreement

Once the grant application has been approved by the NMHC Corporate Director, the responsible grant specialist shall prepare the grant agreement for the Corporate Director's signature. The grant agreement is a binding agreement between NMHC and the borrower(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) The responsible program specialist shall obtain a written certification (via email or memo format) from the Chief Financial Officer or Finance Manager that funds are available for the project before the Corporate Director executes the grant agreement.

(b) After the grant agreement has been signed and dated by the Corporate Director, 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.

(c) NMHC must reexamine the household's income eligibility if the determination was made more than six (6) months before signing the Grant Agreement.

(d) 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) within two (2) weeks after the applicants have executed their grant agreement. The purpose in obtaining a title report is to ascertain ownership of the proposed property.

(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.

(d) The Program Specialist shall obtain an updated PTR prior to grant signing to ensure that the ownership of the property is verified and there are no liens that will cloud the title.

§ 100-100.4-374 Contractor Selection Process

(a) All vendors and contractors are required to register with NMHC in order to do business with our agency. Interested vendors/contractors are provided a registration packet that lists all required documents, i.e., valid CNMI business license, financial statements, certificate of good standing from the CNMI DOL, actively registered with SAM, etc. Something similar bidder/offeror's responsibility or possess the capacity and capabilities to carry out and complete contractual obligations prior to awarding of a contract.

(b) NMHV maintain a list of approved contractors that is continuously updated when a new contractor completes the vetting process and is registered with NMHC

(c) Awards shall be made only to responsible contractors. To be determined responsible, a prospective contractor must: (1) Have adequate financial resources to perform the contract, or the ability to obtain them; (2) Be able to comply with the required delivery or performance schedule; (3) Have a satisfactory performance record; (4) Have a satisfactory record of integrity and business ethics; (5) Have the necessary organization, experience, and skills, (or the ability to obtain them) required to successfully perform the contract; (6) Have the necessary production, construction, and technical equipment facilities, or the ability to obtain them; (7) Provide evidence of validity to conduct business in the Commonwealth (valid business license(s), up-to-date BGRT payments, Certificate of Good Standing from NMI Department of Labor, Certificate of Insurance Compliance from NMI

Department of Commerce, Payment and Performance Bond Insurance (as applicable), Employees listing with valid permits and identification to reside and work in the Commonwealth, etc.); and (8) Be otherwise qualified and eligible to receive an award under applicable laws and rules. (b) Obtaining information. Prior to award, the Procurement Officer shall obtain information from the bidder or offeror necessary to make a determination of responsibility using the factors in subsection (a) above. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for determination of non-responsibility with respect to that bidder or offeror. (c) Right of non-disclosure. Information furnished by a bidder or offeror pursuant to subsection (b) may not be disclosed outside of the office of the Procurement Officer, or any other NMHC official involved without prior consent by the bidder or offeror. (d) Non-responsibility determination. When a bid or proposal on which a contract award would otherwise be made is rejected because the prospective contractor is found to be nonresponsible, a written determination shall be signed by the Procurement Officer stating the basis for the determination and this shall be placed in the contract file.

(d) Once an applicant is approved for the program a scope of work is developed by the A/E firm under contract to NMHC,

(e) NMHC provides a list of approved contractors along with the approved scope of work to the Homeowner.

(f) The homeowner provides the scope of work to at least three contractors for bid. If the homeowner wishes to use a contractor not on the NMHC list, that contractor's name must be submitted to MNHC for vetting and approval before they can be allowed to bid,

(g) The homeowner selects the contractor with whom they wish to work.

(h) The final selection of a contractor is submitted to NMHC for approval.

i. The final bid selected need not be the lowest bid as long as it is within 10% of the independent cost estimate.
ii. If the selected contractor exceeds 10% of the independent cost estimate and the homeowner insists on using that contractor then the homeowner must provide funding in advance of contract signing to cover any costs in excess of 10% of the independent cost estimate.
iii. Homeowners who are unable or unwilling to provide the excess funding needed have the option to either utilize a contractor with a lower bid or withdraw from the program.
iv. The contract is between the contractor and the homeowner.

§ 100-100.4-375 Pre-Construction Conference

(a) The pre-construction conference shall be held after NMHC's receipt of the PTR and the same has been determined to have met NMHC's requirement as indicated in § 100-100.4-370. The

responsible program specialist shall inform the homeowner(s) and their contractor, and their private inspector (if applicable), in written form of the scheduled pre-construction conference. The notice shall include the date, time, and location of the conference. The conference shall be conducted by the responsible grant specialist and shall include the homeowner(s), their contractor, and their private inspector (if applicable).

(b) The homeowner(s) and their contractor, and if applicable, their private inspector, are to be provided with information such as their rights and responsibilities before, during, and after the rehabilitation period of their home.

§ 100-100.4-380 Submission of Pre-Construction Documents

The NMHC shall notify the contractor of the homeowner(s) selection of his/her/their company and shall likewise instruct the contractor to submit the required construction documents listed below. These documents are to be provided to NMHC within thirty 30 days from the date of notice.

(a) Building permit (if applicable);

(b) Zoning Permit (if applicable);

(c) Earthmoving & erosion control permit (if applicable);

(d) Construction contract;

(e) Performance bond;

(f) Plans & specifications approved by DPW;

(g) Private inspector's contract (if applicable).

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 borrower 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 borrower;
(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 nine (9) months following execution of a Grant Agreement. Reconstruction projects should be completed within twelve (12) months following execution of a Grant 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, pictures of the project's interior and exterior, and DEQ certificate of use (sewage disposal system), if applicable.

(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 HMHC 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

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:

DR Funds Invested per Unit	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.

(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;

(d) Note: 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.

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 o 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 Board'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

§ 100-100.4-801 Grant Assumption

(a) Death of a Borrower—Immediately upon notification to NMHC of a borrower's death, the surviving borrower or a family member of the borrower(s) shall complete a deceased borrower's report and/or 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 borrowers 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) 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) DTI—Debt-to-Income Ratio

(l) EA—Environmental Assessment

(m) GFE—Good Faith Estimate

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

(o) LEP—Limited English Proficiency

(p) LMI—Low Moderate Income

(q) MCD—Mortgage Credit Division

(r) MBE—Minority-Owned Business Enterprise

(s) MPS—Minimum Property Standards

(t) MPV—Maximum Property Value

(u) NAHA—National Affordable Housing Act

(v) NEPA—National Environmental Policy Act

(w) NMHC—Northern Marianas Housing Corporation

(x) NTP—Notice to Proceed

(y) PII—Personally Identifiable Information

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

(aa) PJ—Participating Jurisdiction

(bb) PTI—Payment-to-Income Ratio

(cc) PTR—Preliminary Title Report

(dd) RER—Rehab Environmental Review

(ee) RESPA—Real Estate Settlement Procedures Act

(ff) SCRA—Service Members Civil Relief Act

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

(hh) TCD—Time Certificates of Deposits

(ii) TILA—Truth in Lending Act

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

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

(ll) USPAP—Uniform Standard of Professional Appraisal Practice

(mm) VOE—Verification of Employment

(nn) 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

Procedures for this process are currently under development and will be incorporated in a future update to this document.

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 5 years, 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 5 years or for such longer period specified by the participating jurisdiction, 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 Energy 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 of the International Code Council[5].

(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[6]. 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)(vii)**
[6] **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 5 years. Such warranty shall be stipulated on the rehabilitation contract between the contractor and the homeowner. Should it be determined at any time during the 5-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) Zoning fencing setback requirements - For any proposed fencing for the front side of the house facing the road entry, the fence line should be two feet inward of the property line. For the left, right, and rear side setbacks, the requirement is one foot inward the property line.

c) Should a new septic tank and leaching field be required, the Zoning office setback requirements are a minimum of ten feet at any angle from the property line for both the septic tank and leaching field.

Note: New septic tanks should be constructed fifteen feet 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 @ 3"- 4": 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).
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.

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.

- 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) and the Tropical Energy Code.

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 homebuyers
- 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.

Commonwealth of the Northern Mariana Islands
HEALTH CARE PROFESSIONS LICENSING BOARD
P.O. Box 502078, Bldg. No. 1242 Pohnpei Court
Capitol Hill, Saipan, MP 96950
Tel No: (670) 664-4808/09 Fax: (670) 664-4814
Email: info@cnmilicensing.gov.mp
Website: www.cnmilicensing.gov.mp

NOTICE OF PROPOSED AMENDMENTS TO THE HEALTH CARE PROFESSIONS LICENSING BOARD FOR SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS

INTENDED ACTION TO ADOPT THIS PROPOSED REGULATION: The Health Care Professions Licensing Board (HCPLB) intends to adopt as permanent regulation the attached Proposed Amendment, pursuant to the procedures of the Administrative Procedure Act, 1 CMC § 9104(a). The regulation would become effective 10 days after compliance with 1 CMC §§ 9102 and 9104(a) or (b) (1 CMC § 9105(b)).

AUTHORITY: The Health Care Professions Licensing Board has statutory power to promulgate and effect regulations pursuant to 3 CMC § 2206(b), as amended.

THE TERMS AND SUBSTANCE: Regulation History: Public Law No. 15-105 was signed into law by Governor Benigno R. Fitial and became effective on November 7, 2007, and became the "Health Care Professions Act of 2007," 3 CMC §§2201-36. The Act created a Health Care Professions Licensing Board, as an independent regulatory agency, without placing it in a department. The Board is authorized to license health care professionals in the Commonwealth, establish standards for educational programs, administer exams, and to discipline licensees for violations of the Act. Public Law No. 15-105 3 CMC § 2206(b), empowers the Board to adopt rules and regulations consistent with the Act and necessary to carry out the Act's provisions, including define and describe the regulated professions and their practice. The regulations for **Speech-Language Pathologists and Audiologists** are to be included in the Health Care Professions Licensing Board, under the power, jurisdiction, and authority of the HCPLB §2212 of Public Law No. 15-105. (This is a new regulation and is included in §2212)

THE SUBJECTS AND ISSUES INVOLVED: This is a new proposed rules and regulations for the practice of **Speech-Language Pathologist and Audiologist**.

DIRECTIONS FOR FILING AND PUBLICATION: The Board is soliciting comments regarding this proposed amendment which must be received by the Board within thirty (30) days of first publication of this notice in the Commonwealth Register. Interested persons may request copies of the proposed amendment by contacting us at 664-4808/09 or by email info@cnmilicensing.gov.mp or come by our office located at Bldg. No. 1242, Pohnpei Ct., Capitol Hill, Saipan. Written comments on these amendments should be dropped off at our office or sent to the BPL, P.O. Box 502078, Saipan, MP, 96950.

Submitted By: _____
Esther S. Fleming
Executive Director

07/24/23
Date

Received By: _____ 7/28/23
Oscar M. Babauta
Special Assistant for Administration
Date

Filed and Recorded By: _____ 07.28.2023
Esther San Nicolas
Commonwealth Registrar
Date

Pursuant to 1 CMC § 2153(e) (AG approval of regulations to be promulgated as to form) and 1 CMC § 9104(a) (3) (obtain AG approval) the proposed regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General and shall be published, 1 CMC § 2153(f) (publication of rules and regulations).

_____ 7/28/2023
EDWARD MANIBUSAN
Date

Commonwealth gi Sankattan na Islas Mariånas
HEALTH CARE PROFESSIONS LICENSING BOARI
P.O. Box 502078, Bldg., No. 1242 Pohnpei Court
Capitol Hill, Saipan, MP 96950
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Email: info@cnmilicensing.gov.mp
Website: www.cnmilicensing.gov.mp

NUTISIA PUT I MANMAPROPONI NA REGULASIÓN GI HEALTH CARE PROFESSIONS LICENSING BOARD PARA SPEECH-LANGUAGE PATHOLOGISTS YAN AUDIOLOGISTS

I AKSION NI MA'INTENSIONA PARA U MA'ADÅPTA ESTI I MANMAPROPONI NA REGULASION SIHA: I Health Care Professions Licensing Board (HCPLB) ha intensiona para u adåpta komu petmanienti na regulasion i mañechettun na Manmaproponi na Tinilaika, sigun gi manera nu i Åkton Administrative Procedure, 1 CMC § 9104(a). I regulasion siempri umifektibu gi dies (10) dihas dispues di "compliance" yan 1 CMC §§ 9102 yan 9104(a) pat (b) (1 CMC § 9105(b)).

