

**11 GAR - HOUSING AND COMMUNITY DEVELOPMENT  
CH. 2 GUAM HOUSING  
CORPORATION**

**CHAPTER 2  
GUAM HOUSING CORPORATION**

- Article 1. Guam Housing Corporation
- Article 2. First-Time Homeowner Assistance Program

**ARTICLE 1  
GUAM HOUSING CORPORATION**

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**NOTE:** Rule-making authority cited for the formulation of regulations of the Guam Housing Corporation, 12 GCA §§4109, 4112 and 4114. These rules were filed with the Legislative Secretary on October 27, 1983.

**§ 2101. General Provisions.**

These Rules and Regulations are promulgated pursuant to the authority vested in the Guam Housing Corporation by the terms of 12 GCA Chapter 4.

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**§ 2102. Definitions.**

Unless the context requires otherwise, the definitions hereinafter set forth govern the construction of these Rules:

(a) Code means the Guam Code Annotated.

(b) Board means the Board of Directors of the Corporation as provided in 12 GCA § 4112.

(c) President means the officer supervising the day-to-day operations of the Corporation.

(d) Applicant shall mean and include any person, firm or corporation who files an application with the Corporation in accordance with these Rules and Regulations.

(e) Borrower shall mean and include any person, firm or corporation who has filed an application as herein required and which such application has been approved by the Corporation.

(f) Capital Assets means all tangible property of a permanent character and of a type subject to depreciation allowances, all real property or any private dwelling house.

(g) Direct Loan means a loan made directly to borrowers pursuant to the provisions of 12 GCA §§ 4103 and 4109.

(h) Domestic Corporation shall mean and include any corporation organized and incorporated under the laws of Guam.

(i) Corporation means the Guam Housing Corporation.

(j) Fund means the Housing Corporation Guarantee Fund contained in 12 GCA § 4108.

(k) Insured Loan means a loan by a lending agency which loan is insured by the Corporation pursuant to the provisions of 12 GCA § 4108.

(l) Lending Agency shall mean the person, firm or corporation which loans or agrees to loan money to a

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borrower under the loan insurance and guarantee provisions of 12 GCA § 4108.

**§ 2103. Citation of Rules.**

Each section of these Rules is a rule of the Corporation and may be cited as such.

**§ 2104. Effect of Headings, Article and Section Heading.**

Effect of headings, article and section headings shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions of any article, section or part hereof.

**NOTE:** Although the original section headings have been retained by the Editor, “Article” and “Part” designations have been omitted. The “Part” and “Article” divisions used in the Guam Housing Corporation rules as originally filed are listed as follows:

Part I. General Provisions (§ 9100).\*

Article 1. Definitions (§ 9101).

Article 2. General Provisions (§§ 9102-9107).

Article 3. Administration (§§ 9108-9113).

Article 4. Hearings (§ 9114).

Part II. Insured and Guaranteed Loans (§ 9115).

Part III. Loans (§§ 9116-9116.14).

Miscellaneous (§§ 9117-9123).

\*Section [§] numbers refer to those used in the Guam Administrative Rules.]

**§ 2105. Loans.**

The rules and regulations of this Part shall apply to loans made pursuant to the provisions of 12 GCA § 4110.

**§ 2106. Same: General Provisions.**

Loans made pursuant to the provisions of this Part shall be subject to the following provisions:

(a) Loans may be made only for the purpose of acquisition, construction or improvement of capital assets as

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defined hereof;

(b) Loans may be made only to legal residents of Guam or corporations duly organized and existing under the laws of Guam;

(c) No loans may be made to any applicant who is in default or in arrears of payment of any tax or other obligation due and owing the government of Guam, unless satisfactory arrangement has been made to satisfy the obligation.

