

Grantee: Northern Mariana Islands

Grant: B-08-SN-69-0001

October 1, 2009 thru December 31, 2009 Performance Report

Grant Number:

B-08-SN-69-0001

Obligation Date:**Grantee Name:**

Northern Mariana Islands

Award Date:**Grant Amount:**

\$364,162.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Plan Description:

All Islands within the CNMI experience a shortage of affordable housing. The housing needs for the CNMI is in its Consolidated Plan for Program Years 2005-2010. In addressing the NSP requirement to target areas of greatest need that were impacted by foreclosures and abandonment CNMI provides the following: NMHC-Owned Foreclosed Properties- total of (13) properties

| Number of properties | Location |
|----------------------|----------------------------|
| 6 | Kagman, Saipan |
| 2 | San Jose, Tinian |
| 1 | Sinapalo Subdivision, Rota |
| 1 | Tatgua, Rota |
| 1 | Gara an, Saipan |
| 1 | Sadog Tasi, Saipan |
| 1 | Chalan Kanoa, Saipan |
| 13 | Total |

Note: The above foreclosed properties were not reflected in the data submitted to HUD on October 21, 2008. Such properties are pre-April 2007 data.

Rural Development (RD) Foreclosed Properties- total of (38) properties:

| Number of properties | Location |
|----------------------|----------------------|
| 5 | Sinapalo, Rota |
| 4 | San Jose, Tinian |
| 2 | As Lito, Saipan |
| 2 | Tanapag, Saipan |
| 2 | Garapan, Saipan |
| 1 | As Matuis, Saipan |
| 4 | Kagman, Saipan |
| 4 | Chalan Kanoa, Saipan |
| 2 | San Vicente, Saipan |
| 3 | Dan Dan, Saipan |
| 6 | Koblerville, Saipan |
| 2 | Sadog Tasi, Saipan |
| 1 | Oleai, Saipan |
| 38 | Total properties |

Financial Institutions- total of (36) properties:

| Number of properties | Location |
|----------------------|----------------------|
| 3 | Capitol Hill, Saipan |
| 4 | Kagman, Saipan |
| 2 | San Vicente, Saipan |
| 3 | Sinapalo, Rota |
| 1 | Teneto, Rota |
| 1 | Songsong, Rota |
| 1 | Talafofo, Rota |
| 1 | Obyan, Saipan |
| 1 | Dan Dan, Saipan |
| 2 | Chalan Kanoa, Saipan |
| 1 | As Lito, Saipan |
| 1 | As Perdido, Saipan |
| 2 | San Jose, Tinian |
| 2 | Koblerville, Saipan |
| 2 | Papago, Saipan |
| 1 | I Denni, Saipan |
| 1 | San Antonio, Saipan |
| 1 | Tanapag, Saipan |
| 30 | Total |

Of 36 total properties, 6 properties requires further research, as it is not registered with the Department of Public Lands Planning Division.

Veteran's Affairs (VA)- total of (2) properties:

| Number of properties | Location |
|----------------------|----------------|
| 1 | Sinapalo, Rota |
| 1 | Tatgua, Rota |
| 2 | Total |

Foreclosed Properties Referred to Attorney:

| Number of properties | Location |
|----------------------|---------------------|
| 14 | Kagman, Saipan |
| 3 | Koblerville, Saipan |
| 1 | As Matuis, Saipan |
| 1 | Sinapalo, Rota |
| 3 | Dan Dan, Saipan |
| 22 | Total |

Bank Pacific/NMHC Foreclosed Properties:

| Number of properties | Location |
|----------------------|----------------------|
| 2 | Kagman, Saipan |
| 1 | Capitol Hill, Saipan |
| 3 | Total |

U.S. Bankruptcy Court:

| Number of properties | Location |
|----------------------|---------------------|
| 1 | Koblerville, Saipan |
| 1 | Kagman, Saipan |
| 2 | Total |

Of 3 total properties, 1 property requires further research as it is not registered with the Department of Public Lands Planning Division.

Alexander Realty Properties:

| Number of properties | Location |
|----------------------|----------------------|
| 2 | Kagman, Saipan |
| 1 | Kannat Tabla, Saipan |
| 3 | Total |

Of 4 total properties, the location of 1 property requires further research as it is not registered with the Department of Public Lands Planning Division.