ATURIDÅT: I Health Care Professions Licensing Board gai istatua na aturidåt para u cho'gui yan na'ifektibu i regulasion siha sigun gi 3 CMC § 2206(b), komu ma'amenda.

I TEMA YAN SUSTÅNSIAN I PALÅBRA SIHA: I Historia Regulasón: Lain Pupbliku No. 15-105 mafitma hålum gi lai as Maga'låhi Benigno R. Fitial yan umifektibu gi Nubembri 7, 2007, yan mafa'na'an "Åkton Health Care Professions nu 2007," 3 CMC §§2201-36. I Åktu fuma'tinas i Kuetpun Health Care Professions Licensing, komu indipendienti na regulatori na ahensia, sin mapega gui' gi halum i dipåttamentu. I Kuetpu ma'aturisa para u lisensiåyi i health care professionals gi halum iya Commonwealth, establesi chin mididasión para prugråman edukasion siha, mannå'i exams, yan para u disiplina manlisensia siha para kontradiksion nu i Åktu. I Lain Pupbliku No. 15-105 3 CMC § 2206(b), ma'infuetsa i Kuetpu para u adåpta areklamentu yan regulasion siha kunsisti yan i Åktu yan nisissåriu para u makåtga huyung i provisions i Åktu, kuntodu sustånsian i palåbra yan diskribi i "regulated professions" yan i prinaktikan-ñiha. I regulasion para **Speech-Language Pathologists yan Audiologists** mana'fanhålum gi Kuetpun Health Care Professions Licensing, gi påpa' i fuetsa, lugåt, yan aturidåt nu i HCPLB §2212 gi Lain Pupbliku No. 15-105. (Nuebu esti na regulasion yan humålum gi halum §2212)

SUHETU YAN ASUNTU NI TINEKKA: Nuebu esti na manmaproponi na areklamentu yan regulasión siha para i prinaktikan nu **Speech-Language Pathologists yan Audiologist**.

DIREKSIÓN PARA U MAPEGA YAN PUPBLIKASIÓN: I Kuetpu mamamaisin upiñon siha put esti i manmaproponi na tinilaika ni debi di u marisibi ni i Kuetpu gi hålum i trenta (30) dihas gi primet na pupblikasion esti na nutisia gi hålum i Rehistran Commonwealth. I intirisåo na petsona siha siña manrikuesta kopian i manmaproponi na tinilaika komu ma'ågang hami gi 664-4808/09 pat email gi info@cnmilicensing.gov.mp pat bisita i ufisinan-måmi ni gaigi gi Bldg. 1242, Pohnpei Ct., Capito Hill, Saipan. I tinigi' upiñon siha put esti na tinilaika siha debi na u machuli' guatu gi ufisinan-måmi pat na'hånåo para i BPL, P. O. Box 502078, Saipan, MP 96950.

Nina'hålum as: _____
Esther S. Fleming
Eksakatibun Direktot

07/28/23
Fetcha

Rinisibi as: _____
Oscar M. Babauta
Ispisiåt na Ayudånti para i Atministrasión

7/28/23
Fetcha

Pine'lu yan
Ninota as: _____
Esther San Nicolas
Rehistran Commonwealth

07.28.2023
Fetcha

Sigun i 1 CMC § 2153(e) (I Abugådu Heneråt ha aprueba i regulasion siha na para u macho'gui kumu fotma) yan 1 CMC § 9104(a) (3) (hentan inaprueban Abugådu Heneråt) i manmaproponi na Regulasion siha ni mañechettun guini ni manmaribisa yan manma'aprueba kumu fotma yan sufisienti ligåt ginin i CNMI Abugådu Heneråt yan debi na u mapupblika, 1 CMC § 2153(f) (pupblikasion i areklamentu yan regulasion siha).

_____
EDWARD MANIBUSAN
Abugådu Hinirat

7/28/2023
Fetcha

Commonwealth Téél Falúw kka Efáng llól Marianas
HEALTH CARE PROFESSIONS LICENSING BOARD
P.O. Box 502078, Bldg. No. 1242 Pohnpei Court
Capitol Hill, Saipan, MP 96950
Tel No: (670) 664-4808/09 Fax: (670) 664-4814
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Website: www.cnmilicensing.gov.mp

ARONGORONGOL TOULAP REEL PPWOMMWOL LIIWEL NGÁLI HEALTH CARE PROFESSIONS LICENSING BOARD NGÁLI SPEECH-LANGUAGE PATHOLOGISTS ME AUDIOLOGISTS

MÁNGEMÁNGIL MWÓGHUT REEL REBWE ADÓPTÁÁLI PPWOMMWOL MWÓGHUTUGHUT KKAAL: Health Care Professions Licensing Board (HCPLB) re mángemángil rebwe adóptááli PPwommwol Liiwel ikka e appasch bwe ebwe llégh1ó, sángi mwóghutughutúl Administrative Procedure Act, 1 CMC § 9104(a). Ebwe bwunguló mwóghutughut seigh ráál (10) mwiril aal angúúngú fengál me 1 CMC §§ 9102 me 9104(a) ngáre (b) (1 CMC § 9105(b)).

BWÁNGIL: Eyoor bwángil Health Care Professions Licensing Board rebwe aronga me isiisiwow mwóghut sángi 3 CMC § 2206(b), igha e liiwel.

KKAPAS ME WEEWEEL: Uruwowul Mwóghutughut: Alléghúl Toulap No. 15-105 iye e ghikkillong llól allégh sángi Soulemelem Benigno R. Fitial me ebwe bwunguló wóól Aremwoy 7, 2007, me e toowow bwe "Health Care Professions Act of 2007," 3 CMC §§2201-36. Act e ayoora eew Health Care Professions Licensing Board, bwe eew "independent regulatory agency", nge rese isáli llól eew bwulasiyo. Eyoor bwángil Board reel rebwe ayoora "license health care professionals" me llól Commonwealth, ebwe ghikkill "standards" ngáre progróómal rághefisch, isiisiwow "exams", me ayoorai ammwelil "licensees" ngáli "violation of the Act". Alléghúl Toulap No. 15-105 3 CMC § 2206(b), e ayoorai bwángil Board rebwe adóptááli allégh me mwóghutughut ikka e weewee ngáli "Act" me e ffil ebwe ayoorai mwóghutughutúl "Act's provisions", ebwal schuulong weewel me kkapasal "regulated professions" llól aar angaang. Mwóghutughut ngáli **Speech-Language Pathologists and Audiologists** ebwe schuulong llól Health Care Professions Licensing Board, faal maamaawal, lemelemil, me bwángil HCPLB §2212 reel Alléghúl Toulap No. 15-105. (E ffé mwóghutughut me e schuulong llól §2212)

KKAPASAL ME AUTOL: E ffé ppwommwol allégh me mwóghutughut ngáli yáayáál **Speech-Language Pathologist me Audiologist.**

AFAL REEL AMMWELIL ME AKKATÉÉWOWUL: Board re tingór kkapas ikka e ssúlngáli ppwommwol liiwel iye Board rebwe bwughi llól eliigh (30) ráál mwiril aal ghommwal akkatééwow me llól Commonwealth Register. Schóó kka re tipáli pappidil ppwommwol liiwel rebwe faingi ghámem me 664-4808/09 ngáre email li info@cnmilicensing.gov.mp ngáre mweteló bwulasiyo imwu e lo Bldg. No. 1242, Pohnpei Ct, Asúngúl, Seipél. Ischill kkapas wóól liiwel kkaal ebwe mwetelól bwulasiyo ngáre afangaló BPL, P.O. Box 502078, Saipan, MP, 96950.

Isáliyalong: _____ 09/28/23
Esther S. Fleming
Executive Director
Ráál

Bwughiyal: _____ 7/28/23
Oscar M. Babauta
Special Assistant ngáli Administration
Ráál

Ammwelil: _____ 07.28.2023
Esther San Nicolas
Commonwealth Registrar
Ráál

Sángi 1 CMC § 2153(e) (sángi átirowal AG reel mwóghutughut bwe aa ffil reel ffééról me ebwe arongowow) me 1 CMC § 9104(a) (3) (sángi átirowal AG) reel ppwommwol mwóghutughut ikka e appasch bwe ra takkal amwuri fischiiy me átirowa bwe aa llégh ló reel ffééról me legal sufficiency sángi Soulemelemil Allégh Lapalap me ebwe akkatééwow, 1 CMC § 2153(f) (akkatééwowul allégh me mwóghutughutúl).

_____ 7/28/2023
EDWARD MANIBUSAN
Soulemelemil Allégh Lapalap
Ráál

SUBCHAPTER 185-10
COMMONWEALTH HEALTH CARE PROFESSIONS LICENSING BOARD REGULATIONS

Part 5000 Speech-Language Pathologists and Audiologists

§ 185-10-5001 Definitions
§ 185-10-5005 Practice as Speech-Language Pathologist or Audiologist (Title or Description of Services)
§ 185-10-5010 Exemptions
§ 185-10-5015 Requirements for Licensure
§ 185-10-5020 Licensure by Endorsement
§ 185-10-5025 Applications
§ 185-10-5030 Continuing Education (CE)
§ 185-10-5035 Scope of Practice
§ 185-10-5040 Scope of Practice of Speech-Language Pathology Assistant
§ 185-10-5045 Supervisor's Responsibilities
§ 185-10-5050 Advertising
§ 185-10-5055 Code of Ethics
§ 185-10-5060 Disciplinary Action

Part 5000 Speech-Language Pathologists and Audiologists

§ 185-10-5001 Definitions.

(a) **"ASHA"** is the American Speech-Language-Hearing Association.

(b) **"Audiology assistant"** means a person who meets the academic and supervised training requirements set forth by the Board and who is approved by the Board to assist in the provision of audiology under the supervision of a CNMI licensed audiologist who retains full professional and legal responsibility for the performance of the assistant and the care and treatment of the patient.

(c) **"Audiologist"** means a person who has been duly licensed to practice audiology in the CNMI, as hereafter defined.

(d) **"Certificate of clinical competence (CCC)"** means a current certificate issued by the American Speech-Language-Hearing Association's Council for Clinical Certification to an individual who:

(1) Completes a degree in audiology or speech-language pathology from an educational institution approved by the Board that includes a clinical practicum;

(2) Passes the ETSNESPA; and

(3) Completes a clinical fellowship.

(e) **Clinical practicum"** means the experience acquired by an individual who is completing course work in audiology or speech-language pathology, while supervised by a licensed audiologist, a licensed speech-language pathologist, or an individual holding a CCC, by assessing, diagnosing, evaluating, screening, treating, and counseling individuals exhibiting speech, language, hearing, or communication disorders.

(f) **Educational institution approved by the Board"** means:

(1) An educational institution that is accredited by a regional or national accrediting body recognized by the U.S. Department of Education or from an institution that is a member in good standing with the Association of Universities and Colleges of Canada; or

(2) Has program accreditation in the area for which licensure is sought by an accrediting body recognized by the U.S. Department of Education or the Council on Higher Education Accreditation (CHEA) or its predecessor, the Council on Postsecondary Accreditation (COPA), or a comparable accrediting body recognized by the Board; or

(3) A graduate speech-language or audiology program shall be accredited or shall be designated as a program in candidacy by the accrediting body authorized by the American Speech-Language-Hearing Association at the time of the applicant's graduation; or

(4) A post-baccalaureate audiology doctoral program shall be accredited or shall be designated as a program in candidacy by the accrediting body by the American Speech-Language-Hearing Association or shall be accredited or shall be designated in candidacy by another accrediting body.

(g) **"ETSNESPA"** means Educational Testing Service National Examination in Speech-Language Pathology and Audiology, the specialty area test of the Praxis Series given by the Education Testing Service, Princeton, N.J.

(h) **"Examination approved by the Board,"** means the National Examination in Speech Pathology or the National Examination in Audiology administered by the Educational Testing Service of Princeton, New Jersey.