**§ 2107. Same: Application.**

Loan applications shall be completed with all pertinent attachments and exhibits. Applicants shall be required to submit proof of citizenship or certification of permanent residency status. Applicants shall also be required to furnish any and all other and further information as the Corporation shall request. In the event an application is approved, the applicant shall be required to execute such instruments and documents as may be reasonable required by the Corporation, including without limitation the execution of appropriate mortgages, notes, contracts and agreements.

**§ 2108. Same: Loan Disbursements.**

All loans approved by the Board shall show disbursements of fifteen percent (15%) or more of the sum approved within thirty (30) days after date of approval; the remaining portion thereof shall be disbursed within a period specified by the Corporation and, further, upon violation of this Rule, the Corporation shall advise the applicant that within thirty (30) days from the date of notification, if no action is taken to comply herewith, the loan commitment of the Board shall be cancelled. Appeal, if any, must be submitted in writing to the Board within thirty (30) days after notification by the Corporation. After the commitment is cancelled, any attempt thereafter by the applicant concerned to secure Guam Housing Corporation financial aid shall be presented as a new application.

**§ 2109. Same: Legal Approval Requirement.**

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All instruments executed according to the preceding section, as well as all legal documents of whatsoever nature entered into by the Corporation, under any rule, regulation or law applicable to the Corporation, shall be prepared or approved by the Corporation's counsel or other attorneys designated by the Board before the Corporation executes the instruments or enters into the agreement.

**§ 2110. Same: Security.**

As security for all loans made pursuant to the terms hereof, the Corporation may require appropriate mortgages on all the assets of the entity to which the loan is made and such mortgages shall recite the interest of the Corporation in the business, operation and assets of such entity.

**§ 2111. Same: Encumbrances - Restriction.**

Any contract or agreement entered into by the Corporation must contain a provision to the effect that any and all encumbrances of whatsoever nature placed after the date of the loan upon the capital assets covered by the loan may be so placed only after written approval of the Board; further, that upon violation of such provisions of the loan immediately shall become due and payable both as to principal and interest at the option of the Corporation.

**§ 2112. Same: Financial Statement.**

The Corporation may require with the application, and at any time thereafter, a complete financial statement of the applicant made by a person or firm to prepare such financial statement, provided, however, that in either case the expense of preparation of any and all financial statements shall be borne by the applicant.

**§ 2113. Insured and Guaranteed Loans.**

The rules and regulations of § 2105 hereof shall apply to all insured and guaranteed loans:

- (a) The Corporation shall insure or guarantee loans under the Code only through the deposit of interest bearing

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securities of a nature acceptable to the lender or through the giving or a mortgage on property owned by the Corporation.

(b) The Corporation shall require such other terms and conditions as it may deem to be in the best interest of the public for each individual case and said Corporation is empowered to enter into binding agreements in pursuance of such power with the Lending Agency, the applicant or both as may be necessary.

(c) Upon approval of an application, the Corporation shall enter into a written agreement with the applicant setting forth all the terms and conditions of the Agreement; the Corporation may also require the applicant to secure the Lending Agency's signature on such written agreements as the Corporation may specify.

**§ 2114. Disqualification - Applicant Already Owns Concrete House.**

Any individual applicant applying for a housing loans should be considered disqualified if he already owns one or more habitable, safe and decent concrete houses.

**§ 2115. Home Improvement Defined.**

Home Improvement is defined as a valuable addition made to property or an amelioration in its condition, amounting to more than mere repairs or replacement of waste, costing labor or capital, and intended to enhance its value, beauty or utility.

**§ 2116. Home Repair Defined.**

Home Repair is defined to mean to mend, remedy, restore, renovate, to restore to a sound or good state after decay, injury, dilapidation or partial destruction. The term "home repair" contemplates an existing structure which has become imperfect and means to supply in the original existing structure that which is lost or destroyed, and thereby restore it to the condition in which it originally existed, as near as may be.

**§ 2117. Loan Priorities.**

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Home improvement loans for the purposes of construction of structures such as carports, patios, outdoor kitchens, fences or landscaping and home repair loans for repair of same shall be placed in the lowest priority for consideration by the Board for loan approval.

