



Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

David J. Matanane
Chairman

Joseph I. Cruz
Vice-Chairman

Amanda L.G. Santos
Commissioner

Pascual V.A. Sablan
Commissioner

(Vacant)
Commissioner

Michael J.B. Borja
Administrative Director

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

Phone: 649-5263 ext. 651 Fax: 649-5383

REGULAR BOARD MEETING AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Thursday, January 15, 2015; 1pm

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES
 1. January 6, 2015
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS
- VI. NEW BUSINESS
 1. JayRyan Blas – loan guaranty request
 2. Lorna Lynn Santos & Joe L. Taimanglo – loan guaranty request
 3. Nicolas Garrido, Jacob Garrido, Vicente Garrido & Kenneth Garrido – approval of lease
- VII. DIRECTOR'S REPORT
 1. Revenue collection report for the month of December 2014
- VIII. EXECUTIVE SESSION
- IX. ADJOURNMENT

Rev. 10/16/2014

Revised 01/14/15; 2:30pm



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COMMISSION MEETING MINUTES

Department of Land Management Conference Room

3rd Flr., ITC Building, Tamuning

Thursday, January 15, 2015; 1:05pm – 2:22pm

I. CALL TO ORDER

Meeting was called to order at 1:05pm by Chairman David Matanane.

II. ROLL CALL

Present were Chairman David Matanane, Vice-Chairman Joseph Cruz, Commissioner Pascual Sablan, Legal Counsel Kristan Finney and Administrative Director Michael Borja. Not present was Commissioner Amanda Santos.

III. APPROVAL OF MINUTES (January 6, 2015)

Vice-Chairman Joseph Cruz moved to approve the minutes of January 6, 2015 subject to corrections. Commissioner Pascual Sablan seconded the motion. There were no objections, **MOTION PASSED.**

IV. PUBLIC COMMENTS – None.

V. OLD BUSINESS – None.

VI. NEW BUSINESS

1. JayRyan Blas – loan guaranty request

Administrative Director Michael Borja – What we have is the process of the loan guaranty program going and for us to bring these folders forward for your review. In this process what these individuals haven't been made aware of yet is the passage of our program last meeting. Now counsel has also informed me that the next thing I have to work on is that this actual program needs to be incorporated as rules and regulations. So we'll be going through the process of creating them as formulized rules and regulations. We created as I mentioned this program for the loan guaranty to get it under control because of issues raised by the public auditor and at the time pending storms in case we may have to have something in place for disaster relief. So we'll bring it to the attention of this individual JayRyan Blas when we call him into the office again to let him know about the issues listed within the loan guaranty program.

Chairman David Matanane – On those Mr. Borja well I don't know if the other two Commissioners would agree on what specific standard form and then we go through the checking of the folders.

Administrative Director Michael Borja – We'll do a checklist. Create a checklist and we'll do it that way.

Chairman David Matanane – So we can cover everything that is needed. That will be easier for us I guess because we'll be a lot of time trying to (didn't finish).

Administrative Director Michael Borja – Well what we would do is present to you the checklist completed and once it's completed it's ready for your review to be looked at unless there's an issue if there are problems then it will still be brought to your attention if the client requests.

Chairman David Matanane – One standard form.

Vice-Chairman Joseph Cruz – But that will be prepared by the staff or by the applicant?

Administrative Director Michael Borja – The staff will go through it because they have to make sure that all these things are done. The check list?

Vice-Chairman Joseph Cruz – Yes.

Administrative Director Michael Borja – They'll have a copy of it we'll make a copy so that they understand the check list.

Vice-Chairman Joseph Cruz – We do have a checklist.

Administrative Director Michael Borja – We will make a checklist. We haven't done the checklist yet.

Vice-Chairman Joseph Cruz – So maybe to make it easier because the checklist will be detailed information that will make it a question and answer from the applicant (interrupted).

Administrative Director Michael Borja – Right and the checklist will basically follow from this.

Vice-Chairman Joseph Cruz – Yes I'm leading to putting an attachment with that checklist like a staff report and we'll just review the staff report based on the recommendation of the reviewer.

Administrative Director Michael Borja – Okay.

Vice-Chairman Joseph Cruz – Because all we would do is look at the staff report.

2. Lorna Lynn Santos & Joe L. Taimanglo – loan guaranty request

Administrative Director Michael Borja – This couple is coming forward to get a loan guaranty. They've gone through the process with the Guam Housing Corporation right and so we have not had an opportunity to present this to them either so it is a time to let them

know that they're going to be doing this. Now just based on rough calculations the amount that they're requesting for a loan guaranty is just under \$65,000 but because of the formula we used based on the family size there's most likely a good probability we would need some requirements.

Chairman David Matanane – You will incorporate that in your checklist.