Pacific Rim International:

| Number of properties | Location |
|----------------------|-------------------|
| 1 | Kagman, Saipan |
| 1 | As Matuis, Saipan |
| 2 | Total |

Based on the summary needs data (shown above), the areas of greatest home foreclosures include the villages of Kagman, Saipan (34 foreclosed properties), Koblerville, Saipan (12 foreclosed properties), Chalan Kanoa, Saipan and Dan Dan, Saipan (7 foreclosed properties each), San Jose, Tinian (8 foreclosed properties), and Sinapalo, Rota (11 foreclosed properties). There are no homes in the CNMI that are financed by subprime mortgage related loans. The area of greatest home foreclosures is in the village of Kagman, with a population of 3,026 (based on the Census 2000 data); therefore, the area of greatest need is in the village of Kagman. Moreover, the village of Kagman is most likely to face a significant rise in the rate of home foreclosures in the future, as it is a fast growing community that is projected to increase to a residential population of 20,000 in the next decade (figure was calculated based on 4,000 homesteads currently in Kagman with an average size of 5 persons per household). [http://www.mvarietynews.com/index.php?option=com_content&view=article&id=256%3Akagman-

Recovery Needs:

NSP Purchase and Rehabilitation: Using NSP funds, the NMHC will acquire bank-owned foreclosed and/or abandoned homes/properties at 70 percent of the property's appraised value, under the condition that the banks have selected a qualified borrower to purchase the property from NMHC. The lump sum sale proceeds (70% of the

appraised value plus cost of any improvements) remitted to NMHC from the buyer will constitute as program income to NMHC. NMHC will use the program income to acquire and rehabilitate additional foreclosed and/or abandoned homes/properties from the banks. Upon obtaining a list of foreclosed upon and/or abandoned homes/properties from the banks/lending institutions, NMHC will target the following areas of greatest need: villages of Kagman, Dan Dan, Koblerville, and Chalan Kanoa (located on the island of Saipan), San Jose, Tinian, and Sinapalo, Rota. Note: Prior to acquiring the properties, NMHC will require a certification from the banks confirming that the properties adhere to all applicable building codes. Although the properties comply with applicable codes, the NMHC will ensure that all minor repairs and necessary maintenance are also addressed, as required by HUD.

NSP funds will be allocated as follows:

Program Administration Costs: \$36,416.00

Foreclosed Property Acquisition/Rehab: \$327,746.00

Total Allocation:\$364,162.00

C. Definitions and Descriptions

\$ 36,416.00

\$ 327,746.00

\$ 364,162.00

(1) Definition of "blighted structure" in context of state or local law.

Response: .

Blighted structure- A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

Note: The CNMI will not use NSP funds for the demolition of blighted structures.

(2) Definition of "affordable rents." Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program -specific requirements such as continued affordability.

Response:

CNMI does not intend to create rental units with its NSP funds. However, should rent need to be applied to an NSP assisted property CNMI has adopted the HOME Rent Limits as its affordable rent definition to ensure that units using NSP funds are affordable to low- and very low-income households. Additionally, CNMI will apply Rent and Occupancy Requirements to any rental NSP unit. Specifically, CNMI will enforce rent and occupancy agreements through:

Covenants running with the property;

Deed restrictions; or

Other mechanism approved by HUD.

Covenants and deed restrictions may be suspended upon transfer by foreclosure or deed-in-lieu of foreclosure.

Calculating High and Low Rents:

To calculate High Rent, on the NSP assisted property CNMI will follow the HOME Program Rents chart for a particular year, compare the Fair Market Rent and the 65% Rent Limit values depending on number of bedrooms. Determine which of the two rents is lower. This is the High Rent. Subtract the utility allowance that NMHC has established for a particular unit size and this will be the maximum rent that can be charged. To calculate Low Rent, follow the same steps as outlined above EXCEPT that the 50% Rent Limit figures must be used instead of the 65% Rent Limit figures. New rents are effective upon receipt of the new HUD-published HOME Rent numbers. However, tenants' rents will not be adjusted until theirs are renewed.

Income Eligibility Requirements

CNMI will apply the Section 8 (Part 5) definition of annual (gross) income to determine income eligibility. The rental housing project owner needs to maintain documentation of his/her determination of tenant's income eligibility including verification of source documentation (e.g., wage statements, interest statements, SSI, etc.). At initial occupancy of the rental housing, the household living within an NSP rental unit must have income at or below 120 percent of the area median income. NMHC must verify compliance with NSP requirements each year and conduct an on-site property inspection every 3 years.