**§ 2118. Financial Disclosure.**

The Corporation shall disclose to each approved loan applicant the total amount of interest, fees, charges and expenses that shall be incurred by the applicant by virtue of the loan undertaking.

**§ 2119. Priorities.**

Guam Housing Corporation in recognition of the limitation of funds available for its statutorily defined purposes, herein establishes the following priorities for granting of loan requests:

(a) First Priority: Homeless and Landless applicants.

(b) Second Priority: Loan applicants with land but who are homeless.

(c) Third Priority: Loan applicants with physically sub-standard dwellings who either seek new dwellings or monies to bring their dwelling up to standard.

(d) Fourth Priority: Loan for home repair projects as defined in § 2116 herein.

(e) Fifth Preference: Loan applicants for home improvement projects as defined in § 2115 herein.

**§ 2120. Guam Housing Trust Fund.**

(a) Purpose and Use of the Housing Trust Fund.

(1) Pursuant to the Housing Trust Fund Act, codified at Title 12 GCA §§ 41001 – 41006, the purpose of the Housing Trust Fund (Fund) is to support the affordability and accessibility of housing for the residents of Guam, and to finance support services that assist low-income

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households in obtaining and maintaining affordable housing.

(2) The Fund *shall* be kept separate and apart from all other funds or accounts held or maintained by Guam Housing Corporation (Corporation). The Fund, for the purposes of this Subsection, may come from federal grants and other contributions, grants, gifts, bequests, and donations received from other governmental entities, individuals, private organizations, or foundations, and any interest earnings on such monies, which monies the Corporation may solicit, accept, expend and disburse for the purpose of making grants or loans subject to approval by *I Liheslaturan Guåhan*. The Fund *shall* also consist of all monies collected by the Corporation, which may include monies generated from recording fees, real property transfer fees, interest money earned from tenant security deposits, or real estate brokered escrow accounts, or other viable resources to support the Housing Trust Fund Program as approved by *I Liheslaturan Guåhan*. The funds, collected as provided under this Subsection or by law, *shall* be transmitted to the Corporation, and deposited in a separate account under the Fund.

(3) The Board of Directors of the Guam Housing Corporation *shall* approve the expenditure of monies held in the Fund for the improvement, preservation, or expansion of affordable housing; to finance foreclosure prevention activities on Guam; to fund the acquisition of housing; or to fund resources towards obtaining the economic data necessary to advise the Board of Directors of the Guam Housing Corporation relative to the housing conditions on Guam.

(4) Any monies held in the fund that is not expended or encumbered from any appropriation at the end of any fiscal year, including interest earned on the investment or deposit of moneys held in the fund, *shall* remain in the fund and *shall* not revert to the general fund account or any other funds under the control and management of Guam Housing



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Corporation, and *shall* be utilized for the next fiscal year for the purposes specified in the Housing Trust Fund Act.

(b) Allocation Procedures for Programs.

(1) The Fund may be used for the production or preservation of affordable housing through acquisition of, new construction, reconstruction, and/or rehabilitation of non-luxury housing upon the approval by the Board of Directors of the Corporation. These funds *shall* be allocated to specific, affordable housing and rental programs as established pursuant to 12 GCA § 41003 of the Housing Trust Fund Act. A fee of ten percent (10%) *shall* be allocated and used from the Fund for each housing or rental program supported by the Fund and remitted to the Corporation to cover the Corporation's reasonable administrative fees associated with administering the Housing Trust Fund programs.