(i) **"Practice of Audiology"** means the application of principles, methods, and procedures for the prevention, identification, evaluation, consultation, habilitation, rehabilitation, instruction, treatment, and research, relative to hearing and the disorders of hearing, and to related language and speech disorders. "Disorders" are defined to include all conditions, whether of organic or nonorganic origin, peripheral or central, that impede the normal process of human communication, including, but not limited to, disorders of auditory sensitivity, acuity, function, or processing, or damage to the integrity of the physiological system.

(j) **"Practice of Speech-language pathology"** means the application of principles, methods, and procedures for the prevention, identification, evaluation, treatment, consultation, habilitation, rehabilitation, instruction, research, relative to the development and disorders of human communication; to related oral and pharyngeal competencies; and to behavior related to disorders of human communication,

(k) **"Speech-language pathologist (SLP)"** means a person who has been duly licensed to practice speech-language pathology in the CNMI, as hereafter defined.

(l) **"Speech-language pathology assistant"** means a person who meets the academic and supervised training requirements set forth by the Board and who is approved by the Board to assist in the provision of speech-language pathology under the supervision of a CNMI licensed speech-language pathologist who retains full professional and legal responsibility for the performance of the assistant and the care and treatment of the patient.

(m) **"Supervision"** means a licensed speech-language pathologist, or a licensed audiologist will direct and exercise supervision for the services rendered by an assistant and recognizes that he/she retains full professional and legal responsibility for the performance of the assistant and the care and treatment of the patient.

§ 185-10-5005 Practice as Speech-language Pathologist or Audiologist; title or description of services.

(a) A person represents himself or herself to be a speech-language pathologist when he or she holds himself or herself by any title or description of services incorporating the words "speech pathologist," "speech pathology," "speech therapy," "speech correction," "speech correctionist," "speech therapist," " speech clinic," "Speech clinician," "language pathologist," "language pathology," "logopedics," "logopedist," "cummunicology." "communicologist," "aphasiologist," "voice therapy," "voice therapist," "voice pathology," "voice pathologist," "language therapist," "phoniatrist," or any similar titles; or when he or she purports to treat stuttering, stammering, or other disorders of speech.

(b) A person represents himself or herself to be an audiologist when he or she holds himself or herself out to the public by any title or description of services incorporating the terms "audiology," "audiologist," "audiological," "hearing clinic," "hearing clinician," "hearing therapist," or any similar titles.

§ 185-10-5010 Exemptions.

(a) Nothing in these regulations shall be construed as preventing or restricting:

(1) Hearing testing conducted by licensed physicians and surgeons or by persons conducting hearing tests under the supervision of a physician and surgeon;

(2) A licensed hearing aid dispenser or dealer from engaging in testing of hearing and other practices and procedures used solely for the fitting and testing of hearing aids;

(3) The services or activities of a student or a speech-language pathology or audiology intern pursuing a course of study leading to a degree in speech-language pathology or audiology, provided that these services and activities constitute a part of his/her supervised course study, and they are under the supervision of a licensed speech-language pathologist or a licensed audiologist;

(4) The activities and services or a person fulfilling the clinical experience requirements or the clinical fellowship year leading to the ASHA certificate of clinical competence; or

(5) The performance of speech pathology or audiology services in the CNMI by a person not a resident of the CNMI who is not licensed, if such services are performed for not more than five working days in any calendar year and in cooperation with a CNMI licensed speech pathologist or audiologist, and if such person meets the licensure requirements under Section 4903 of these regulations.

(b) Persons employed as speech-language pathologists or audiologists by a federal agency are exempted from these regulations.

§ 185-10-5015 Requirements for Licensure.

(a) An applicant to practice as a Speech-language pathologist or an audiologist must be at least twenty-one (21) years of age, is a U.S. citizen or a foreign national lawfully entitled to remain and work in the Commonwealth, and meets the following requirements:

(1) Speech-language Pathologist

(i) Possess at least a master's degree in speech-language pathology from an educational institution approved by the Board or qualifications deemed equivalent by the Board; and

(ii) Took and passed the examination approved by the Board; or

(iii) Possess a current and valid Certificate of Clinical Competence in speech-language pathology issued by ASHA's Council for Clinical Certification.

(2) Speech-language Pathologist without ASHA CCC or U.S. SLP License

(i) Possess a master's degree or completion of the academic requirements of a doctoral program, with a major emphasis in speech-language pathology;

(ii) Applicants enrolled in an educational institution or program approved by the Board prior to January 5, 2005, must complete a minimum of sixty (60) semester hours, at least thirty-six (36) hours must be earned in graduate level courses;

(iii) Applicants enrolled in an educational institution or program approved by the Board after January 5, 2005, must complete a minimum of seventy-five (75) semester hours, at least thirty-six (36) hours must be earned in graduate level courses;

(iv) Completed 300 clock hours of supervised experience with at least 200 hours in speech-language pathology;

(v) Completed at least nine (9) months of professional employment experience;

(vi) Has taken and passed the Praxis Series Examination administered by the Educational Testing Services; and

(vii) Completed one hour HIV/AIDS and two hours in Prevention of Medical Errors workshop or seminar.

(3) Speech-language pathology Assistant

(i) Possess a bachelor's degree from an educational institution approved by the Board, which includes at least 24 semester hours of coursework in Speech and Language;

(ii) Completed one hour HIV/AIDS and two hours in Prevention of Medical Errors workshop or seminar;

(iii) Submits to the Board a Supervisory/Activity Plan signed by both the SLP supervisor and him/herself.

(4) Audiologist

(i) Possess a Doctor of Audiology degree (Au.D.) or a Ph.D. in audiology from an educational institution approved by the Board; or

(ii) Possess at least a master's degree in audiology from an educational institution approved by the Board or qualifications deemed equivalent by the Board; and

(iii) Took and passed the examination approved by the Board; or

(iv) Possess a current and valid Certificate of Clinical Competence in audiology issued by ASHA's Council for Clinical Certification.

(5) Audiologist without ASHA CCC or U.S. Audiologist License

(i) Possess a doctoral degree with a major emphasis in audiology;

(ii) Applicants who earned a doctoral degree from an educational institution or program approved by the Board conferred before January 1, 2008, must complete a minimum of sixty (60) semester hours, at least twenty-four (24) hours must be in audiology;

(iii) Applicants who earned a doctoral degree from an educational institution or program approved by the Board conferred after January 1, 2008, must complete a minimum of seventy-five (75) semester hours, at least twenty-four (24) hours must be in audiology;

(iv) Completed 300 clock hours of supervised experience with at least 200 hours in audiology;

(v) Completed at least eleven (11) months of professional employment experience;

(vi) An applicant who possess a master's degree conferred before January 1, 2008 shall submit document to show proof that applicant has completed one (1) year of clinical work experience prior to licensure:

(vii) Has taken and passed the Praxis Series Examination administered by the Educational Testing Services; and

(viii) Completed one hour HIV/AIDS and two hours in Prevention of Medical Errors workshop or seminar.

(6) Audiology Assistant

(i) Completed a high school education or its equivalent;

(ii) Completed one-hour HIV/ workshop or seminar;

(iii) Submits to the Board a Supervisory/Activity Plan signed by both the audiology supervisor and him/herself.

(b) "Qualifications deemed equivalent by the Board" in this section means in lieu of a master's degree an applicant may present evidence of completion of at least 30 semester units acceptable towards a master's degree while registered as a graduate student in a degree program in speech-language pathology and/or audiology. At least 24 of the required semester units shall be completed at a single educational institution and shall be in speech-language pathology or audiology.

§ 185-10-5020 Licensure by Endorsement.

(a) The Board may grant a license to a person to practice as a speech-language pathologist or audiologist by endorsement if:

(1) The person holds a full, unrestricted, active license to practice as a speech-language pathologist or audiologist in another U.S. state or territory, or Canada and has completed no less than one year of full-time continuous employment as a speech-language pathologist or audiologist within the past three years; and

(2) The person substantially complies with the requirements for licensure in Section 4903 (a), (b), (d), or (e).

(b) The Board may deny a license by endorsement to a person to practice as a speech-language pathologist or audiologist if the person has been the subject of an adverse action in which his/her license was suspended, revoked, placed on probation, conditioned or renewal denied.

§ 185-10-5025 Applications.

An application for a license to practice as a speech-language pathologist, speech-language pathology assistant, audiologist or audiology assistant shall be made under oath on a form to be provided by the Board and shall be signed and sworn to under penalty of perjury by the applicant accompanied with the following information and

documentations as are necessary to establish that the applicant possesses the qualifications as required in these regulations:

(a) The applicant's full name and all aliases or other names ever used, current address, date and place of birth and social security number;

(b) Applicant's 2x2 photograph taken within six (6) months with your signature on the bottom front;

(c) Applicant must pay the appropriate fees, including the application fee, which shall not be refunded;

(d) Applicant to provide originals of all documents and credentials, or notarized or certified copies acceptable to the Board of such documents and credentials, including but not limited to:

(1) Diploma or certificate showing the appropriate degree from an educational institution approved by the Board or qualifications deemed equivalent by the Board;

(2) Documents showing satisfactory proof that applicant has taken and passed the required examination; or

(3) Documents showing proof that applicant have a current and valid Certificate of Clinical Competence in speech-language pathology or audiology issued by ASHA's Council for Clinical Certification; or

(4) Documents showing proof that applicant are licensed to practice as a speech-language pathologist, audiologist, or audiology assistant in another jurisdiction;

(e) Applicant to provide a list of all jurisdictions, U.S. or foreign, in which the applicant is licensed or has applied for a license to practice as a speech-language pathologist, speech-language pathology assistant, audiologist or audiology assistant; and

(f) Applicant to provide a detailed educational history, including places, institutions, dates, and program descriptions of all his or her education beginning with secondary schooling and including all college and/or training programs; and

(g) Applicant to provide a list of all jurisdictions, U.S. or foreign, in which the applicant has been denied licensure or voluntarily surrendered a license to practice as a speech-language pathologist, speech-language pathology assistant, audiologist or audiology assistant; and

(h) Applicant to provide a list of all jurisdictions, U.S. or foreign, of all sanctions, judgments, awards, settlements, or convictions against the applicant that would constitute grounds for disciplinary action under the Act or these regulations.

§ 185-10-5030 Continuing Education (CE).

(a) A speech-language pathologist and audiologist licensed to practice in the CNMI is required to complete thirty (30) CE hours during the 24 months prior to the expiration of their license as a prerequisite to the renewal of their biennial license.

(b) A speech-language pathologist or audiologist assistant licensed to practice in the CNMI is required to complete twenty (20) CE hours during the 24 months prior to the expiration of their license as a prerequisite to the renewal of their biennial license.

(c) One CE unit or credit equals to one contact hour.

(d) Approved continuing education activities includes but is not limited to the following:

(1) ASHA's approved CE providers, ASHA's CEUs online (ASHA eLearning), American Academy of Audiologists, or other programs approved by the Board;

(2) Shall complete an on-line course or attend a workshop or seminar offered in the CNMI on domestic violence.

(e) If a licensee fails to meet the CE requirements for renewal of license because of illness, military service, medical or religious activity, residence in a foreign country, or other extenuating circumstances, the Board upon appropriate written request from the applicant may grant an extension of time to complete same, on an individual basis.

(f) It shall be the responsibility of the licensee to obtain documentation, satisfactory to the Board, from the organization or institution of his or her participation in the continuing education, and the number of course/credit hours.

(g) Licensure renewal shall be denied to any licensee who fails to provide satisfactory evidence of completion of CE requirements, or who falsely certifies attendance at and/or completion of the CE as required herein.

(h) A licensee is not permitted to carry forward CE credit hours from a previous renewal period.

§ 185-10-5035 Scope of Practice.

(a) The scope of practice of speech-language pathologist includes but is not limited to:

(1) Providing screening, identification, evaluation, assessment, recommendations, intervention (i.e., prevention, restoration, and amelioration) and follow-up services for disorders of:

(i) Speech (e.g., disorders of respiration, phonation, articulation, resonance, and fluency);

(ii) Language (including disorders or symbolic communication in oral, written, manual, graphic, and other modalities;

(iii) Oral pharyngeal and related functions (e.g., dysphagia, orofacial myofunctional disorders);

(iv) Cognitive communication (including communication and other functional disabilities associated with cognitive rehabilitation);

(v) Social communication (e.g., challenging behavior, ineffective social skills, and language).