Administrative Director Michael Borja – We'll incorporate that in the checklist as well so it's a process that we need to work on for them. Now you guys have been working with Margarita?

Lorna Lynn Santos – Yes.

Administrative Director Michael Borja – Okay and she probably didn't get a chance to explain to you the loan guaranty program that we've begun to implement. So what we need to do is go through this with you guys because there are a number of things that are sort of required. You've heard the Commissioners we're going to need to do a checklist and we'll provide that to you as soon as possible. This program was just approved last week and so we're just trying to formulize it to get you guys with an understanding that there's some need to really police this program because it had not been monitored for many, many years. It wasn't due to the fact that good people like you were going through the process trying to get a home for your family because the only way you can get a loan is most likely from a guaranty from the Chamorro Land Trust. There were some other extenuating circumstances well beyond and happened many years ago but still is within our books. It didn't occur because of people like you that were trying to get a loan for their homes or a guaranty for their homes but it happened because of disasters that hit the island and some disaster relief loans that were administered to folks okay. So that's the process that we're going to have to work with you closely on it. None of it is really very impossible you know it's not real impossible there's just things that you're going to have to do to prove because we want to make sure that the money is just not taken in many cases and nothing is done and then we're left holding the loan guaranty on it as well. So it's something we just need to work with you guys on. We'll try and get that done as quickly as possible okay. The next meeting will be in one month's time in which time we hopefully will have everything all done for the Commissioners to review and we can get that approved when you walk back down to Guam Housing. Now you're getting the loan through what bank? Do you know what bank you're working with right now?

Lorna Lynn Santos – We're only doing this process through Guam Housing.

Administrative Director Michael Borja – And Guam Housing is?

Lorna Lynn Santos – Bank of Guam.

Administrative Director Michael Borja – Bank of Guam okay alright so I'll give the records back to Margarita if you want we can just give you this for now it's the program that

Joe L. Taimanglo – No.

Chairman David Matanane – Congratulations you guys if it goes through on your house congratulations I hope everything turns out okay.

Joe L. Taimanglo and Lorna Lynn Santos – Thank you.

3. Nicolas Garrido, Jacob Garrido, Vicente Garrido & Kenneth Garrido – approval of lease

Administrative Director Michael Borja – We have a lot that had been assigned to Joaquin Garrido in Dededo. It's just over 4 acres of land. Mr. Joaquin Garrido is now deceased and he has two sons, Kenneth and Vicente Garrido. Vicente Garrido is the beneficiary of Mr. Joaquin Garrido's property. Now Vicente Garrido the son who is the beneficiary and his brother the other son Kenneth James Garrido both are applicants to the Chamorro Land Trust from December 1995 so they are on the current list that we're working on right now. What the overall request is that these 4 acres be divided into four. We don't do that there's no where listed in our rules or even in our law that we're permitted to do anything like that. What it is is that there's not going to be any additional gain to the total property. The two sons who are 1995 applicants could assume that property divided in half but what we have then is Vicente Garrido who is the beneficiary of his father would like to transfer his application because he's going to automatically be entitled to the land but he would like to transfer his application standing to a son. Now the two sons named Jacob and Nicolas Garrido they have 2013 applications. So what we have here is the possibility of several things going on. The first one as you know the true way of doing this is it goes down straight to the beneficiary there's no splitting of the land. But we have two applicants from 1995 who are soon to be available to be given land already but they're willing to take the existing property the one that was assigned to their father and still assigned to their father and split it. They're also asking now that they instead split it to four ways and let the other grandsons of the original lessee also be permitted to do this. So technically what we have is the splitting in two for two people I kind of you have to approve that waiver but then the transfer of the application date from one individual from 1995 to his son in 2013 that's acceptable we can do that we have done that there's a process for that. To split it then he would be allowed to split it in three ways but you now have Commissioners the task of determining whether or not we could be allowed to split it in four ways.

Chairman David Matanane – Do we have lease already?

Administrative Director Michael Borja – The original lease still exists yes under Joaquin.

Chairman David Matanane – So the beneficiary is taking over now.

Administrative Director Michael Borja – The beneficiary Vicente is assigned that lease.

Chairman David Matanane – And we're going to have to do a lease. This is only a suggestion mind you okay I'm just thinking about it that you wanted it stated in four, the two has their name as beneficiary?

Administrative Director Michael Borja – No one has the beneficiary the other one is the brother the other son of the original lessee so split it into two. Now overall this whole plan was originally approved by the late Monte Mafnas but it had not been executed until now. When it had come to me I did not want to approve it without your concurrence because of the fact that we're actually in the end we're jumping the list. But if you look at it really you're taking care of four applicants. You're not taking up anymore land you're using exactly the same existing land and then you're clearing off two more people on the list. One of them of the 2013 can assume the transfer from his father from 1995 so there's not an issue there. I just need you guys to tell me that it's okay to go ahead and allow for the second grandson of the original lessee to also be able to step in and be part of this split of this property.