(2) The Corporation, upon approval by the Board, *shall* determine a percentage of the trust funds to be withheld in support of the various affordable housing programs approved by *I Liheslaturan Guåhan*, consistent with the appropriate criteria and guidelines as provided by 12 GCA §§ 41003 and 41004 and any other law or regulation, to include, but not be limited to, the following type of programs:

- (A) Home ownership programs;
- (B) Land survey revolving fund;
- (C) Down payment assistance programs;
- (D) Grants designated under the First-Time Home-owner Relief Act program;
- (E) Rental assistance programs;
- (F) Utility hook-up programs;
- (G) Hazard mitigation programs;
- (H) Property renovation programs;

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- (I) Homeless programs;
- (J) Retrofit programs for compliance with the Americans for Disabilities Act;
- (K) Emergency shelters;
- (L) Housing Solution Programs for the elderly;
- (M) Property acquisition programs;
- (N) New Construction programs;
- (O) Non-Profit or charitable housing programs;
- (P) Special lending or loan programs;
- (Q) Short term loan programs; and

(R) Any other affordable housing program as approved by the Corporation and *I Liheslaturan Guåhan* consistent with the Housing Trust Fund Act, and all other applicable laws.

(3) The disbursement of these funds to a specific program *shall* be based upon income and financial need with the primary emphasis on the lowest of the income level as identified by the U.S. Department of Housing and Urban Development (HUD) adjusted by household size and consistent with the guidelines for income limits established by the Corporation. Some of these programs may be specific to first-time home buyers, or by income or financial need, as determined by the specific program and consistent with the Housing Trust Fund Act and these rules and regulations.

(4) The guidelines and criteria for each housing program as set forth above, unless otherwise specified elsewhere, *shall* be established by the Board of Directors of the Corporation and approved by *I Liheslaturan Guåhan*.

(c) Prohibited activities and fees under the Housing Trust Fund.

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The Fund *shall* not be used to pay any delinquent taxes, fees, or other charges on properties to be assisted with the Housing Trust Fund programs or for any political activities, travel or lobbying associated with the development and implementation of the Housing Trust Fund programs.

(d) Duties and responsibilities of Guam Housing Corporation involving the administration of the Housing Trust Fund:

(1) The Corporation *shall* encourage private enterprise in all public and private agencies engaged in the planning, construction, and acquisition of adequate affordable housing or the rehabilitation of existing houses on Guam by providing research, advisory, and liaison services and grants for rehabilitation, construction, or acquisition from appropriations made for this purpose by *I Liheslaturan Guåhan* and from funds accumulated in the Fund.

(2) The Corporation *shall* conduct continuing research into new approaches to affordable housing on Guam to include:

(A) Investigating living, dwelling, and housing conditions on Guam and viable means and methods of correcting unsafe, unsanitary, or substandard conditions;

(B) Making available to responsible agencies, boards, commissions, or other government agencies its findings and recommendations with regard to any building or property where conditions exist that are unsafe, unsanitary or substandard;

(C) Accepting and receiving grants and services from the federal government and other sources, and to process such grants and services for itself and other public and private non-profit agencies and corporations related to affordable housing;

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(D) Providing training and technical support to individuals, private enterprise, and all public agencies in the construction and renovation of affordable housing;

(E) Administering and making loans and grants available to individuals and private enterprise foreclosure counselors who will assist individuals or enterprises in understanding, avoiding, or working through foreclosures of property;

(F) Serving as the sole agency for the purpose of administering any plan for financial housing assistance to persons in low and moderate income households for the purpose of assisting such persons in obtaining housing, including without limitation, rental assistance, technical assistance, the construction and rehabilitation of housing, as well as any other plan relating to such financial housing assistance that requires action that has not been made the specific responsibility of any other agency in accordance with the Housing Trust Fund Act or other federal or Guam law, consistent with these rules and regulations;

(G) Establish, adopt, and amend such rules and regulations as may be necessary to accomplish the goals of the Housing Trust Fund Act; and

(H) Enforce the provisions of the Housing Trust Fund Act and these rules and regulations.

**SOURCE:** Added by P.L. 33-200:2 (Dec. 15, 2016) as § 2120 renumbered by Compiler of Laws pursuant to authority granted by 1 GCA § 1606.