(2) Providing consultation and counseling and making referrals when appropriate:

(3) Selecting, dispensing, developing, and establishing the effective use of augmentative and alternative communication techniques, technologies, and strategies;

(4) Selecting, fitting, and establishing the effective use of prosthetic/adaptive devices for speaking and swallowing (e.g., tracheoesophageal valves, electrolarynxes, speaking valves);

(5) Using instrumental technology to diagnose and treat disorders of communication and swallowing (e.g., videoflouroscopic, nasoendoscopy, ultrasonography);

(6) Providing aural rehabilitation and related counseling to individuals with hearing loss and their families;

(7) Screening hearing for the purpose of speech-language evaluation and/or the initial identification or individuals with other communication disorders;

(8) Enhancing speech-language proficiency and communication effectiveness (e.g., accent reduction, collaboration with teachers of English as Second Language)'

(9) Supervising personnel and developing and managing programs in communication sciences and related disorders;

(10) Conducting, disseminating, and applying research in communication sciences and related disorders;

(11) Conducting continuous evaluation of the effectiveness of practices and programs to improve and maintain quality of services.

(b) The scope of practice of audiology includes but is not limited to:

(1) Activities that identify, assess, diagnose, manage, and interpret test results related to disorders of human hearing, balance, and other neural systems;

(2) Otoscopic examination and external ear canal management for removal or cerumen in order to evaluate hearing or balance, make ear impressions, fit hearing protection or prosthetic devices, and monitor the continuous use of hearing aids;

(3) The conduct and interpretation of behavioral, electroacoustic, or electrophysiologic methods used to assess hearing, balance, and neural system function;

(4) Evaluation and management of children and adults with central auditory processing disorders;

(5) Supervision and conduct of newborn hearing screening programs;

(6) Measurement and interpretation of sensory and motor evoked potentials, electromyography, and other electrodiagnostic tests for purposes of neurophysiologic intraoperative monitoring and cranial nerve assessment;

(7) Provision of hearing care by selecting, evaluating, fitting, facilitating adjustment to, and dispensing prosthetic devices for hearing loss, including hearing aids, sensory aids, hearing assistive devices, alerting and telecommunication systems, and captioning devices;

(8) Assessment of candidacy of persons with hearing loss for cochlear implants and provision of fitting, programming, and audiological rehabilitation to optimize device use;

(9) Provision of audiological rehabilitation including speechreading, communication management, language development, auditory skill development, and counseling for psychosocial adjustment to hearing loss for persons with hearing loss and their families/caregivers;

(10) Consultation to educators as members of interdisciplinary teams about communication management, educational implications or hearing loss, educational programming, classroom acoustics, and large-area amplification systems for children with hearing loss;

(11) Prevention of hearing loss and conservation of hearing function by designing, implementing, and coordinating occupational, school, and community hearing conservation and identification program;

(12) Consultation and provision of rehabilitation to persons with balance disorders using habituation, exercise therapy, and balance retraining;

(13) Design and conduct of basic and applied audiologic research to increase the knowledge base, to develop new methods and programs, and to determine the efficacy of assessment and treatment paradigms, dissemination of research findings to other professionals and to the public;

(14) Education and administration in audiology graduate and professional education programs;

(15) Measurement of functional outcomes, consumer satisfaction, effectiveness, efficiency, and cost-benefit of practices and programs to maintain and improve the quality of audiological services;

(16) Administration and supervising of professional and technical personnel who provide support functions to the practice of audiology;

(17) Screening of speech-language, use of sign language (e.g., American Sign Language and cued speech), and other factors affecting communication function for the purposes of an audiologic evaluation and/or initial identification of individuals with other communication disorders;

(18) Consultation about accessibility for persons with hearing loss in public and private buildings, programs, and services;

(19) Assessment and nonmedical management of tinnitus using biofeedback, masking, hearing aids, education, and counseling;

(20) Consultation to individuals, public and private agencies, and governmental bodies, or as an expert witness regarding legal interpretations of audiology findings, effects of hearing loss and balance system disorders, and relevant noise-related considerations;

(21) Case management and service as a liaison for the consumer, family, and agencies to monitor audiologic status and management and to make recommendations about educational and vocational programming;

(22) Consultation to industry on the development of products and instrumentation related to the measurement and management of auditory or balance functions; and

(23) Participation in the development of professional and technical standards.

§ 185-10-5040 Scope of Practice of Speech-language pathology Assistant.

(a) The scope of practice of speech-language pathology assistant includes but is not limited to:

(1) Conducting speech-language screening, without interpretation, and using screening protocols developed by the supervising speech-language pathologist;

(2) Providing direct treatment to patients or clients under the supervision of the speech-language pathologist;

(3) Following and implementing documented treatment plans or protocols developed by the supervising speech-language pathologist;

(4) Documenting patient or client progress toward meeting established objectives and reporting the information to the supervising speech-language pathologist;

(5) Assisting a speech-language pathologist during assessments, including but not limited to, assisting with formal documentation, preparing materials, and performing clerical duties for the supervising speech-language pathologist;

(6) When competent to do so, as determined by the supervising speech-language pathologist, acting as an interpreter for non-English speaking patients or clients and their family members;

(7) Scheduling activities and preparing charts, records, graphs, and data;

(8) Performing checks and maintenance of equipment, including but not limited to, augmentative communication devices; and

(9) Assisting with speech-language pathology research projects, in-service training, and family or community education.

(b) Speech-language pathology assistants are not authorized to conduct evaluations, interpret, data, alter treatment plans, or perform any task without the express knowledge and approval of the supervising speech-language pathologist.

(c) A speech-language pathology assistant shall always, when on duty, wear an ID badge stating their name and title of "speech-language pathology assistant".

§ 185-10-5045 Supervisor's Responsibilities.

(a) A supervisor of a speech-language pathology assistant or audiology assistant shall:

(1) Have legal responsibility for the health, safety, and welfare of the patients; and

(2) Have legal responsibility for the acts and services provided by the speech-language pathology assistant or audiology assistant, including compliance with the provisions of the statute and these regulations.

(b) The speech-language pathology or audiology supervisor is responsible for ensuring that the speech-language pathology assistant or audiology assistant is adequately trained for the tasks the assistant will perform. The amount and type of training required must be based on the following:

(1) The skills and experience of the speech-language pathology or audiology assistant;

(2) The needs of the patients/clients served;

(3) The service setting;

(4) The tasks assigned; and

(5) Any other factors as determined by the supervising speech-language pathologist or audiologist.

§ 185-10-5050 Advertising.

(a) A licensed speech-language pathologist or audiologist may advertise the provision of any services authorized by the law so long as such advertising does not promote the excessive or unnecessary use of such services.

(b) A licensed speech-language pathologist or audiologist may advertise any academic degree that has been earned and awarded provided that the advertisement of that degree is not false, deceptive, misleading or in the exercise of reasonable care should be known to be false, deceptive, or misleading.

(c) If these degrees are generic, such as Ph.D., Ed.D. M.S., M.A., or M.Ed., the holder may represent them, but shall specify the discipline in which each degree was earned.

§ 185-10-5055 Code of Ethics.

The Board recognizes the ASHA's Code of Ethics as its professional standards model. The preservation of the highest standards of integrity and ethical principles is vital to the responsible discharge of obligations by speech-language pathologists and audiologists. This Code of Ethics sets forth the fundamental principles and rules considered essential to this purpose. All CNMI licensed speech-language pathologists, audiologists, speech-language pathology assistants, and audiology assistants shall abide by this Code of Ethics.

§ 185-10-5060 Disciplinary Action.

(a) The Board shall have the power to impose administrative penalty and/or reprimand; revoke or suspend; refuse to issue, restore, or renew, the license of any person who is found guilty of one or more of the violations pursuant to P.L. 15-105 § 2224 and §§ 185-10-900 to 1300 of the regulations, including but not limited to the following:

(1) Misrepresenting the professional services available in the fitting, sale, adjustment, service, or repair of a hearing aid, or using any other term or title which might connote the availability of professional services when such use is not accurate;

(2) Representing, advertising, or implying that a hearing aid or its repair is guaranteed without providing full disclosure of the identity of the guarantor; the nature, extent, and duration of the guarantee; and the existence of conditions or limitations imposed upon the guarantee;

(3) Representing, directly or by implication, that a hearing aid utilizing bone conduction has certain specified features, such as the absence of anything in the ear or leading to the ear, or the like, without disclosing clearly and conspicuously that the hearing instrument operates on the bone conduction principle and that in many cases of hearing loss this type of instrument may not be suitable;

(4) Stating or implying that the use of any hearing aid will improve or preserve hearing or prevent or retard the progression of a hearing impairment or that it will have any similar or opposite effect;

(5) Making any statement regarding the cure of the cause of a hearing impairment using a hearing aid; and

(6) Representing or implying that a hearing aid is or will be "custom made," "made to order," or "prescription-made," or in any other sense specially fabricated for an individual when such is not the case.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:	)	**PUA Case No. 23-0227**
	)	
Jimmy L. Mira,	)	
	)	
Appellant,	)	**ADMINISTRATIVE ORDER**
	)	
v.	)	
	)	
CNMI Department of Labor,	)	
Division of Employment Services-PUA,	)	
	)	
Appellee.	)	
	)	

I. INTRODUCTION

This matter came before the undersigned for an Administrative Hearing on June 20, 2023 at approximately 9:00 a.m. at the Administrative Hearing Office, Saipan, Commonwealth of the Northern Mariana Islands ("CNMI"). Appellant Jimmy L. Mira ("Appellant") was present and self-represented. Appellee CNMI Department of Labor Division of Employment Services – Pandemic Unemployment Assistance program ("Department") was present and represented by PUA Coordinators Ellen Tebuteb (Adjudicator) and Chloe Manalo (Benefit Payment Control Unit Auditor). There were no other witnesses that provided testimony at the hearing. A list of the admitted evidence are appended to the end of this Administrative Order.

For the reasons stated below, the Department's Determination dated November 8, 2021 is **AFFIRMED**. Appellant is not eligible for benefits for the period of December 27, 2020 to May 15, 2021. The CNMI Department of Labor's Amended Notice of Overpayment, dated

February 1, 2023, is also **AFFIRMED**. Appellant was overpaid in the total amount of **$16,465.66**. However, for the reasons stated herein, Appellant is entitled to a full waiver for repayment.

II. JURISDICTION

On March 27, 2020, the Coronavirus Aid Relief and Economic Security ("CARES") Act of 2020 was signed into law creating new temporary federal programs for unemployment benefits called Pandemic Unemployment Assistance ("PUA")[1] and Federal Pandemic Unemployment Compensation ("FPUC").[2] On December 27, 2020, the Continued Assistance for Unemployed Workers Act of 2020 ("Continued Assistance Act") amended and created new provisions of said federal unemployment insurance programs, which, among other things, extended the PUA and FPUC programs to March 13, 2021.[3] On March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") extended the programs to September 6, 2021. The CNMI Department of Labor is charged with the responsibility in administering the above-mentioned programs in the CNMI in accordance to applicable law.[4] The CNMI Department of Labor Administrative Hearing Office has been designated to preside over appeals of agency decisions.

Appellant filed a claim for unemployment benefits under the PUA and FPUC programs. Upon review of Appellant's applications and supporting documents, and Appellant's request for reconsideration of an earlier Disqualifying Determination and Initial Notice of Overpayment, the Department issued a Disqualifying Re-Determination on November 8, 2021 and an Amended Notice of Overpayment on February 1, 2023. On February 9, 2023, Appellant filed the present appeal and the matter was scheduled for a hearing. As stated in the Notice of Hearing, the issues on appeal are: (1) whether Appellant is eligible for PUA; and (2) whether an overpayment occurred and funds should be returned.

Upon review of the records, the appeal of the Amended Notice of Overpayment is timely filed. Accordingly, jurisdiction is established.

III. FINDINGS OF FACT

[1] *See* Section 2102 of the CARES Act of 2020, Public Law 116-136.
[2] *See* Section 2104 of the CARES Act of 2020, Public Law 116-136.
[3] *See* Consolidated Appropriations Act, 2021, Division N, Title II, Subtitled A ("Continued Assistance for Unemployed Workers Act of 2020" or "Continued Assistance Act").
[4] Pursuant to Section 2102(h) of the CARES Act of 2020 (Pub. L. 116-136) and 20 CFR § 625.2(r)(1)(ii), the CNMI Governor issued Executive Order No. 2020-09 declaring Hawaii Employment Security Law as the applicable state law in the CNMI. Hawaii state law applies, to the extent it does not conflict with applicable federal law and guidance.