Annual Recertification of Income

Because CNMI is adopting the HOME Program standards and because the HOME Program imposes occupancy restrictions over the length of the affordability period, rental housing project owners must establish systems to recertify tenant income on an annual basis. Each tenant's income will be examined on the anniversary of the original income evaluation or at lease renewal. NMHC must verify that tenant income recertification documentation is in the tenant files when performing on-site inspections. The final HOME rule allows two additional methods of income recertification. In addition to collecting source documentation,

owners have the option to recertify income with:

One option is a written statement from the family indicating family size and annual income. This must include a certification from the family that information is complete and accurate, and must indicate that source documents will be provided upon request.

Another option is a written statement from the administrator of another government program under which the family receives benefits, and that examines the annual (gross) income of the family each year. The statement must also indicate the family size, or provide the current income limit for the program and a statement that the family's income does not exceed that limit.

Property Standards

The housing unit must meet federal and local housing quality standards and building safety code requirements. If no such standards or codes exist, the property must meet Section 8 HQS.

Homeowners must maintain properties in accordance with property standards throughout the affordability period.

Long-Term Affordability

As with the homebuyer program, NSP -assisted rental units will carry rent and occupancy restrictions for varying lengths of time, depending upon the average amount of NSP funds invested per unit. Affordability restrictions will remain in force regardless of transfer of ownership. Affordability restrictions may be terminated only upon foreclosure or transfer in lieu of foreclosure. However, affordability requirements will be revived if, before the foreclosure, the owner of record, or anyone with business or family ties to the owner, obtains an ownership interest in the property or project. The Grantee will ensure continued affordability for NSP assisted housing by applying affordability restrictions as established by HOME program rules. HOME rules require that assisted properties remain affordable for a specific period of time, depending on the level of HOME funds invested in the property and the nature of the activity funded. As applied to HOME, the following rules will also apply to NSP assisted housing:

| NSP invested per Unit | Minimum length of the Affordability Period |
|-----------------------|--|
| Less than \$15,000 | 5 years |
| \$15,000- \$40,000 | ars |
| More than \$40,000 | 15 years |

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. NMHC may use its right of first refusal, as set forth in the loan documents, to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. 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 owner has or had family business ties, obtains an ownership interest in the project or property. If a home purchased with NSP assistance is sold during the affordability period, recapture provisions shall apply to ensure the continued provision of affordable homeownership. Loan payoffs also do not end the affordability period.

NSP Purchasing: For foreclosed properties acquired from banks/lending institutions, NMHC will require for a certification from the banks confirming that the foreclosed properties are in compliance with all international, federal, and local codes. Additionally, NMHC will ensure that the properties meet the design standards set forth by NMHC (design standards will be the same for rehabilitation and new construction). When substandard conditions are encountered in a unit to be rehabilitated, they must be addressed accordingly so that the building which is determined to be unsafe in accordance with the Department of Public Works' Building Safety Code will be brought up to ICBO Building Code. Moreover, although the properties meet the applicable codes, all other minor repairs and necessary maintenance will be addressed by the NMHC, as required by HUD.

D. Low Income Targeting

At least 90% of total NSP funds (\$364,162), or \$327,746, will be used to purchase and redevelop abandoned and/or foreclosed upon homes/properties for eligible low, moderate, and middle income homebuyers. The NMHC will ensure that 25 percent of total NSP funds (\$364,162), or \$91,041, will be used for housing individuals and families whose income does not exceed 50 percent of area median income. As a precondition, the banks/lending institutions must finance

(1) Low-income qualified buyer (individual whose income does not exceed 50% of area median income) out of every 4 qualified buyers in order to finance individuals whose income is between 50%-120% of area median income.