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**ARTICLE 2**  
**FIRST-TIME HOMEOWNER ASSISTANCE PROGRAM**

**SOURCE:** Added by P.L. 31-227:1 (June 15, 2012) codified as Article 2 in this chapter and renumbered to adhere to the Compiler's general codification scheme pursuant to authority granted by 1 GCA § 1606.

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- § 2213. Eligible Transaction Amount.
- § 2214. Application for Assistance.
- § 2215. Time for Application.
- § 2216. Disqualification from the Program.
- § 2217. Denial of an Application.
- § 2218. Participation of Financial Institution.
- § 2219. Certificate of First-time Homeownership.
- § 2220. Amount of Assistance.
- § 2221. Funding.

**§ 2201. Authority.**

The Rules and Regulations are hereby implemented pursuant to § 4705(e) of Article 7, Chapter 4, Title 12 of the Guam Code Annotated.

**§ 2202. Scope.**

The Guam Housing Corporation *shall* establish and publish rules and regulations necessary to implement the First-Time Homeowner Assistance Program as enacted by Public Law 31-166.

**§ 2203. Communication.**

Communication concerning the First-Time Homeowner Assistance Program may be made to:

President  
Guam Housing Corporation

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P.O. Box 3457  
Hagåtña, Guam 96932

**§ 2204. Computing Time.**

The following rules apply in computing any period of time specified in these rules:

- (a) exclude the day of the act, event, or default that begins the period;
- (b) exclude intermediate Saturdays, Sundays and legal holidays when the period is less than eleven (11) days; and
- (c) include the last day of the period *unless* it is a Saturday, Sunday, legal holiday, or, if the act to be done is filing a paper in court, a day on which the weather or other conditions make the court clerk's office inaccessible.

**§ 2205. Definitions.**

The following words and phrases, when used in these rules and regulations, *shall* have the meaning ascribed to them in this Section

- (a) *Accredited* means as recognized by the Council for Higher Education Administration (CHEA); for vocational schools, an accrediting agency as recognized by the United States Department of Education, such as the Accrediting Commission of Career Schools and Colleges (ACCSC).
- (b) *Applicant* means any individual or family who is applying for first-time homeowner assistance under the First-Time Homeowner Assistance Program Act (Public Law 31-166).
- (c) *Assistance* means assistance under the First-Time Homeowner Assistance Program Act (Public Law 31-166).
- (d) *Commencement date* means, for the purchase of a home, the date when the contract is signed between the buyer and the seller. In the case of an applicant building a home, the date when the construction contract for the home is signed by both parties.

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(e) *Completed* means, in reference to a completion date for an eligible transaction and in the case of an applicant purchasing a home, the date the purchaser becomes entitled to possession of the home under the contract and if the purchaser is to obtain a registered title to the land on which the home is situated, the necessary steps to obtain registration of the title have been taken in reference to an applicant building a home, the building is ready for occupancy as identified by the issuance of a certificate of occupancy by the Guam Department of Public Works, or the execution of a contract for the purchase of a home, whichever occurs first.

(f) *Comprehensive home building contract* means a contract under which a builder undertakes to build a home on land, from the inception of the building work to the point where the home is ready for occupation; and if, for any reason, the work to be carried out under such a contract is not completed, includes any further contract under which the work is to be completed.

(g) *Construction cost* means the final and total amount paid, or to be paid, by a homeowner for the construction of a home, and *shall* include all monies paid for labor and material, contractor's fees, fees of an architect and engineer, survey costs, utility hook-up costs, broker's commissions and attorney fees.

(h) *Down payment* means the equity requirements of the homeowner needed to initiate the mortgage for the purchase or construction of a home. It *shall* include points and fees charged by the financial institution.

(i) *Eligibility criteria* mean a natural person who is a United States citizen, or a permanent resident alien, and who has been a resident of Guam for a period of *not less than* five (5) years immediately preceding the commencement date of the eligible transaction for which the applicant is applying, and otherwise meet the requirements of § 4703(b) of Article 7, Chapter 4, Title 12

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of the Guam Code Annotated.