Chairman David Matanane – Has Monte indicated when this land was already being, he saw the plan and they figured that they would accept that?

Administrative Director Michael Borja – The plan was presented to Monte by these individuals and Monte agreed to it.

Vice-Chairman Joseph Cruz – So the plan is to parcel it.

Administrative Director Michael Borja – The plan is to parcel it into four separate lots and assign now to each one of these individuals who are all applicants but two of them from 1995 and two from 2013.

Chairman David Matanane – And there's no add or subtract on it just use the lease (interrupted).

Administrative Director Michael Borja – There's no loss or gain to the property.

Chairman David Matanane – And use the lease and individual lease for them.

Administrative Director Michael Borja – Right and we would assign four separate leases. But we have not subdivided the land right? The land has been surveyed already?

Margarita Borja (DLM) – The maps approved went through the recording process everything.

Commissioner Pascual Sablan – You're talking about 4 acres right not half acres.

Administrative Director Michael Borja – No he was allotted one lot of (interrupted).

Commissioner Pascual Sablan – 4 acres equivalent to 4 acres.

Administrative Director Michael Borja – Roughly over 4 acres, 6,000 square meters.

Commissioner Pascual Sablan – How did he get 4 acres?

Margarita Borja (DLM) – Land Use Permit.

Administrative Director Michael Borja – No I'm sorry that wasn't 6,000 it was how many?

Margarita Borja (DLM) – It was 4.77 acres under a land use permit with the old man Joaquin.

Administrative Director Michael Borja – He preceded the Chamorro Land Trust right?

Margarita Borja (DLM) – Right.

Commissioner Pascual Sablan – How did he end up with 4.77 acres instead of half acre or 1 acre?

Administrative Director Michael Borja – Because there's maximums.

Chairman David Matanane – Back then not now.

Kenneth James Garrido – Good afternoon my name is Kenneth James Garrido. I am the son of the late Joaquin Materne Garrido. As a little boy 7 or 6 years old at the time back in the 60s my father had this land from the Department of Agriculture. My brother and I grew up harvesting and cultivating the land. It's been with us to this day. My dad has passed on and back then that was the property that was given to him that 4.77. That was all. We used every bit of that land. We put a perimeter around it we raised cows, pigs, chickens we had all kinds of vegetable plantations. I'm here to tell you guys that the reason why we're here is from my father and my brother and his two sons. These two are my nephews. All we're asking from the Board to give us this property. We're not asking for any more or any less. We know that we live on our island and our island is too small everybody out there wants to get a piece of property. We're not asking for the whole 20 acres or what. We're not asking for any more than what we already had back in the mid-60s to the present and we are still utilizing the land even after going on 6 years that my dad had passed away. My nephews grew up there my brother and I grew up there. We have always been utilizing the land we never put it to waste. There's not one day or one year that has gone by where we never go to the ranch. Even to do this day even with my mom and dad gone because you know why the spirit of our elders are there. That's where we grew and we farm and we harvest and we cultivated the land. So Board I ask of you the late Monte Mafnas has given us his okay. We went through the process we had a surveyor survey the property of the 4.77. My brother and I decided this on our own rather than the two boys applying for another lease there's no need that's a big piece of property. We can do a lot to that 4.77 even if we subdivided it 1 acre each. But that's all we're asking we're not again asking for any more. We've done what we've done with that piece of property growing up I know we can do the same right now if we go through with this. We have plans, we have goals, we don't have land okay. We don't have land. We are asking that we utilize what we've been utilizing for the past for me forty some years and that's all I'm asking from the Board and your approval and again that's why we're here we want to do this the right way.

Chairman David Matanane – And you agreed with the late Monte Mafnas on his plan I mean on your plan.

Vicente Garrido – He was the one sir, my name is Vicente Raymond Garrido, when we met with Mr. Mafnas with Eileen Chargualaf the rep for Chamorro Land Trust we were all in his office and he's the one that gave us his blessings to do what we're doing today. He said why don't you do it this way which we did and it sounded good. Like my brother said we're not asking for more, we're not asking for any less. Because we're already there and we have the markers in a sense well now we finalized it with the survey done we wanted to utilize the land. But it was through his blessing and he allowed us to go this far. We got a surveyor, we paid a surveyor, we had the land surveyed and we had the land registered through Land Management. So that's how far already we spent a lot of money to get it done because he guided us in that direction and it wasn't a problem then but only because what I hear recently which is the other day so that's why we're here today. So yes sir we got his blessing. He's the one who led us kind of like took us by the horn and said this is the direction you should take and we appreciated the help because we got his guidance being the Director. That's where we're at today sir.

Chairman David Matanane – I have no qualms about that I mean if it's moving along and they agree to that.