E. Acquisition and Relocation

The average cost of a 3-bedroom home in the CNMI is \$66,500. NMHC, with NSP funds, will acquire an estimate of

5 bank-owned foreclosed and/or abandoned homes/properties to rehabilitate and resell to eligible homebuyers. At least 25 percent of the NSP funds will be used to acquire and rehabilitate homes for households with an income level of equal to or less than 50 percent of area median income. Up to 75 percent of the funds will be used for households with an income level of 51-80 percent of area median income, and up to 75 percent of the funds will be used for households with an income level of 81-120% of area median income. Assuming NMHC will acquire 3-bedroom foreclosed upon homes from the banks/lending

institutions, the number of NSP affordable housing units made available to low, moderate, and middle-income households are as follows:

<50% of area median income: 2 units

51%-80% of area median income: up to 3 units

81%-120% of area median income: up to 3 units

Proposed time for commencement: 3/1/09

Proposed time for completion: 8/31/10

F. Public Comments

CNMI published the public notice regarding the NSP Substantial Amendment on November 14, 2008 and again on December 27, 2008. There were no public comments received during either public comment period. However, after the first public comment period, which included two projects, CNMI decided to not proceed with the originally proposed NSP Financing activity instead CNMI will use 90% of NSP funds for the purchase and rehabilitation of bank foreclosed and/or abandoned properties and 10% for administration .

| Overall | This Report Period | To Date |
|---|--------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$364,162.00 |
| Total CDBG Program Funds Budgeted | N/A | \$364,162.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$0.00 | \$0.00 |
| Expended CDBG DR Funds | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Progress Toward Required Numeric Targets

| Requirement | Required | To Date |
|------------------------------------|-------------|---------|
| Minimum Overall Benefit Percentage | 99.99% | 0.00% |
| Minimum Non-Federal Match | \$0.00 | \$0.00 |
| Limit on Public Services | \$54,624.30 | \$0.00 |
| Limit on Admin/Planning | \$36,416.20 | \$0.00 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

As of 12/31/09, the CNMI, through the NMHC, has not expended NSP1 funds. The CNMI amended its NSP1 Plan to exclude the banking institutions. The activity remains the acquisition, rehab, and selling of abandoned and/or foreclosed properties to eligible homebuyers with a set-aside of 25% of NSP1 funds to benefit homebuyers at or below 50% of Area Median Income.

Project Summary

| Project #, Project Title | This Report Period | To Date | |
|---|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |
| MP-NSP-001, Rehabilitation and Resale of NMHC-owned | \$0.00 | \$327,746.00 | \$0.00 |
| MP-NSP-002, NSP Administrative Costs | \$0.00 | \$36,416.00 | \$0.00 |

Activities

Grantee Activity Number: MP-NSP-001A

Activity Title: NSP Purchase and Rehabilitation LH25

Activity Category:

Acquisition - general

Activity Status:

Planned

Project Number:

MP-NSP-001

Project Title:

Rehabilitation and Resale of NMHC-owned Foreclosed

Projected Start Date:

04/01/2009

Projected End Date:

08/31/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Northern Marianas Housing Corporation

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$131,000.00

Total CDBG Program Funds Budgeted

N/A

\$131,000.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Northern Marianas Housing Corporation

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

Based on the summary needs data above, the village of Kagman, with (34) foreclosed properties, is the area of greatest need in the CNMI, as it has the greatest number of home foreclosures. Sales proceeds from the qualified buyer to NMHC will be program income to NMHC. NMHC will use the program income to acquire and rehabilitate additional foreclosed and/or abandoned homes/ residential properties from the banks in order to sell to eligible homebuyers. Benefits to income-qualified persons include the following: a 30 percent discounted rate, private financing, and a safe, decent, and habitable home. As such, NMHC is fulfilling its mission of commitment to: Efficient and responsive delivery of housing and mortgage, and community development programs to the people of the Commonwealth, and to provide these services to low, moderate, and middle income individuals. Encourage self-sufficiency and instill personal responsibility of home ownership. Implement homeownership programs and increase the number of family residential dwellings that are safe, decent; sanitary, and affordable. Implement programs to address the growing and future needs and economic viability of the Commonwealth of the Northern Marianas Islands. Ensure that the elderly, disabled, and most needy have access to and are afforded equal opportunity to housing programs. Using NSP funds, the NMHC will acquire bank-owned foreclosed and/or abandoned homes/properties at 70 percent of the property's appraised value, under the condition that the banks have selected a qualified borrower to purchase the property from NMHC. The lump sum sale proceeds (70% of the appraised value plus cost of any improvements) remitted to NMHC from the buyer will constitute as program income to NMHC. NMHC will use the program income to acquire and rehabilitate additional foreclosed and/or abandoned homes/residential properties from the banks. Upon obtaining a list of foreclosed upon properties from the banks lending institutions, NMHC will target the following areas of greatest needs for purchase of the properties: villages of Kagman, Dan Dan, Koblerville, and Chalan Kanoa (located on the island of Saipan), San Jose, Tinian, and Sinapalo, Rota. Total Budget: As of date, December 3, 2008, the amount of NSP funds to be granted to the CNMI jurisdiction is in the amount of \$364,162. NMHC will use \$327,746, 90 percent of the funds for NSP Purchase and Rehabilitation. Up to 10 percent of the funds will be used for NSP Program Administration Costs. Total budget breakdown is as follows: Program Administration Costs: Project Cost: Total Allocation: \$ 36,416.00 \$ 327,746.00 \$ 364,162.00 J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120;percent): Response: The average cost of a 3-bedroom home in the CNMI is \$66,500. NMHC, with NSP funds, NMHC will acquire an estimate of 5 bank-owned foreclosed and/or abandoned homes/properties to rehabilitate and resell to eligible homebuyers. At least 25 percent of the NSP funds will be used to acquire and rehabilitate homes for households with an income level of less than 50 percent of area median income. Up to 75 percent of the funds will be used for households with an income level of 51-80 percent of area median income, and up to 75 percent of the funds will be used for households with an income level of 81-120% of area median income. Assuming NMHC will acquire 3-bedroom foreclosed upon homes from the banks lending institutions, the number of NSP affordable housing units made available to low, moderate, and middle-income households are as follows: 50% of area median income: 2 units 51%-80% of area median income: up to 3 units 81%-120% of area median income: up to 3 units Proposed time for commencement: 3/11/09 Proposed time for completion: 8/31/10 Affordability Period: The affordability period