(j) *Eligible transaction* means a contract for the purchase of a home in Guam the cost of which *shall not* exceed Two Hundred Fifty Thousand Dollars (\$250,000), inclusive of any down payment and closing cost. An eligible transaction *shall* also include a home building contract made by the owner of land, or a person who will on completion of the building contract and closing of the loan be the owner of the land, to have a home built on that land, the contract price of which *shall not* exceed Two Hundred Fifty Thousand Dollars (\$250,000), inclusive of any down payment, the cost of the land and closing cost.

(k) *Family* means two (2) or more persons related by blood, adoption or marriage, living together as a household.

(l) *First-time homeowner* means any individual or family who has not had any ownership interest in a home within the five (5) years preceding the commencement date of an eligible transaction for which the first-time homeowner is applying.

(m) *Financial institution* means any financial institution authorized to make mortgage loans on Guam, as approved by the Guam Housing Corporation.

(n) *Full-time basis* means the minimum of twelve (12) or more credit hours per semester or quarter equivalent to twelve (12) semester hours, for degree-seeking undergraduate or graduate studies; for vocational schools, the minimum credits or hours or its equivalent per, semester or quarter or equivalent term, necessary for the school to certify full-time status.

(o) *GHC* means the Guam Housing Corporation, its officers, employees, agents and designees.

(p) *Home* means a permanent, single family dwelling, or single family condominium or town house, but does not include semi-permanent dwellings made of wood and tin, and is to be physically occupied by the homeowner on a



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regular and continuous basis, and in which the homeowner intends to exclusively reside.

(q) *Natural person* means a human being.

(r) *Land cost* means costs to purchase land toward the construction of a home.

(s) *Off-island institution of higher learning* means a United States Department of Education accredited vocational school, college or university not physically located in Guam.

(t) *Occupancy requirement* means the requirement that an applicant for First-time Homeowner Assistance must occupy the home to which the application relates as the applicant's principal place of residence within six (6) months after the completion of the eligible transaction.

(u) *Owner* means the person who has the absolute dominion over the property, and may use it or dispose of it according to his or her pleasure, subject only to general laws.

(v) *Spouse* is the person who is legally married to the owner.

**§ 2206. Construction.**

Unless specifically stated otherwise, in these rules and regulations pronouns of either gender apply equally to the other gender, the singular of a noun includes the plural and the plural includes the singular, and phrases in the conjunctive include the disjunctive.

**§ 2207. Entitlement to Assistance.**

Eligible applicants engaged in eligible transactions may receive assistance under the First-Time Homeowner Assistance Program.

**§ 2208. Eligibility Criteria.**

Subject to the requirements of § 4703 of Article 7, Chapter

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4, Title 12 of the Guam Code Annotated, United States citizens and permanent resident aliens who are residents of Guam are eligible for assistance.

**§ 2209. Who is a Resident of Guam.**

(a) For purposes of this program, a resident of Guam is a United States citizen or permanent resident alien who has been a bona fide resident of Guam for *not less than* five (5) years immediately preceding the commencement date of the eligible transaction for which the applicant is applying. Indicia of residence on Guam *shall* include, but *not* be limited to

(1) payment of Guam personal income taxes, or filing of tax returns, as evidenced by a certification from the Department of Revenue and Taxation evidencing payment or filing of tax returns for the five (5) calendar years immediately preceding the commencement date of the eligible transaction;

(2) maintaining and occupying, but not owning, a home or other living accommodation on Guam as evidenced by a lease agreement(s) or other documentation for the five (5) calendar years immediately preceding the commencement date of the eligible transaction;

(3) having temporarily departed Guam with the intention of returning and not being registered to vote in any other jurisdiction since departing Guam, and/ or

(4) being a registered voter on Guam for the five (5) calendar years immediately preceding the commencement date of the eligible transaction as evidenced by a certification from the Guam Election Commission.