Commissioner Pascual Sablan – Can I ask Mr. Nicolas, Jacob, Vicente and Kenneth what are you going to do on this land should you get it?

Vicente Garrido – My plan is just like we're doing today. My brother and I continue to farm we continue to take care of the property. If you go to our property today we have a lot of vegetation. With my two sons actually they plan at least from my one son here in the right he wants to build on his property that is given to him and also cultivation as well. Because right now he's living with us, he's got his own family and he wants to be able to be on his own to start his investment and start just having a house. That's his plan.

(Son) Garrido – That's my plan in the future. In the future yes is to eventually build there but currently right now just to like how we're just maintaining the land and pretty much farming on there.

Commissioner Pascual Sablan – Thank you.

Chairman David Matanane – So you need a motion to do this.

Administrative Director Michael Borja – Yes I would.

Vice-Chairman Joseph Cruz – Would there be any issue of the 2013 being awarded versus that 1995? You mentioned something that there's a mechanism that we can fix that I just want to (interrupted).

Administrative Director Michael Borja – There is a process that we have in place for applicants to transfer over their date to someone else and they step out. In this case Mr. Vicente Garrido as a beneficiary no longer really requires his application date and he can transfer that on. He'll still assume the land but (interrupted).

Vice-Chairman Joseph Cruz – And that will be under 1995.

Administrative Director Michael Borja – And one of the individuals can fall into the 1995. Now with respect to the pre-agreement already made by Mr. Monte Mafnas so they went ahead and did all the things they're doing. The land was actually awarded or a part of the family well prior to the enactment of the Chamorro Land Trust and so that's the size of it that's why the property isn't a certain size. This wasn't an original awarding of Chamorro Land Trust to Mr. Joaquin Garrido this was a (interrupted).

Vice-Chairman Joseph Cruz – It was from the Agriculture I understand that.

Administrative Director Michael Borja – It was formally done just because he was preexisting on the land and the law permitted and required us to do that.

Vice-Chairman Joseph Cruz – I just want to make sure that when we do this action I have no problem approving the request but I don't want an issue that will arise when we award them that we didn't comply to the law that says first come first served. That's what I'm trying to prevent since you mentioned that there is a mechanism to overcome that hurdle or the law awarding an individual that is after 1995.

Administrative Director Michael Borja – Right but in the case here three of four individuals won't be an issue. I'm just asking that the fourth person the one person from 2013 sign up listing that we grant that waiver. We're not actually giving him any other new property this it is an existing and it's just being subdivided into four.

Chairman David Matanane – I believe there is a preference for the old arrangement like the land for the landless and all that.

Vice-Chairman Joseph Cruz – The arrendo program.

Chairman David Matanane – So they are in that category also.

Administrative Director Michael Borja – Correct.

Vice-Chairman Joseph Cruz – So is that going to be integrated with the lease that we're going to be signing that they were in compliance based on the original program? Because the lease is not going to specify any conditions it's just that you qualify based on the Bordallo public law.

Administrative Director Michael Borja – Right.

Commissioner Pascual Sablan – Have they transferred the land from arrendo to the Chamorro Land Trust?

Vice-Chairman Joseph Cruz – The arrendo is a done deal. It's just a program that some people are utilizing out there but they were grandfathered into this law. That's what I'm asking so we don't want these people to inherit or to encounter any setback because the new law that the new lease that we're approving is in compliance.

Mario Garcia (DLM) – My name is Mario Garcia, with the intent of the Chamorro Land Trust land when it was incorporated from the arrendo is that with the original lease given out one lease to one person but only a portion of it is going to be used for a residence and the other portion to be used for farming. With this application I know Mr. Mafnas had moved to that arrangement but I don't know how did come with changing that scheme from one person to multiple leases because currently you should have one person right now on that lease and having that one home and still farming it. But if you move to this from my opinion if you move in this direction it's almost like having a private landowner subdividing it and heir it to his children.

Administrative Director Michael Borja – But in this case it's the same family and that's what we kind of want to avoid in the future where we're going to have issues where we're going to have some of the these larger lots especially that were once assigned it's going to get continued broken down. There's going to be formal requirements in anyway if they're going to take a 20 acre lot for example and we establish subdivisions. We could be establishing a precedent but here in this case you have the issue of where three of them are already fully entitled and already fully qualified we're asking for the fourth one. It's not like somebody else just stepped in from somewhere. This wasn't even lands that were issued from the Chamorro Land Trust public law from the creation of Chamorro Land Trust. This was lands that were already preoccupied prior to the creation of the Chamorro Land Trust.

Vice-Chairman Joseph Cruz – Through the Department of Agriculture.

Administrative Director Michael Borja – Through Department of Agriculture so in some of these other cases where lands were issued out because of the Chamorro Land Trust after 1995 then that's a different story. But this was something where they formally fell under the Chamorro Land Trust when it was created because they were already preexisting.