and recapture provisions as noted in Section C(3) of this NSP Substantial Amendment will apply to this activity .

Location Description:

Saipan is the largest island and capital of the Commonwealth of the Northern Marianas Islands (CNMI), a chain of 15 tropical islands belonging to the Marianas archipelago in the western Pacific Ocean (15°10'51"N, 145°45'21"E) with a total area of 115.39 km² (44.55 sq mi). The 2000 Census population of the island of Saipan was 62,392. [http://en.wikipedia.org/wiki/Saipan]. Tinian is about 5 miles (8km) southwest of its sister island, Saipan, and has a land area of 39 sq.mi. (101.01 km²). Together with uninhabited neighboring Aguigan Island (2.74 sq mi, or 7.09 km²), it forms Tinian Municipality--one of the four constituent municipalities of the Northern Marianas. The total area of the municipality is 41.74 sq mi (108.1 km²). Tinian's largest village is San Jose. The 2000 Census population of the island of Tinian was 2,859.[http://en.wikipedia.org/wikilindex.html?curid=227156] Rota also known as the "peaceful island", is the southernmost island of the United States Commonwealth of the Northern Marianas Islands (CNMI) and the second southernmost of the Marianas Archipelago. It lies slightly northeast of the United States territory of Guam. Songsong village is the largest and most populated followed by Sinapalo village (Sinapalu). [http://en.wikipedia.org/wiki/Rota_(island)] The island of Rota is approximately 10 miles long and 3 miles wide. The 2000 Census population of the isl-nd of Rota was 3,283.

Activity Progress Narrative:

As of 12/21/2009, the CNMI, through NMHC, amended its NSP1 plan to exclude the banking institutions. The NMHC plans to acquire, rehab, and resale 2 foreclosed homes or residential propoerties to households whose income is at or below 50% of Area Median Income.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Properties | 0 | 0 | 0 | 0/0 | 0/0 | 0/2 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Grantee Activity Number: MP-NSP-001B

Activity Title: NSP Purchase and Rehabilitation LMMI

Activity Category:

Acquisition - general

Activity Status:

Planned

Project Number:

MP-NSP-001

Project Title:

Rehabilitation and Resale of NMHC-owned Foreclosed

Projected Start Date:

04/01/2009

Projected End Date:

08/31/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

Northern Marianas Housing Corporation

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$196,746.00

Total CDBG Program Funds Budgeted

N/A

\$196,746.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Northern Marianas Housing Corporation