(b) Exceptions. An applicant who has *not* been a *bona fide* resident of Guam for *not less than* five (5) years immediately preceding the commencement date of the eligible transaction for which the applicant is applying may nevertheless qualify *if* his failure to meet the residency requirement was due to active service in a United States armed force or attendance at an off-island institution of higher learning, provided, he was a five (5)

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year resident for the period immediately preceding such active duty or education.

(c) Home Ownership Education Program. All applicants must attend and complete a home ownership education workshop as approved of or provided by GHC.

(d) Fees. If the GHC provides the Home Ownership Education Program, all applicants *shall* pay a fee in the amount of up to Seventy-Five Dollars (\$75.00), payable by the applicant at the time of closing, to allay costs of the program.

**2019 NOTE:** Subsection designations added/alterd pursuant to the authority granted by 1 GCA § 1606.

**§ 2210. Preference.**

(a) Demand for assistance by United States citizens *shall* be satisfied before considering applications for assistance from otherwise eligible permanent resident aliens.

(b) Order. Applications for assistance *shall* be considered in the order received by the GHC.

**§ 2211. When Demand is Satisfied.**

Demand for assistance by United States citizens *shall* be deemed satisfied when there remains funds available to award assistance to a permanent resident alien after subtracting from the program funds the amount of all acceptable and payable applications filed with the GHC from United States citizens. In the event the application for assistance of a permanent resident alien is under consideration and demand becomes unsatisfied, the permanent resident alien's application *shall* still be considered in the same manner as that of a United States citizen.

**§ 2212. Affidavit of Occupancy.**

Within six (6) months of the completion of the eligible transaction, an applicant must file with the GHC an affidavit, in a form approved by the GHC, evidencing their occupancy of the home to which the application relates as the applicant's principal place of residence. As part of the application, the applicant must agree that in the event he fails to file such an affidavit, then the

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applicant will pay to the GHC an administrative penalty in the amount of ten percent (10%) of the amount disbursed, in addition to filing an affidavit.

**§ 2213. Eligible Transaction Amount.**

The amount of an eligible transaction *shall be no more than* Two Hundred Fifty Thousand Dollars (\$250,000), inclusive of any down payment, land purchase cost and closing cost.

(a) Adjustment. The amount of an eligible transaction may be raised or lowered by resolution of the Board of Directors of the Guam Housing Corporation to reflect changes in market price and based at least in part upon a determination of the median home price on Guam.

(b) Determining Median Housing Price. The Board of Directors of the Guam Housing Corporation *shall*, but *not less than* every five (5) years commencing from the date *I Maga'lahaen Guåhan* signed Public Law 31-166 into law, conduct a study to determine the median home price on Guam.

**§ 2214. Application for Assistance.**

(a) Applications for assistance under the program must be made on forms, and in the manner, provided by the GHC.

(b) Approved Forms are Appended Hereto. Forms are subject to revision and amendment as deemed necessary by the Guam Housing Corporation.

**§ 2215. Time for Application.**

(a) Applications for assistance can be made on or after the commencement date of the eligible transaction and before the eligible transaction is completed.

(b) Applications Out of Time. In no event may an application for assistance made before the commencement date or after the date the eligible transaction is completed be treated as timely.

**§ 2216. Disqualification from the Program.**

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Any applicant who intentionally supplies false information as part of the application for assistance *shall* be disqualified from assistance under the program.

(a) Recovery of Disbursed Funds. If the GHC has disbursed funds to an applicant who is shown to have intentionally submitted false information, the GHC *shall* recover those funds through a civil action or otherwise.

(b) Recoupment and Penalty. As part of the application, the applicant must agree that in the event he has intentionally submitted false information in support of his application, then applicant will reimburse the GHC in the amount of assistance disbursed, and pay an administrative penalty in the amount of ten percent (10%) of the amount disbursed. This recoupment and penalty is in addition to, and not in place of, any other civil or criminal penalty or cause of action.