In consideration of the evidence provided and credibility of witnesses' testimony, the undersigned issues the following findings of fact:

1. Prior to the COVID-19 pandemic, Appellant was employed as a General Maintenance and Repair Worker at Himawari Saipan, Inc. ("Employer"), located in Garapan Village, Saipan Island.[5] As a full-time General Maintenance and Repair Worker, Appellant was paid $1,405.73 monthly.[6]
2. Due to the economic impact of the pandemic, Employer closed temporarily from April 1, 2020 and subsequently implemented cost-cutting measures that affected Appellant's employment.[7] Specifically, Employer reduced hours of all employees, including Appellant.[8]
3. On or around June 20, 2020, Appellant applied[9] for unemployment assistance under the PUA and FPUC programs administered by the Department. In the initial application,[10] Appellant self-certified under penalty of perjury that:
    a. Appellant is a U.S. Permanent Resident;
    b. Appellant selected the document type "I-766 Employment Authorization Card [sic]" and he provided a receipt number for his pending application Form I-765 Employment Authorization Document ("EAD") when he was asked for his alien or USCIS number;
    c. Appellant's employment was directly affected by COVID-19 when he was unable to reach his place of employment because he was advised by care providers to self-quarantine due to concerns related to COVID-19 and his place of employment closed as a direct result of the COVID-19 public health emergency; and
    d. Appellant's employment was affected since March 29, 2020.
4. Subsequently, on or around December 2, 2020, Appellant applied for unemployment assistance under the PUA and FPUC programs and self-certified to the same

[5] Exhibit 12.
[6] *Id.*
[7] *Id.*
[8] *Id.*
[9] Exhibit 1.
[10] *Id.*

information.[11] However, in this subsequent application for PUA and FPUC benefits, Appellant provided his USCIS number from his EAD card, C09 category.

5. Further, Appellant submitted weekly certifications to claim continued benefits for the period of March 29, 2020 to December 26, 2020.[12]
6. The only assistance Appellant received in completing the applications and weekly certifications was from his daughter.
7. The answers provided in Appellant's applications and weekly certifications were submitted under penalty of perjury. It is Appellant's responsibility to provide true, accurate, and complete answers. Moreover, it is Appellant's responsibility to be informed about the program by reading the PUA Benefit Rights Information Handbook and other official written materials regarding PUA.
8. While Appellant's response that he was a U.S. permanent resident is not technically correct, there was no option to identify or specify in the pulldown selection of the applications for citizenship for EAD holders with pending applications for U.S. permanent residency, which is EAD C09 category. Moreover, Appellant did provide his receipt for his Form I-765 EAD application and USCIS number on his EAD cards.
9. Based on the answers on Appellant's application and weekly certifications, Appellant's application for benefits was not flagged and benefit payments were processed by the Department.
10. As demonstrated by an internal audit[13] and confirmed by parties' testimony, Appellant received a total amount of $16,465.66 in federal unemployment benefits by direct deposit.[14] The first direct deposit of PUA and FPUC benefits paid to the Appellant was on or around August 26, 2020.[15]
11. With respect to Appellant's immigration status and employment authorization, Appellant provided testimony and substantiating documents to demonstrate that:

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[11] *See* Exhibit 2.
[12] Exhibit 3.
[13] Exhibit 18.
[14] Exhibit 18.
[15] Exhibit 18.

a. Immediately prior to the COVID-19 pandemic, Appellant was a CW-1 worker with a CW-1 visa, valid from October 1, 2019 to September 30, 2020;[16]

b. While Appellant had his CW-1 status and visa, Appellant applied to adjust his status for U.S. permanent residency, but his application was pending at the time he applied for PUA and FPUC benefits; and

c. While his application for adjustment of status for U.S. permanent residency was pending, Appellant had employment authorization from USCIS to work under EAD Code C09, valid from October 2, 2019 to October 1, 2020;[17]

d. This EAD Code C09 was renewed and extended, and Appellant had a valid EAD Code C09, valid from October 2, 2020 to October 1, 2021;[18] and

e. Appellant's application for lawful permanent residency was approved and he had his lawful permanent resident card, valid from May 18, 2021 to May 18, 2031.[19]

12. Appellant has no other documents or evidence to demonstrate that he is a qualified alien and his Employer did not apply to renew his CW-1 status and visa because he already had an EAD Code C09.

13. On October 12, 2021, the Department issued a determination disqualifying Appellant from PUA and FPUC benefits from March 29, 2020 to May 15, 2021 because the Department found that Appellant was not eligible for PUA and FPUC benefits because he is not a U.S. citizen, non-national citizen, or qualified alien.[20]

14. On November 8, 2021, upon Appellant's letter requesting reconsideration,[21] the Department issued a Re-determination disqualifying Appellant from PUA and FPUC benefits from December 27, 2020 to May 15, 2021.[22] The Department found that Appellant's employment was interrupted by the COVID-19 public health emergency, but his employment authorization document listed classification of C09 (valid from October 02, 2020 to October 1, 2021 does not qualify as a US Citizen, non-citizen national, or

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[16] Exhibit 15.
[17] Exhibit 13.
[18] *Id.*
[19] Exhibit 14.
[20] Exhibit 4.
[21] *See* Exhibit 6.
[22] Exhibit 5.

qualified alien eligible for PUA and FPUC benefits because he is not a U.S. Citizen, non-national citizen, or qualified alien.[23]

15. Not until more than two years after he received his first direct deposit of PUA and FPUC benefits and months after the Disqualifying Re-Determination was issued, the Department entered Appellant's information into the Systematic Alien Verification for Entitlements ("SAVE") database maintained by USCIS, Verification Division, initiated on August 22, 2022,.[24] The SAVE database is used to determine the immigration status of applicants for PUA and FPPUC benefits so only those entitled to benefits receive them. The SAVE results indicated that Appellant is temporarily allowed to work under EAD code or category of C09 and is admitted for a specific reason for a limited period, October 2, 2019 to October 1, 2020.[25]
16. On December 30, 2022, the Department issued an Initial Notice of Overpayment for the total amount of $16,465.66 for weeks ending April 4, 2020 to December 26, 2020.[26]
17. On February 1, 2023, the Department issued an Amended Notice of Overpayment affirming the Initial Notice of Overpayment for the total amount of $16,465.66 for the same claim period of weeks ending April 4, 2020 to December 26, 2020.[27]
18. On February 9, 2023, Appellant timely filed a request to appeal the Amended Notice of Overpayment, dated February 1, 2023.[28]
19. On February 10, 2023, the Administrative Hearing Office issued a Notice of Hearing setting the matter for an Administrative Hearing and identifying the issues on appeal.[29]
20. On May 31, 2023, the Department issued an Amended Notice of Overpayment[30] stating that in the previous Notice of Overpayment, dated February 1, 2023, Appellant was served with the NET amount (after the optional 10% tax deductions), but the Appellant must repay the full GROSS amount that he was ineligible for. However, the Department also stated that Appellant had selected to have the tax deduction and that the error was the

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[23] *Id.*
[24] Exhibit 16.
[25] *Id.*
[26] Exhibit 7.
[27] Exhibit 8.
[28] *See* Exhibit 9.
[29] *See* Exhibit 10.
[30] Exhibit 11.

Department's failure to factor in the tax withheld. Therefore, for weeks ending April 4, 2020 through December 26, 2020, the Department fully waived the total amount of $1,833.00. Appellant agreed with these findings.[31] Therefore, Appellant will not be liable to repay this overpayment of the tax deductions.

21. As discussed during the Administrative Hearing and in his request to file an appeal and supporting documents,[32] Appellant appealed the Amended Notice of Overpayment because he believes that he is a qualified alien eligible for PUA and FPUC benefits. Notably, Appellant does not dispute the following: (1) his citizenship and immigration status, or employment authorization documents; (2) the amounts listed in the Amended Notice of Overpayment; and (2) that he received the money.
22. Appellant is on leave from his Employer, but he has opened his own business, and he pays himself only $1,000.00 monthly. Appellant's necessary expenses currently exceeds his household income, which comprises of his self-employment income and his wife's. Since Appellant has spent all the benefits in paying for arrearages in debts or loans, rent, utilities, bills, and other necessary expenses, Appellant would have a difficult time repaying the overpayment without incurring a financial hardship.

IV. CONCLUSIONS OF LAW

In consideration of the above-stated findings and applicable law, the undersigned issues the following conclusions of law:

1. Appellant was not a qualified alien during the claimed period of December 27, 2020 to May 15, 2021.

PUA and FPUC are federal public benefits as defined by 8 USC §1611(c). As a condition of eligibility for any federal public benefit, the claimant must be a "qualified alien" at the time relevant to the claim. 8 USC §1611(a). Pursuant to 8 USC §1641, the term "qualified alien" is:

1. An alien admitted for permanent residence under the Immigration and Nationality Act (INA);
2. An alien granted asylum under § 208 of the INA;
3. A refugee admitted to the US under § 207 of the INA;
4. An alien paroled into the US under § 212(d)(5) of the INA for at least one year;

[31] *Id.*
[32] *See* Exhibit 8.

5. An alien whose deportation is being withheld under § 243(h) of the INA ... or whose removal is being withheld under § 241 (b)(3) of the INA;
6. An alien granted conditional entry pursuant to § 203 (a)(7) of the INA;
7. An alien who is a Cuban or Haitian entrant as defined in § 501(e) of the Refugee Education Assistance Act of 1980; or
8. An alien who (or whose child or parent) has been battered or subject to extreme cruelty in the U.S. and otherwise satisfies the requirements of § 431(c) of the Act.

Further, Section 265 of the Continued Assistance Act provides that a Commonwealth Only Transitional Worker (CW-1) shall be considered a qualified alien for purposes of eligibility under the PUA and FPUC programs. As provided in UIPL 16-20, change 4, page I-16, "CW-1 workers may receive PUA and FPUC if they meet all PUA eligibility requirements beginning with claims filed after December 27, 2020 (*i.e.*, claim effective dates beginning on or after January 3, 2021)."

Here, Appellant appealed the Department's Re-Determination and Amended Notice of Overpayment in which the Department found that Appellant is ineligible for benefits because he is not a U.S. citizen, non-national citizen, or qualified alien. Appellant argued that he is a qualified alien because he applied to adjust his status from CW-1 worker to U.S. lawful permanent resident and while his application was pending, he had an EAD under category C09 from October 2, 2019 to October 1, 2021.

Based on the evidence and testimony provided, Appellant does not meet the definition of a qualified alien. Appellant applied to adjust his status from CW-1 worker to a U.S. permanent resident. While this application for adjustment of status was pending, Appellant received an EAD under C09 category, valid from October 2, 2019 to October 1, 2021. A C09 is an EAD category or code used by USCIS on EAD cards to indicate applicants like Appellant who are pending an adjustment status for lawful permanent residency to allow these applicants to legally work in the U.S. while their applications are pending. Since the application for adjustment of status is still pending, an EAD holder under C09 category is not yet a U.S. permanent resident. Therefore, C09 EAD holders are not considered qualified aliens under the definition (quoted above). Appellant's application for U.S. permanent residency was eventually approved and he became a lawful permanent resident with corresponding lawful permanent resident card (also often referred to as a "green card"), valid from May 18, 2021 to May 18, 2031. When questioned to determine

whether Appellant may fit into any other provision of a qualified alien definition, Appellant responded that he only had these statuses and employment authorization and that his Employer did not apply to renew his CW-1 visa because he already had a C09 EAD.

Accordingly, Appellant was not a qualified alien from December 27, 2020 to May 15, 2021.

2. Appellant was overpaid and is entitled to a full waiver.

"Benefits shall be paid promptly in accordance with a determination, redetermination, or decision or appeal."[33] However, "[a]ny individual who has received any amount as benefits . . . to which the individual was not entitled shall be liable for the amount unless the overpayment was received without fault on the part of the recipient and its recovery would be against equity and good conscience."[34] Fault[35] is defined as:

> (A) A material statement made by the individual which the individual knew or should have known to be incorrect; or
> (B) Failure to furnish information which the individual knew or should have known to be material; or
> (C) Acceptance of a payment which the individual either knew or reasonably could have been expected to know was incorrect.