Chairman David Matanane – I guess we can incorporate also the old with the modern. Our lease will incorporate in there where the requirements also will be required to them.

Administrative Director Michael Borja – Right and then make four times the amount on the lease and they'll be current which is not significant. My point here is we have an existing family they had an agreement already made they already did the survey it's all approved.

Chairman David Matanane – The only thing is orientate them that these are the requirements up to date at this point in time where Chamorro Land Trust request for each farmer and we have the right to come in and also do inspections and all that. You know incorporate it with the current.

Administrative Director Michael Borja – As the Chairman was mentioning these are all going to be agricultural leases and there are requirements for agricultural leases of which the real simple one is there's so many trees you're supposed to plant per acre per year and you can't wrong with that.

Chairman David Matanane – That's the reason why Mr. Sablan was asking you what are you going to.

Kenneth Garrido – It's actually what we've been doing actually.

Chairman David Matanane – I think you're going to be required to do a farm plan. That's the whole thing just to warn you that you have to submit a farm plan of what you're going to do. So if Mr. Borja will give you guys the follow up on what are the required items that you need to do on the farm plan and then follow that and we won't have any problems. If there is a problem then you have not followed that regulation for Chamorro Land Trust. That's why we're trying to incorporate it to an up to date as required to by Chamorro Land Trust because your lease is going to be under a Chamorro Land Trust lease.

Administrative Director Michael Borja – Currently on the entire lot there's only one building?

Vicente Garrido – Yes it's a concrete slab.

Administrative Director Michael Borja – There was no home or anything on this property?

Kenneth Garrido – There used to be way back.

Administrative Director Michael Borja – On this slab?

Kenneth Garrido – Yes.

Administrative Director Michael Borja – Got blown away huh?

Kenneth Garrido – Yes.

Vicente Garrido – Typhoon Pamela.

Administrative Director Michael Borja – Pamela that was a long time ago.

Chairman David Matanane – Where is it located at?

Vice-Chairman Joseph Cruz – Ysengsong Road along Ysengsong Road right after you pass the 70 acres on your left side.

Commissioner Pascual Sablan – Vicente Garrido is the beneficiary of Joaquin, do we have any document from Vicente saying that he agree to have this property divided into four? Do we have any document on record?

Administrative Director Michael Borja – That he's allowing to do the split?

Commissioner Pascual Sablan – Yes.

Administrative Director Michael Borja – Oh I think a registered map is going to probably do the thing.

Vice-Chairman Joseph Cruz – That was recommended by former Director Monte and that's what transpired.

Commissioner Pascual Sablan – Did Vicente sign this?

Kenneth Garrido – It's all been registered sir it's all signed.

Vice-Chairman Joseph Cruz – No the Director of Chamorro Land Trust because it belongs to the Chamorro Land Trust it's satisfactory by Mr. Camacho on the bottom. They can't sign the map they have no legal interest here on the property.

Commissioner Pascual Sablan – What would prevent Mr. Vicente Garrido in the future to come back and say I'm the sole beneficiary of this land and (interrupted).

Administrative Director Michael Borja – Because we now have four leases.

Vice-Chairman Joseph Cruz – On the same time Mr. Vicente has an application in 1995 but he's exercising his application versus his beneficiary.

Administrative Director Michael Borja – He's transferring his application date because he doesn't need it.

Commissioner Pascual Sablan – I'm trying to be a little technical here, Joaquin is the recipient of the 4.77 acres right. Now Joaquin sign a document that if anything Vicente Garrido will be the beneficiary. So technically whatever Joaquin has goes to Vicente. Now where does it show that Vicente is willing to release the 4.77 acres to these other three individuals besides him?

Vice-Chairman Joseph Cruz – They're entertaining the lease application for Kenneth for Vicente instead of exercising the beneficiary. So the beneficiary will just disseminate when you exercise the lease for their application and then that's when his son comes in as a beneficiary too.

Administrative Director Michael Borja – We already broke it up into four different separate leases identifying the four separate lots and so those leases then become the legal thing now. You can come back and say the lease is not binding he's already signed. If you want him to provide a letter we can require him that says (interrupted).

Vice-Chairman Joseph Cruz – Waiving his beneficiary under the lease. But here's the catch to that lease the lease was created by Department of Agriculture originally to Joaquin not by Chamorro Land Trust. So being applying the Chamorro Land Trust beneficiary the original intent is from Department of Agriculture because we exceeded the acreage under Chamorro Land Trust.

Administrative Director Michael Borja – No it's agriculture we didn't exceed the acreage.

Vice-Chairman Joseph Cruz – No but at the time that Joaquin got the lease it was under the Agriculture acreage that they got.