**§ 2217. Denial of an Application.**

Where the GHC denies an application for assistance, it *shall* give notice to the applicant within thirty (30) days following the date of receipt of the application.

(a) Notice. Notice to an applicant is deemed complete upon actual service to the applicant or upon deposit of the notice for delivery with the United States Postal Service to the applicant's last, best known address. Applicant *shall* be conclusively presumed to have received the notice upon actual service or on the third day following deposit of the notice with the United States Postal Service, or whichever date is the earlier.

(b) Address. An applicant's last, best known address is that address last provided to the GHC on the application for assistance.

**§ 2218. Participation of Financial Institution.**

The Guam Housing Corporation *shall* develop and maintain a list of financial institutions authorized to participate in this

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program. Each such financial institution must be an approved Freddie Mac, Fannie Mae, FHA, Rural Development or Veteran's Administration lender to participate in this program.

**§ 2219. Certificate of First-time Homeownership.**

(a) GHC *shall* issue a Certificate of First-time Homeownership (Certificate) to eligible applicants. Eligible Applicants are those applicants that meet the requirements of Article 3 of these Rules and Regulations.

(b) Transferability. Certificates *shall not* be transferable, except between joint holders of an original Certificate, and it *shall not* be transferred to a new and separate home. In case of the death of the holder of an original Certificate, the Certificate *shall* terminate, *unless* the home covered by the Certificate becomes the home of the decedent's heirs, and they acquire the title to the property within two (2) years of the death.

**§ 2220. Amount of Assistance.**

The amount of the First-time Homeowner Assistance is four percent (4%) of the eligible transaction.

(a) Payment of Assistance. First-time Homeowner Assistance *shall* be paid by electronic funds transfer, by check, or in any other way the GHC finds appropriate. First-time Homeowner Assistance *shall* be paid to the financial institution authorized by the GHC and selected by the applicant which has approved a mortgage loan or construction loan for the applicant for an eligible transaction.

(b) Payment in Anticipation of Compliance with Occupancy Requirement. The GHC may authorize payment of First-time Homeowner Assistance in anticipation of compliance with the occupancy requirement. If the occupancy requirement is not complied with, the applicant must, within fifteen (15) days after the relevant date, give written notice of that fact to the GHC and repay the amount of assistance. The relevant date is the earlier of the following:

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(1) the end of the period allowed for compliance with the occupancy requirement; or

(2) the date on which it first becomes apparent that the occupancy requirement will not be complied with during the period allowed for compliance.

(c) Repayment of Assistance. A first-time homeowner *shall* repay to the Housing Trust Fund an amount equal to the total assistance received by the homeowner with interest at the rate of ten percent (10%) per annum if, within five (5) years after receipt of the assistance, the home is:

(1) transferred or conveyed;

(2) sold; or

(3) occupied exclusively by any individual or individuals other than the homeowner or the homeowner's children.

**§ 2221. Funding.**

The GHC *shall* provide the funding source for the First-time Homeowner Assistance Program from its current revenues and/or income.

(a) Funding Source. Five Hundred Thousand Dollars (\$500,000) is appropriated from the GHC annual revenues and/or income to the Fund as seed capital for the First-Time Homeowner Assistance Program. If the GHC annual operating revenue and/or income are not sufficient to fully fund the seed capital, such seed capital is hereby appropriated from the GHC fund balance or its equivalent.

(b) Continuing Funding. For the fiscal years thereafter, up to Five Hundred Thousand Dollars (\$500,000) is hereby appropriated from the GHC's annual revenues as needed to ensure the reserved balance of the Fund is at least Five Hundred Thousand Dollars (\$500,000) at the beginning of each fiscal year. If the GHC's annual revenues and/or income are not sufficient to provide the funding in

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any fiscal year, the difference between what is required and what is appropriated from the GHC's annual revenues and/or income, is hereby appropriated from the GHC's fund balance or its equivalent.

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