Based on federal guidance, "contrary to equity and good conscience" is tantamount to placing an individual below the poverty line and taking away basic necessities to live. In evaluating equity and good conscience,[36] the factors to consider include, but are not limited to:

> (A) Whether notice of a redetermination was given to the claimant, as required ...
> (B) Hardship to the claimant that the repayment may impose; and

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[33] HRS § 383-43.
[34] HRS § 383-44. Section 2104(f)(2) of the CARES Act requires individuals who have received FPUC overpayments to repay these amounts to the state agency. Thereunder, the state has authority to waive repayments of FPUC if the payment was without fault on the part of the individual and such repayment would be contrary to equity and good conscience. Section 201(d) of the Continued Assistance Act amends Section 2102(d) of the CARES Act and authorizes states to waive the repayment if the state determines that the payment of PUA was without fault on the part of any such individual and such repayment would be contrary to equity and good conscience. This waiver authority applies to overpayments that meet this criterion at any time since the PUA program began.
[35] HRS 12-5-83.
[36] *Id.*

(C) The effect, if any, that the repayment will have upon the fulfillment of the objectives of the program.[37]

Considering that Appellant is not a qualified alien from December 27, 2020 to May 15, 2021, Appellant should not have been paid benefits under PUA or FPUC for this claimed period. Moreover, considering that Appellant confirmed receiving the total sum of $16,465.66 by direct deposits, it is clear that the overpayment occurred for weeks ending April 4, 2020 to December 26, 2020

However, in this case, the undersigned finds that this overpayment occurred due to the fault of the Department and technical error in the online portal. First, the Department is required to institute benefit payment controls and run a SAVE inquiry to confirm identification or eligibility for all aliens before issuing benefits. This inquiry did not occur until August 20, 2022, which was two years after Appellant received his first direct deposit of benefits and months after the Initial Disqualifying Determination was issued by the Department. Second, the technically incorrect answer that Appellant provided in his application regarding his U.S. permanent residency was not his fault. Specifically, when asked about citizenship, Appellant answered that he was "U.S. permanent resident" but he identified his Form I-765 application for EAD and provided the USCIS receipt and alien numbers. Appellant only had his daughter assist with his PUA applications, and he genuinely believed he fit into this category because he had a pending adjustment of status application for U.S. permanent residency and the pulldown menu in the application did not provide for this option of EAD CO9 category.

Furthermore, while it is the Appellant's responsibility to read and understand the program requirements as listed in the PUA benefits rights information handbook, this handbook defined "Qualified Aliens" but did not define U.S. permanent resident or distinguish those with pending U.S. permanent resident applications. This overly technical language in the handbook and in the applications are very confusing and only compounded by language barrier when: (1) the application and handbook were not translated for persons with limited English proficiency; and (2) the Appellant was led to believe that he was eligible when he received payments through direct deposit. Finally, although the Department presented evidence that claimants and the general

[37] PUA benefits were designed to be a critical lifeline for qualifying individuals facing a financial crisis amidst a pandemic. Issues of fraud and overpayments are of great consequence that jeopardizes the integrity of the program and availability of funds for eligible or qualified individuals.

public were notified of clarifications on requirements for PUA and FPUC benefits, including that certain qualified aliens were not "qualified aliens", these press releases and news articles were not posted until August 9, 2020 which is ***after*** Appellant had already submitted his application on August 9, 2020.

Additionally, the undersigned finds that repayment would be contrary to equity and good conscience. Here, Appellant received a total of $16,465.66 in benefits via direct deposits. Appellant used the money to pay for arrearages in credit card and bank loans, food, utilities, rent, other bills and necessary expenses. Based on Appellant's testimony, the undersigned finds that Appellant's current household income (comprising of his self-employment income and his wife's income), falls below their necessary household expenses. Considering Appellant's immediate and basic needs, the undersigned finds that repayment of the overpayment would pose an incredible hardship on Appellant.

Accordingly, in consideration of the fact that payment was made through no fault of the Appellant and repayment would be contrary to equity and good conscience, a waiver of the entire overpayment of $16,465.66 is appropriate and warranted.

V. DECISION

For the reasons stated above, it is ORDERED that:

1. CNMI Department of Labor's Disqualifying Re-Determination, dated November 8, 2021, is **AFFIRMED**;
2. Appellant is **NOT ELIGIBLE** to receive PUA benefits for the period of December 27, 2020 to May 15, 2021;
3. CNMI Department of Labor's Amended Notice of Overpayment, dated February 1, 2023, is also **AFFIRMED**; and
4. Appellant was overpaid in the total amount of **$16,465.66** and Appellant is entitled to a full waiver for repayment.

If a party is aggrieved by this Order and would like to contest the decision, he or she must submit a written request to reopen the decision pursuant to Hawaii Admin. Rule § 12-5-93. The written request should be supported by legal, factual, or evidentiary reasons to reopen the decision. The written request must be submitted to the Administrative Hearing Office, either in

person at Building #1357, Mednilla Avenue, Capitol Hill, Saipan, CNMI or via email at hearing@dol.gov.mp.

In the event a request to reopen the decision is granted, the matter shall be scheduled for a subsequent hearing. In the event a request to reopen the decision is denied, and if the Appellant still disagrees with a subsequent decision, the Appellant may seek judicial review with the CNMI Superior Court under the local Administrative Procedures Act. *See* 1 CMC § 9112. All forms, filings fees, and filing deadlines for judicial review will be as established by the applicable law and court rule.

So ordered this **30th** day of June, 2023.

/s/
CATHERINE J. CACHERO
Administrative Hearing Officer

LIST OF ADMITTED EVIDENCE

1. Copy of Appellant's Application Snapshot (new), filed June 20, 2020;
2. Copy of Appellant's Application Snapshot (reopen), filed December 2, 2020;
3. Copy of Appellant's Weekly Certifications (online versions) for the period of March 29, 2020 to December 26, 2020;
4. Copy of Department's Disqualifying Determination, dated October 12, 2021;
5. Copy of Department's Disqualifying Determination, dated November 8, 2021;
6. Copy of Appellant's Handwritten Letter Requesting Reconsideration;
7. Copy of Department's Initial Notice of Overpayment, dated December 30, 2022;
8. Copy of Department's Amended Notice of Overpayment, dated February 1, 2023;
9. Copy of Appellant's Request to File an Appeal and supporting documents, filed February 9, 2023
10. Copy of Notice of Hearing, issued February 10, 2023;
11. Copy of Department's Amended Notice of Overpayment, dated May 31, 2023;
12. Copy of Appellant's Employment Certification and Memorandum;
13. Copy of Appellant's Employment Authorization Documents;

14. Copy of USCIS Approval Notices for his CW-1, valid October 1, 2019 to September 30, 2020;
15. Copy of Appellant's Permanent Resident Card, valid May 18, 2021 to May 18, 2031;
16. Copy of Department's SAVE Verification Result(s), dated August 22, 2022;
17. Copy of Department's Case Notes, dated October 12, 2021 and November 8, 2021;
18. Copy of Department's Benefit Payment Control Unit's Audit Sheet;
19. Copy of Department's Benefits Rights Information Handbook;
20. Copy of Department's Press Release, posted on August 9, 2020;

Copies of Newspaper Articles Regarding CW-1 and EAD Holder Eligibility Marianas Variety (posted August 9, 2020) and Saipan Tribune (August 8, 2020 and November 13, 2020).

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re Matter of:	)	**PUA Case No. 23-0232**
Petrus Siech,	)	
Appellant,	)	**ADMINISTRATIVE ORDER**
v.	)	
CNMI Department of Labor, Division of Employment Services-PUA,	)	
Appellee.	)	

I. INTRODUCTION

This matter came before the undersigned for an Administrative Hearing on Friday, June 23, 2023 at approximately 9:00 a.m., at the Administrative Hearing Office, Saipan. Appellant Petrus Siech ("Appellant") was present and self-represented. Appellee CNMI Department of Labor Division of Employment Services – Pandemic Unemployment Assistance program ("Department") was present and represented by PUA Coordinator Frank Sablan. There were no other witnesses that provided testimony at the hearing. A list of the documents that were admitted into evidence is appended to the end of this Administrative Order.

For the reasons stated below, the Department's Determination, dated February 13, 2023, effective August 1, 2021 to September 4, 2021, is **AFFIRMED**. Appellant is not eligible for benefits from August 1, 2021 to September 4, 2021 because Appellant did not conduct the required three work search contacts per week.

II. JURISDICTION

On March 27, 2020, the Coronavirus Aid Relief and Economic Security ("CARES") Act of 2020 was signed into law creating new temporary federal programs for unemployment benefits called Pandemic Unemployment Assistance ("PUA")[1] and Federal Pandemic Unemployment Compensation ("FPUC").[2] On December 27, 2020, the Continued Assistance for Unemployed Workers Act of 2020 ("Continued Assistance Act") amended and created new provisions of said federal unemployment

[1] *See* Section 2102 of the CARES Act of 2020, Public Law 116-136.
[2] *See* Section 2104 of the CARES Act of 2020, Public Law 116-136.

insurance programs, which, among other things, extended the PUA and FPUC programs to March 13, 2021.[3] On March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") extended the programs to September 6, 2021. The CNMI Department of Labor is charged with the responsibility in administering the above-mentioned programs in the CNMI in accordance to applicable law.[4] The CNMI Department of Labor Administrative Hearing Office has been designated to preside over appeals of agency decisions.

Appellant first filed a claim for unemployment benefits under the PUA and FPUC programs on August 8, 2020. Appellant subsequently submitted an application for additional unemployment benefits under these programs on March 8, 2021. On February 13, 2023, the Department issued two Disqualifying Determinations: (1) effective from November 1, 2020 to December 7, 2020; and (2) effective August 1, 2021 to September 4, 2021. On February 23, 2023, Appellant filed the present appeal and the matter was scheduled for a hearing. As stated in the Notice of Hearing, the issues on appeal are: (1) whether Appellant is eligible for PUA; and (2) whether an overpayment occurred and funds should be returned.

Upon review of the records, Appellant's appeal of the Determination is timely filed. Accordingly, jurisdiction is established.

III. FINDINGS OF FACT

In consideration of the evidence provided and credibility of witnesses' testimony, the undersigned issues the following findings of fact:

1. Prior to the COVID-19 pandemic, Appellant, a citizen of the U.S., U.S. territory or Freely Associated States, was employed as a kitchen helper with Tony Roma's Restaurant ("Employer").[5]
2. Due to the impact of the COVID-19 pandemic, Appellant's Employer closed and Appellant was terminated.[6]
3. On or around August 8, 2020, Appellant submitted an initial application[7] for benefits under the PUA and FPUC programs administered by the Department.

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[3] *See* Consolidated Appropriations Act, 2021, Division N, Title II, Subtitled A ("Continued Assistance for Unemployed Workers Act of 2020" or "Continued Assistance Act").
[4] Pursuant to Section 2102(h) of the CARES Act of 2020 (Pub. L. 116-136) and 20 CFR § 625.2(r)(1)(ii), the CNMI Governor issued Executive Order No. 2020-09 declaring Hawaii Employment Security Law as the applicable state law in the CNMI. Hawaii state law applies, to the extent it does not conflict with applicable federal law and guidance.
[5] Exhibits 9-10.
[6] *See id.*
[7] Exhibit 1.