Administrative Director Michael Borja – You can get 20 acres.

Vice-Chairman Joseph Cruz – But that's the minimum.

Chairman David Matanane – Way back then.

Vice-Chairman Joseph Cruz – But now you can only get half acre with Chamorro Land Trust provided you (interrupted).

Chairman David Matanane – We have reduced it.

Commissioner Pascual Sablan – I don't want Mr. Vicente to come back in the future and say hey you know I want my 4.77.

Vicente Garrido – I don't know if it means anything but I won't.

Commissioner Pascual Sablan – Can we have something in black and white from you?

Vicente Garrido – Of course if that's what it takes but then again it's been subdivided and it's been registered so I don't think I can do that.

Chairman David Matanane – Just for the record purposes.

Administrative Director Michael Borja – We've recorded that one lot into four lots now legally into four separate lots.

Vice-Chairman Joseph Cruz moved to approve the leases for the Garridos on Lot 3-1, 3-2, 3-3 and 3-4, Tract 1112 in Dededo. **Commissioner Pascual Sablan** seconded the motion. There were no objections, **MOTION PASSED.**

Chairman David Matanane – I would like to congratulate you guys and coming out forward with the late Monte Mafnas and Mr. Borja. It has been moved and seconded motion is approved and I'm making that comment that thanks to the late Monte Mafnas and you guys have the (inaudible) to get this thing done as quickly as possible and with all the hard work that you guys have done. Congratulations.

Kenneth Garrido – Thank you also for your support and your help.

VII. DIRECTOR'S REPORT

1. Revenue collection report for the month of December 2014

Monthly report provided for information purposes.

2. Land Inventory / Loan Guaranty listing

Administrative Director Michael Borja – What was asked for in the last meeting was the land inventory and that's what you got in this spreadsheet. So this is all the land inventory that is available that Chamorro Land Trust is involved with. You can see in there it talks about registered or unregistered properties and also some properties that were removed from our listing because of things like maybe public laws that removed them from our inventory. Just to give you a heads up the legislative chairman of the land committee Senator Tom Ada he will be having an information public hearing for Land Management, Chamorro Land Trust for his committee members. It should be sometime in mid-February I do not know the date yet. Some of the things that he has asked us to provide him in this information briefing to the committee members are things like tell us who the lands are that are in our inventory and how many of them are registered and unregistered and the process of what we need to do to register lands, what they're zone at, things like that. So it can be a hefty bit of work. The other listing I provided you and really this listing is somewhat confidential because it holds people's information on loans. The part of the issue that the public auditor raised in the Fiscal Year 2012 audit from August of last year was the loan guaranty program. Like I've been mentioning to you all along we needed to tackle this whole thing and what you have here is a listing I believe it shows about 154 individuals who have loan guaranties. It doesn't show it here on this list I wish he had done it. Joey does this listing somewhere also tell us whether they were like a conventional loan or they're a federal disaster relief loan?

Joey Cruz (CLTC) – We can add that.

Administrative Director Michael Borja – What you see again is that 78% of the loan amounts were for disaster relief loans. They're not for people like the young couple that were here earlier they were only 3 million. Now what we have done, Joey has done and Jeff Aguon and others in Chamorro Land Trust we sent out a whole bunch of letters to everybody on this list. A bunch of letters came back as undeliverable or if they were received they were never acted upon. We wanted to get a copy of the statements so we knew a, how much they have in balance that they owe and b, who they owe this money to. Who's the lender? Because we didn't get a good response in the first set of mailings they're now going door to door. They started in Yigo and parts of Dededo not all of Dededo because those were where the biggest number of people are. We're uncovering a good

number of other issues that are popping up so we're going to be seeing some more of these kinds of hearings where we're going to have the lessees coming forward to explain their situations to you and in some cases probably appealing a decision that may be made against them. Because if they violated any kind of rules of the terms of the lease they're subject to be terminated and we'll probably be giving some of them notices of that that they need to clean up or they'll be terminated. So you'll get those things coming here soon.

Chairman David Matanane – Wow a hundred some.

Administrative Director Michael Borja – Oh lots of money right. You got one in here the loan amount was \$166,000 and the balance is \$164,000 and you go what? Did anyone pay anything? But actually it was from 2012 so that was a loan guaranty most likely for a person's house. See how high that is now that adds up to the total of 3 out of 13 million you know percentage wise. That's why what we're looking at doing in this loan guaranty I mean in order to be able to allow the process for more and more people we have to begin to look at ways to make it balanced. The only way that we can come up and Mario Garcia is the one that helped draft up the policy as well okay and we kind of hashed this out amongst ourselves and how do we figure out what is the amount we should really be truly having to guaranty you know what is the basic a family needs. So that's why I was telling you if you look at the formula our formula is based on a family of three, a husband a wife and one child. That's kind of like the minimum and then for every legal dependent after that you add more square footage.