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

Based on the summary needs data above, the village of Kagman, with (34) foreclosed properties, is the area of greatest need in the CNMI, as it has the greatest number of home foreclosures. Sales proceeds from the qualified buyer to NMHC will be program income to NMHC. NMHC will use the program income to acquire and rehabilitate additional foreclosed and/or abandoned homes/residential properties from the banks in order to sell to eligible homebuyers. Benefits to income-qualified persons include the following: a 30 percent discounted rate, private financing, and a safe, decent, and habitable home. As such, NMHC is fulfilling its mission of commitment to: Efficient and responsive delivery of housing and mortgage, and community development programs to the people of the Commonwealth, and to provide these services to low, moderate, and middle income individuals Encourage self-sufficiency and instill personal responsibility of home ownership Implement homeownership programs and increase the number of family residential dwellings that are safe, decent, sanitary, and affordable Implement programs to address the growing and future needs and economic viability of the Commonwealth of the Northern Marianas Islands Ensure that the elderly, disabled, and most needy have access to afforded equal opportunity to housing programs Using NSP funds, the NMHC will acquire bank-owned foreclosed and/or abandoned homes/properties at 70 percent of the property's appraised value, under the condition that the banks have selected a qualified borrower to purchase the property from NMHC. The lump sum sale proceeds (70% of the appraised value plus cost of any improvements) remitted to NMHC from the buyer will constitute as program income to NMHC. NMHC will use the program income to acquire and rehabilitate additional foreclosed homes and residential properties from the banks. Upon obtaining a list of foreclosed upon properties from the banks/lending institutions, NMHC will target the following areas of greatest needs for purchase of the properties: villages of Kagman, Dan Dan, Koblerville, and Chalan Kanoa (located on the island of Saipan), San Jose, Tinian, and Sinapalo, Rota.

Location Description:

Saipan is the largest island and capital of the Commonwealth of the Northern Marianas Islands (CNMI), a chain of 15 tropical islands belonging to the Marianas archipelago in the western Pacific Ocean (15°10'51"N, 145°45'21"E) with a total area of 115.39 km² (44.55 sq mi). The 2000 Census population of the island of Saipan was 62,392. [http://en.wikipedia.org/wiki/Saipan]. Tinian is about 5 miles (8km) southwest of its sister island, w, and has a land area of 39 sq.mi. (101.01 km²). Together with uninhabited neighboring Aguigan Island (2.74 sq mi, or 7.09 km²), it forms Tinian Municipality--one of the four constituent municipalities of the Northern Marianas. The total area of the municipality is 41.74 sq mi (108.1 km²). Tinian's largest village is San Jose. The 2000 Census population of the island of Tinian was 2,859. [http://en.wikipedia.org/wiki/index.html?curid=227156] Rota also known as the "peaceful island, is the southernmost island of the United States Commonwealth of the Northern Marianas Islands (CNMI) and the second southernmost of the Marianas Archipelago. It lies slightly northeast of the United States territory of Guam. Songsong village is the largest and most populated followed by Sinapalo village (Sinapalu). [http://en.wikipedia.org/wiki/Rota~(island)] The island of Rota is approximately 10 miles long and 3 miles wide. The 2000 Census population of the island of Rota was 3,283.

Activity Progress Narrative:

As of 12/31/09, the CNMI, through the NMHC amended its NSP1 Plan to exclude the banking institutions. The CNMI will acquire, rehab, and resale 3 foreclosed homes or residential properties to households who are low to moderate median income.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Properties | 0 | 0 | 0 | 0/0 | 0/0 | 0/3 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Grantee Activity Number: MP-NSP-002

Activity Title: NSP Planning and Administrative Costs

Activity Category:

Planning

Activity Status:

Under Way

Project Number:

MP-NSP-002

Project Title:

NSP Administrative Costs

Projected Start Date:

04/01/2009

Projected End Date:

03/19/2013

National Objective:

N/A

Responsible Organization:

Northern Marianas Housing Corporation

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$36,416.00

Total CDBG Program Funds Budgeted

N/A

\$36,416.00

Program Funds Drawdown

\$0.00

\$0.00

Obligated CDBG DR Funds

\$0.00

\$0.00

Expended CDBG DR Funds

\$0.00

\$0.00

Northern Marianas Housing Corporation

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

The CNMI will use up to 10% of its NSP Allocation to provide administrative support/management as defined by the CDBG program regulations at 24 CFR 570.205.

Location Description:

Administrative Activities will be handled in the NMHC Office located on Saipan, the largest island and capital of the Commonwealth of the Northern Marianas Islands (CNMI).

Activity Progress Narrative:

As of 12/31/09, the CNMI, through NMHC has not expended program planning costs.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