4. Subsequently, on or around March 8, 2021, Appellant submitted additional application[8] for benefits (application to reopen). In this application to reopen, Appellant self-certified under penalty of perjury that:
    a. His employment was directly affected by COVID-19 because he recently received a notice of termination, layoff or military separation; and
    b. He separated from his Employer on January 26, 2020.[9]
5. In each of these applications,[10] Appellant acknowledged that it is his responsibility to read the PUA Benefit Rights Information Handbook ("Handbook")[11] and any other official written material provided or published by the Department. Notably, the Handbook was publicly available throughout the program and included important information regarding program requirements. Moreover, the Department issued a number of press releases[12] to clarify the work search requirement.
6. In support of his continuing claims, Appellant submitted weekly certifications.[13] For the relevant claim period of August 1, 2021 to September 4, 2021, Appellant self-certified in his weekly certifications[14] that:
    a. Appellant was still unemployed as a direct result of this COVID-19 Public Health Emergency; and
    b. Other than for reasons that were the direct result of the COVID-19 Public Health Emergency, Appellant was able and available to go to work during the claimed weeks.
7. On February 13, 2023, the Department issued two Determinations[15] disqualifying Appellant from benefits as follows:
    a. One Disqualification Determination was effective November 1, 2020 to November 7, 2020 because the Department concluded that the PUA program granted only up to 39 weeks of benefits and Appellant had exhausted his 39 weeks of PUA 1, and therefore he was ineligible for further benefits.
    b. The second Determination was effective August 1, 2021 to September 4, 2021 because

[8] Exhibit 2.
[9] *Id.*
[10] Exhibits 1-2.
[11] Exhibit 13.
[12] *See* Exhibit 12.
[13] *See* Exhibit 3.
[14] *Id.*
[15] Exhibit 4.

the Department found that Appellant failed to comply with the requirement to conduct three work search contacts per week.

8. On February 23, 2023, Appellant filed a timely request to appeal[16] only one of the two Determinations. Specifically, Appellant appealed the Determination that was effective August 1, 2021 to September 4, 2021.
9. As discussed during the Administrative Hearing and in his request to appeal[17] and supporting documents, Appellant admitted he did not conduct the three work search contacts per week as required. However, Appellant appealed the Determination because he had no knowledge of the fact that he was able to claim for these five weeks of PUA 3 and no knowledge of the job search requirement as his "portal was closed", he did not have access to the news, and the Department did not inform him of the requirement.
10. Upon Appellant filing the Appeal, the Administrative Hearing Office scheduled the appeal for an administrative hearing.[18]
11. With respect to the overpayment issue, while the appeal was pending, the Department's Benefit Payment Control Unit verified on June 13, 2023 that Appellant was previously served a Notice of Overpayment in 2021, but Appellant has repaid the overpayment in full. As to the remaining weeks since the previous audit and overpayment in 2021, the Department's Benefit Payment Control Unit confirmed that no overpayment occurred.[19]

IV. CONCLUSIONS OF LAW

In consideration of the above-stated findings and applicable law, the undersigned issues the following conclusions of law:

1. Appellant was not able and available to work From August 1, 2021 to September 4, 2021.

In accordance with the CARES Act, an individual must be able and available to work in the CNMI during the week that benefits are claimed. "An individual shall be deemed able and available for work . . . if the individual is able and available for suitable work during the customary work week of the individual's customary occupation which falls within the week for which a claim is filed."[20] "An individual shall be deemed ***able*** to work if the individual has the physical and mental ability to perform the usual duties of the individual's customary occupation or other work for which is the individual is

[16] Exhibit 5.
[17] *Id.*
[18] Exhibit 6.
[19] Exhibit 8.
[20] HAR § 12-5-35(a)

reasonably fitted by training and experience."[21] "An individual shall be deemed ***available*** for work only if the individual is ready and willing to accept employment for which the individual is reasonably fitted by training and experience. The individual must intend and wish to work, and there must be no undue restrictions either self-imposed or created by force of circumstances which prevent the individual from accepting employment."[22]

Effective June 13, 2021, Hawaii reinstated the work search requirement for all PUA claimants. Specifically, "[a]n individual may be considered ***available*** for work any week in which the individual has met the work search requirement."[23] Because the CNMI follows Hawaii state law with respect to unemployment benefits, CNMI claimants must "make a minimum of three work search contacts each week, unless[24] otherwise provided" to demonstrate availability.[25] With respect to work search contacts, "the [claimant] shall maintain a record of all work search contacts and may be required to submit such records upon request by the Department."[26] Activities that are considered "work search contacts" include: (1) registering for work at the Department, other employment agency, or work placement program; (2) apply for work, submitting resumes, or interviewing with potential employers; (3) attending job search seminars or relevant employment seminars; or (4) other similar work search activities which are generally made by individuals in a similar occupation who are genuinely interested in obtaining work.[27] Ultimately, a claimant who fails to make a minimum of three work search contacts each week is not available for work and may be held ineligible for benefits.[28]

Here, Appellant does not contest that he did not conduct the required three work searches per week, as mandated, from August 1, 2021 to September 4, 2021. Appellant appealed that he had no knowledge of the requirement for three work search contacts per week because he had no access to his PUA portal and to the news, and he was not informed by the Department. The undersigned finds that this argument is not persuasive because it is Appellant's responsibility to be informed about the program including his self-certification in his applications to read the Handbook and other official written materials regarding the program and its requirements. It was Appellant's responsibility to be informed, including reviewing press releases, and monitoring the news and newspaper regarding the

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[21] HAR § 12-5-35(a)(1) (emphasis added).
[22] HAR § 12-5-35(a)(2) and (b) (emphasis added).
[23] HAR § 12-5-35(c).
[24] *See* HAR §12-5-35(c)(4).
[25] HAR §12-5-35(c)(1).
[26] HAR §12-5-35(c)(2).
[27] HAR §12-5-35(c)(3).
[28] HAR §12-5-35(c)(5).

program's requirements including the work search requirements. It is also Appellant's responsibility to provide true, accurate, and complete answers in his applications including the weekly certifications and completing and maintaining his Record of Contacts and Work Search History and retaining documentation to show that he conducted the work search contacts. Further, the undersigned finds that the Department demonstrated that Appellant was provided with information and instructions on this requirement. Ultimately, based on the evidence and testimony presented, including Appellant's own admission that he did not conduct any work search contacts from August 1, 2021 to September 4, 2021, the undersigned finds that Appellant failed to comply with the work search requirement from August 1, 2021 to September 4, 2021.

Accordingly, based on the applicable law and available evidence, the undersigned finds that Appellant was not able and available to work for the period of August 1 to 28, 2021 because he failed to conduct the required three work search contacts. Since Appellant failed to make a minimum of three work search contacts each week, Appellant is ineligible for benefits from August 1, 2021 to September 4, 2021.[29]

V. DECISION

For the reasons stated above, it is ORDERED that:

1. CNMI Department of Labor's Disqualifying Determination, dated February 13, 2023, is **AFFIRMED**; and
2. Appellant is **NOT ELIGIBLE** to receive PUA benefits from August 1, 2021 to September 4, 2021.

If a party is aggrieved by this Order and would like to contest the decision, he or she must submit a written request to reopen the decision pursuant to Hawaii Admin. Rule § 12-5-93. The written request should be supported by legal, factual, or evidentiary reasons to reopen the decision. The written request must be submitted to the Administrative Hearing Office, either in person at Building #1357, Mednilla Avenue, Capitol Hill, Saipan, CNMI or via email at hearing@dol.gov.mp.

In the event a request to reopen the decision is granted, the matter shall be scheduled for a subsequent hearing. In the event a request to reopen the decision is denied, and if the Appellant still disagrees with a subsequent decision, the Appellant may seek judicial review with the CNMI Superior Court under the local Administrative Procedures Act within 30 days. *See* 1 CMC § 9112. All forms,

[29] HAR §12-5-35(c)(5).

filings fees, and filing deadlines for judicial review will be as established by the applicable law and court rule.

So ordered this **30th** day of June, 2023.

/s/
CATHERINE J. CACHERO
Administrative Hearing Officer

List of Documents Admitted into Evidence

The following documents were admitted into evidence:

1. Exhibit 1: Copy of Appellant's Application Snapshot, filed August 8, 2020;
2. Exhibit 2: Copy of Appellant's Application Snapshot, filed March 8, 2021;
3. Exhibit 3: Copy of Appellant's Weekly Certifications for August 1, 2021 to September 4, 2021;
4. Exhibit 4: Copy of Two Disqualifying Determinations, dated February 13, 2023;
5. Exhibit 5: Copy of Appellant's Request to File an Appeal, including supporting documents, filed February 23, 2023 and April 10, 2023;
6. Exhibit 6: Copy of the Notice of Hearing, issued February 23, 2023;
7. Exhibit 7: Copy of Department's Case Note, dated February 13, 2023;
8. Exhibit 8: Copy of the Department's Benefit Payment Control Unit's Email Correspondence, dated June 13, 2023;
9. Exhibit 9: Copy of PUA Verification of Employment Form;
10. Exhibit 10: Copy of Appellant's Notarized Affidavit, dated January 13, 2023;
11. Exhibit 11: Copies of Certificate of Completion of Quarantine and Isolation;
12. Exhibit 12: Copy of CNMI DOL Press Releases (posted June 17, 2020), CNMI DOL Press Releases -- "Labor announces requirement to conduct work searches for PUA application" (posted July 21, 2021) and "FAQ: PUA Work Search Requirement", and Newspaper Articles posted on the Marianas Variety titled "CNMI Labor: Job search required for PUA" (posted July 22, 2021) and the *Saipan Tribune* titled "PUA claimants to be required to show proof of work searches" (posted July 22, 2021); and
13. Exhibit 13: Copy of the Pandemic Unemployment Assistance & Federal Pandemic Unemployment Compensation Benefit Rights Information Handbook.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re the Matter of:	)	**Labor Case No. 19-038**
	)	**Secretary Appeal No. 23-003**
Shi Yunxiao,	)	
Complainant,	)	
	)	**FINAL AGENCY DECISION**
v.	)	
Donghui Jewelry Group Corp.,	)	
Respondent.	)	

I. INTRODUCTION

Appellant Shi Yunxiao ("Appellant") filed a complaint with the CNMI Department of Labor Administrative Hearing Office on May 8, 2019. The Complaint was subsequently amended a number of times. Ultimately, Appellant's claim was for unpaid wages, wrongful termination, breach of contract and constructive discharge. The matter was referred to Enforcement for investigation on May 9, 2019. Enforcement filed a Determination and Notice of Violation on August 6, 2019. Appellant departed the CNMI shortly after and has not returned to the CNMI.

Due to complications with COVID-19 and numerous continuances, the matter remained pending for an unusually long time. On March 16, 2021, after the parties had an opportunity to be heard on the issue, the Administrative Hearing Officer decided that the hearing would be held in person for a number of reasons. The matter was scheduled for an in-person hearing on February 22, 2023. The hearing date was based on the parties' representations of availability and the parties were served with sufficient notice.

The parties failed to appear at the scheduled hearing, as ordered. The parties were provided an opportunity to show cause why the case should not be dismissed for failure to appear. Ultimately, the Hearing Officer found a lack of good cause and dismissed the case pursuant to NMIAC §80- 20.1-485(b). The Decision was issued on and served on March 16, 2023.

On May 26, 2023, the Appellant filed a Notice of Appeal of the Dismissal stating the Administrative Hearing Office decision was based on a legal error that would have altered the decision. Appellant raised three issues on appeal: (1) The Administrative Hearing Office improperly dismissed the breach of contract claim, (2) The Administrative Hearing Office improperly disallowed Appellant from participating in the hearing remotely, and (3) The Administrative Hearing Office improperly ignored the Determination and Notice of Violation made on August 6, 2019 and without any testimony in the record made factual finding that it was deficient.

II. LEGAL STANDARD

"An appeal is commenced by filing a notice of appeal on the standard form provided by the Department and payment of the fee..." NMIAC § 80-20.1-490(a). "The record before the Secretary consists of the complaint, pleadings filed, exhibits, and order of the hearing officer." NMIAC § 80-20.1-490(c). "When the Secretary is exercising jurisdiction over appeals from final orders of the Administrative Hearing Office, the Secretary shall have all the powers and responsibilities of a hearing officer. No hearing or oral argument on an appeal is required." NMIAC § 80-20.1-490(d). "In a review on appeal, the Secretary may restrict review to the existing record, supplement the record with new evidence, hear oral argument, or hear the matter de novo pursuant to 1 CMC § 9109 and § 9110. Upon completion of review, the Secretary shall affirm, reverse or modify the findings, decision, or order of the hearing office." NMIAC § 80-20.1-490(e).

III. DISCUSSION

For the reasons stated below, the undersigned finds the Administrative Hearing Officer's decision was proper.