Chairman David Matanane – Back then this happened it does have a date when it was (inaudible).

Administrative Director Michael Borja – If you look at the ones that says things like 1998 and 2002 and maybe even 2003 you will get the idea that those are the ones that are; if you just look at the first page alone everybody on this first page except for one Pedro Blas is the result of a disaster I would guess. You had the 2002 storm right Typhoon Pongsona and the 1998 storm Typhoon Paka. Pongsona came in December of 2002 so it floated into 2003.

Commissioner Pascual Sablan – Pedro Blas on the first page how come there's no loan balance here? I believe I guess by looking at the percentage this is Guam Housing we should be able to get this.

Administrative Director Michael Borja – Yes you're right it is a recent one we should be able to get it. We're working on all of those we're trying to get all the current statements. We're just trying to get a grip on every one of these things because there was no true monitoring of the system at all.

Commissioner Pascual Sablan – This is duplicate, Pedro B. Blas on the same lot and everything except the date of the guaranty how can that be?

Vice-Chairman Joseph Cruz – Two different amounts.

Administrative Director Michael Borja – There was one in 2004 and then one in 2012 good question here.

Joey Cruz (CLTC) – The first one could have been paid off and the second one is a second mortgage.

Administrative Director Michael Borja – But the payoff amount says \$90,000 still.

Joey Cruz (CLTC) – But the first one is zero.

Administrative Director Michael Borja – So he paid off the first one and then he got another one.

Joey Cruz (CLTC) – He could have refinanced.

Commissioner Pascual Sablan – How come they cannot refinance their loan?

Administrative Director Michael Borja – How come they can't refinance the loan?

Commissioner Pascual Sablan – Right.

Administrative Director Michael Borja – I don't know I think they can refinance. These people are all going; they're going through a conventional bank. Guam Housing doesn't issue the loans Guam Housing facilitates in getting the loan from a bank. They're not a lender up there they help people get qualified. They do all the work like a bank, a loan processing officer except they just match them up with a bank that will give them the loan.

Commissioner Pascual Sablan – Is that really? They're the ones disbursing all the money and receiving all payments.

Administrative Director Michael Borja – They could in some cases.

Joey Cruz (CLTC) – They're usually the administrator for like VA or SBA but Guam Housing has their own program.

Administrative Director Michael Borja – That's why one of the reasons we set up in this policy that there's going to be payout. The payout only occurs on certain milestones of the construction. So that a person who we're going to loan guaranty \$164,000 they don't come walking in and if you look at some of these let's say the very first one on the first page that looks like it could possibly have been after a typhoon \$58,000 and you know what he got he got a check for \$58,000.

Commissioner Pascual Sablan – Is there a house?

Administrative Director Michael Borja – If you look at the payoff amount its \$58,000 so he went to Disneyland. That’s what we’re researching.

Commissioner Pascual Sablan – Remember when we were discussing on the contract that we should stipulate that should they take this contract for example to Guam Housing or any other lending institution that there should be a language that they should coordinate with us to make sure that (interrupted).

Administrative Director Michael Borja – Yes it will go on the front page of the loan document. There’s good precedence for this the VA for example you know all you have to do is go look at the record that we filed you’ll see there’s a big statement on front of the loan that says any changes to this loan is subject to approval and coordination with whoever. So it will be right there on the very front page of anyone who’s going to be doing any title search or back ground checks or anything like that it’s going to be right there on the very front page. Guam Housing or actually SBA even recommended that because that way you also prevent and you can also state that this loan shall not be transferred without the concurrence of us. Sometimes banks have to do what banks do. Banks close banks have to sell off either because they’re required to or the Government tells them to but it can’t be done without notification to us. And you put that stipulation on the front they can’t just arbitrary do things without the notification. Now if they don’t notify us and they don’t upheld their end of their responsibility you know with smart lawyers like Kristan you can say you didn’t do your job.

Commissioner Pascual Sablan – So this one won’t happen again.

Administrative Director Michael Borja – I don’t know we’re working on all of that. This is why I’m telling you we’re going to be bringing people forward to you guys here real soon saying in 2003 you were awarded a loan guaranty of x amount and you paid nothing. Now I got a foreclosure coming up on you and I’m the guarantor either you pay it up and keep your lease or else you’ve lost your lease and everything on it. So if there is a house they’ll lose the house.

Chairman David Matanane – Robert Baumgartner didn’t we just give him a lease?

Vice-Chairman Joseph Cruz – And this lease was in 98.

Chairman David Matanane – And he said he doesn’t have a lease, no signed document.

Administrative Director Michael Borja – Oh he has leases. He’s got leases with us.

Chairman David Matanane – He said he doesn’t have a lease he’s been staying at the house for the longest time.