1. Appellant fails to establish jurisdiction over the subject matter on appeal.

Here, based on applicable law, the undersigned finds the Administrative Hearing Office does not have jurisdiction with respect to a breach of contract. "Whenever it appears by suggestion of the parties or otherwise that the agency lacks jurisdiction of the subject matter, the agency shall dismiss the action." NMIAC § 80-20.2-145(c).

"The Administrative Hearing Office shall have original jurisdiction to resolve all actions involving alleged violations of the labor and wage laws of the Commonwealth, including but not limited to any violation of this chapter and regulations promulgated thereunder." 3CMC §4942.

The Employment Rules and Regulations further provide:

> The Administrative Hearing Office shall have jurisdiction over complaints filed with the Administrative Hearing Office by **U.S. Citizens, CNMI permanent residents or U.S. permanent residents,** and agency complaints filed by the Department, with respect to violations of the requirements of job preference and workforce participation pursuant to the Commonwealth Employment Act of 2007, as amended, and other violations of labor laws application in the Commonwealth. . .
>
> The Administrative Hearing Office shall have jurisdiction over complaints filed with the Administrative Hearing Office by **foreign national workers**[1], and agency complaints filed by the Department, with respect to violations of Commonwealth law and regulations regarding employment and other labor laws applicable in the Commonwealth . . .
>
> The Administrative Hearing Office shall have jurisdiction over complaints filed with the Administrative Hearing Office by other **non immigrant aliens**[2] with respect to violations of Commonwealth law and regulations regarding employment.

NMIAC § 80-20.1-450(b)(1)-(3) (emphasis added).

While in previous cases the Administrative Hearing Office once applied common law[3] principles and declared that the Commonwealth Legislature's grant of jurisdiction was broad enough to encompass common law claims arising out of, and related to, the employment relationship[4], upon further review, the undersigned finds that said precedent is a flawed misapplication of law.

The precedent violates the separation of powers, canons of statutory construction, and general principles of administrative law The Commonwealth Constitution provides for a tripartite system of government, which gives rise to the separation of powers doctrine. The separation of powers

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[1] "'Foreign national worker' means a person who is not a United States citizen, a United States permanent resident, a CNMI permanent resident, or an immediate relative of the United States citizen or a United States permanent resident or an immediate relative of a CNMI permanent resident, and who entered the CNMI as a nonimmigrant prior to November 28, 2010 for the declared purpose of being employed in the Commonwealth." NMIAC § 80-20.1-080(k).

[2] "'Nonimmigrant alien' means a person described in Section 101(a) (15) of the Immigration and Nationality Act, 8 U.S.C. 1101(a) (15)." NMIAC § 80-20.1-080(p).

[3] *See Togawa. v Imperial Pacific International (CNMI) LLC*, Labor Case 16-026, published at 41 Com. Reg. 043190 (May 28, 2019).

[4] *See Sevugan. v ABO International Corporation*, LC-16-017, published at 41 Com. Reg. 041897 (May 28, 2019).

operates in a broad manner to confine legislative powers to the legislature, executive powers to the executive, and those powers that are judicial in character to the judiciary. *Commonwealth. v Lot No. 218-5 R/W,* 2016 MP 17 ¶ 8. The legislature cannot exceed its constitutional authority, it cannot pass a law that conflicts with the Commonwealth Constitution, and it cannot delegate the functions of a constitutional entity to another governmental body. *Dep't of Publ. Lands. v Commonwealth*, 2010 MP 14 ¶ 24. Agency power is conferred by legislation or executive or judicial order and is properly viewed as a means of facilitating the exercise of the governmental power vested in that body which created the agency. *Northern Marianas College v. Civil Serv. Comm'n*, 2006 MP 4 ¶ 10.[5] However, an agency cannot enlarge its jurisdiction or authority.[6] Moreover, the agency's interpretation of its governing statute may not conflict with the language chosen in the grant of authority. *Bauer v. McCoy,* 1 CR 248. Generally, administrative law deals with non-autonomous agencies that exercise limited discretion through a predefined process. Such agencies have no inherent rights, and **may only exercise the authority vested in them by constitution or statute.** *Northern Marianas College. v Civil Service Commission,* 2006 MP 4 ¶ 8 (emphasis added). Agencies are given the authority to make discretionary decisions over a **limited range of matters.** *Northern Marianas College v. Civil Service Commission,* 2006 MP 4 ¶ 10 (emphasis added). Accordingly, based on the above, the prior hearing officer's decision to enlarge jurisdiction was improper. Based on the parties' filings, jurisdiction over the alleged claims has not been established

2. Appellant fails to establish good cause for failure to appear.

The Department's Administrative Hearing Office is a creature of statute and only holds the authority specifically granted to it under the statute or regulation. *See* NMIAC § 80-20.1-001 There is no specific rule or regulation that allows the Department to conduct hearings or take testimony outside of the CNMI. Generally, a party's presence at a hearing is required in order to avoid a default judgment. NMIAC § 80-20.1-480. While the Administrative Hearing Office has

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[5] Generally, "an administrative agency is a creature of statute, having only those powers expressly granted to it by Congress or included by necessary implication from the Congressional grant." *Soriano .v United States*, 494 F. 2d 681, 683 (9th Cir 1974) (citations omitted). If an administrative agency acts in excess of its statutory jurisdiction, power or authority, or limitations, court shall review the agency and set aside any action in excess of its authority. *Seman. v Aldan,* 2 CR 916, *aff'd*, 3 CR 152 (DNMI App. Div. 1987).

[6] An administrative agency may not enlarge its powers by waiving a time limit which is jurisdictional or a prerequisite to the action taken. *Seman v. Aldan*, 2CR 916, *aff'd*, 3CR 152 (DNMI App. Div. 1987).

taken testimony and conducted hearings via video conference or telephone, these circumstances are generally limited to parties of the labor case being present within the CNMI. These kinds of accommodations were made tc afford due process and meaningful access to parties residing in Tinian and Rota. In this case, accommodations were initially made to address and mitigate the COVID-19 public health emergency. *see* AO-20-04, in Re Administrative Hearing Office Operations and Proceedings in Response to COVID-19. However, those accommodations were never intended to widen the authority of the Administrative Hearing Office or contradict regulations or established precedence requiring a party's presence in the CNMI during an administrative hearing. The hearing officer subsequently ordered the parties to submit briefs and ended the hearing to address potential legal issues, deficiencies and ramifications of off-island parties. Considering the absence of authority, and the fact that COVID-19 is no longer a public health emergency, the undersigned is in agreement that the Appellant must be within the CNMI to testify or participate in the Administrative Hearing.

This case has been ongoing since 2019, and the circumstances allowing for the continuances have changed, the Administrative Hearing Officer had made clear, that all parties must be present for the scheduled hearing. The hearing was scheduled and communicated 4 months in advance based on the parties' confirmed availability and with the understanding that no additional continuances would be granted as this case had been dragging on for the last 4 years. The Appellant informed the Administrative Hearing Office that they do not intend to return to the CNMI a day before the hearing and did not establish good cause for failure to appear. Thus dismissal of the complaint is appropriate.

§ 80-20.1-485 (b) Dismissal

A complaint may be dismissed upon its abandonment or settlement by the party or parties who filed it. A party shall be deemed to have abandoned a request for hearing if neither the party nor the party's representative appears at the time and place fixed for the hearing unless good cause is shown. A dismissal may be entered against any party failing, without good cause, to appear at a hearing.

3. Appellant claims the Administrative Hearing Office improperly ignored the Determination and Notice of Violation made on August 6, 2019 and without any testimony in the record made a factual finding that it was deficient.

This proceeding was continued on 10 different occasions over the course of 4 years with ample accommodations made for Appellant to be present to make their case. Had the Appellant attended the hearing scheduled February 22, 2023, testimony could have been made on the record regarding the determination. This scheduling order was issued with adequate notice, 4 months in advance, on October 4, 2022. The scheduling order also indicated that "absent extraordinary circumstances, similar request for continuances based on the parties' inability to prioritize, prepare and pursue this case, would no longer be granted and failure to appear may result in default judgment, dismissal or other administrative remedies."

On February 2, 2023, the Appellee filed a Stipulation to Continue Hearing -despite advance notice of the hearing — because Appellee's counsel scheduled to go off island and the Appellee had employment obligations in Oklahoma. Appellant did not contest the continuance. The Administrative Hearing Officer denied the Appellees' stipulation. Nineteen days later, the day before the scheduled hearing, on February 21, 2023, the Appellant filed a notice that he is unable to personally attend and is not going to proceed with the hearing. The Appellant communicated the day before the hearing, that he chose not to appear for the scheduled hearing because the cost of traveling to the CNMI exceeded the amount of damages requested in this case. Appellant's counsel also clarified that the Appellant no longer has intentions to return to the CNMI. Thus the regulations for Dismissal apply.

§ 80-20.1-485. (b) Dismissal.

"A complaint may be dismissed upon its abandonment or settlement by the party or parties who filed it. A party shall be deemed to have abandoned a request for hearing if neither the party nor the party's representative appears at the time and place fixed for the hearing unless good cause is shown. . ."

Based on the aforementioned facts, good cause was not shown for why this case should not be dismissed. Had the Appellant communicated those issues when the Appellee filed the Stipulation to Continue Hearing, or another earlier time rather than the day before the hearing, good cause might have been considered, but due to the ongoing dilatory nature of the continuance requests, this appeal is denied.

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IV. CONCLUSION

Accordingly, pursuant to NMIAC § 80-20.1-490(e), the Administrative Hearing Officer's decision is **AFFIRMED.**

This Order constitutes a **FINAL AGENCY DECISION**. In the event a party is aggrieved by this Order and would like to dispute or contest this decision, said party may seek judicial review with the CNMI Superior Court under the local Administrative Procedures Act. *See* 1 CMC §9112. All forms, filing fees, and filing deadlines for judicial review will be as established by the applicable law and court rule.

So ordered this 7th day of July, 2023.

Leila F. Staffler
Secretary of Labor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF LABOR
ADMINISTRATIVE HEARING OFFICE

In Re the Matter of:	)	**Labor Case No. 23-003**
Anna Liza Padernal,	)	
Complainant,	)	**ORDER OF DISMISSAL**
v.	)	
World Corporation,	)	
Respondent.	)	

This matter came for a Motion to Dismiss Hearing on July 12, 2023 at 2:00 p.m. at the Administrative Hearing Office in Saipan. Complainant Anna Liza Padernal ("Complainant") was present and self-represented. Respondent World Corporation ("Respondent") was present and represented by HR Manager Jun Young Ham and Attorney Marcia K. Shultz.

Pursuant to 3 CMC § 4947(a), "the hearing officer may, after notice and an opportunity to be heard is provided to the parties, dismiss ... a complaint that the hearing officer finds to be without merit." Pursuant to NMIAC § 80-20.2-130(c), dismissal is warranted on the following grounds: (1) lack of jurisdiction over the subject matter; (2) lack of jurisdiction over the person; (3) insufficiency of process; (4) insufficiency of service of process; and (5) failure to state a claim upon which relief can be granted. *See* also NMIAC § 80-20.10485(b).

On April 3, 2023, Complainant filed a complaint against Respondent for unpaid wages and unpaid vacation leave. On April 13, 2023, Respondent filed a Motion to Dismiss for failure to state a claim and lack of jurisdiction. Upon review of the pleadings, the case was scheduled for a Motion hearing. During the Motion Hearing, the parties confirmed that Complainant was fully paid and there was no violation of the CNMI Minimum Wage Act. Additionally, based on the parties' arguments, Complainant could not provide any legal citation or precedent to support her claim for unpaid leave. There were no other alleged labor law violations. Respondent waived their request for attorneys' fees.

After giving the parties notice and an opportunity to respond at the hearing, the undersigned finds that dismissal of the labor case is appropriate. First, Complainant fails to state a claim under the CNMI Minimum Wage Act. Second, Complainant fails to establish subject matter jurisdiction for her claim to unpaid leave. Accordingly, this matter is hereby **DISMISSED** pursuant to NMIAC § 80-20.2-130(c).

Any person or party aggrieved by this Order may appeal by filing the Notice of Appeal form and filing fee with the Administrative Hearing Office within fifteen (15) days from the date of this Order.

So ordered this **12th** day of July, 2023.

/s/
JACQUELINE A. NICOLAS
Chief Administrative Hearing Officer