Administrative Director Michael Borja – No, no, no, he has a lease.

Chairman David Matanane – No he did mention right at the meeting saying that he never had a lease he's been staying at that piece of property for the longest time. Now he's seeking for agricultural but he has one.

Administrative Director Michael Borja – I was always under the impression that he had a lease he does have a lease. I can tell you it's a pretty large tract of property and there's a Chuukese community that resides with him and that's his wife's family.

Commissioner Pascual Sablan – The last time he was here or I was reading one of the minutes he said that every time he receives a cola payment he's going to have another acre surveyed.

Administrative Director Michael Borja – See that's the thing with him he never got his land surveyed that's his issue and that's what we've been on his case about that he got granted this huge tract of property but he hasn't surveyed it. But he has a lease he's one of these kinds of people who were given a lease without all the requirements being fulfilled which specifically was the survey. So he's got a tract of land that's not been fully surveyed and what he wanted to do because we got on his case was to survey piece by piece. But we said we can't subdivide the land into parcels you can't do it that way.

Commissioner Pascual Sablan – Next time if his name comes up on the list or the agenda I'll make a motion to strip him of (interrupted).

Administrative Director Michael Borja – Well in this case I mean it appears that he's going to be paying off his loan.

Vice-Chairman Joseph Cruz – Forty grand out of seventy-seven.

Administrative Director Michael Borja – Right that's fifteen years.

Chairman David Matanane – I'm kind of in awe on the amounts too.

Administrative Director Michael Borja – This is the listing that just goes you know that we're really working hard to try and resolve because we really need to get a big grip and that's the reason why I had to move forward with the program which I already advised you earlier we're going to now go into the formality of putting it through the rules and regulations process. But I needed something in place because I needed a grip on this thing immediately because it's an ongoing program right. Fortunately we don't have any disaster to have to deal with but what I didn't want is to be left without no policy or procedure process in place in the event that we got hit by a disaster. It could be a typhoon it could be an earthquake it could be something who knows. But if in the event there was the ability for people to receive loans again to help in the disaster I did not want to be an obstacle on that but in doing so I want to make sure that we were covered and there was a process to do that.

Chairman David Matanane – The cutoff date was 2010 right on our audit?

Joey Cruz (CLTC) – 2011, 2012 and 2013.

Chairman David Matanane – The cutoff was just 2011 right, imagine if we go back.

Administrative Director Michael Borja – Right but the thing is that they did in a way they had to uncover these kinds of things.

Chairman David Matanane – Yes but it was like purifying the way.

Administrative Director Michael Borja – If it had been done on a regular basis something like this would have been more closely monitored. There are many other programs within the law there's even a program in the law that allows us to be a lender but I don't even want to tackle that one. I mean if there's no rules and regs in place I'm not even going to attempt one because the job of being a bank has become so, so more complicated in recent years that we don't have the people to do that. In fact what happened to SBA they kind of were a lender right but they had to move away from that as part of a national cost cutting plan. That's why a lot of the loans that were issued by FEMA through SBA to people here on Guam Chamorro Land Trust recipients and others that's why those loans got sold from SBA. Because they were told to cut your staff by 60% well who do you cut and you end up cutting all these people who are monitoring the loans and they sold it to banks and let them do the job. But in doing that we got lost in the shuffle and so did some of these clients. Every time Joey and company go out there looking for these people we're finding that there's other strange things that are arising and we have to tackle each and every one of them. But that's just a start you know and these people unfortunately are on the list that has to be dealt with but there's 3,000 more of them that have to be looked at and we have to get to the bottom of it. We got issues of squatters, we got issues of lessees subletting to squatters that kind of thing and they're collecting payment from people and they're not even using the land themselves. Those kinds of people are subject to losing their property. We already took one guy and gave him notice and he sort of cleaned up we believe. The story coming back now is he didn't.

Commissioner Pascual Sablan – If you're involved in banking they will not only bond you but the Government will insure you any (inaudible) you're covered.

Administrative Director Michael Borja – For what?

Commissioner Pascual Sablan – If you're involved in banking.

Administrative Director Michael Borja – Yeah, yeah even banks want to get out of the banking business. Look at Citibank right because the laws have become so super complicated. Try opening up a bank account your fingerprints don't count anymore. It's a lot of process just to open up a bank account. It used to be you go into the bank and you say here's a hundred dollars and he opens up an account have a good day and here's your toaster oven and you're gone. But now you know you got to bring in all kinds of documentation. It's just the way the world is turning in change.

Chairman David Matanane – Nowadays your DNA is required.

Administrative Director Michael Borja – No nowadays you're guilty until you can prove your innocence.

Commissioner Pascual Sablan – I would like to ask Joey to check this how did these things happen on Pedro Blas from I believe he must be with Guam Housing and he goes down to another bank.

Chairman David Matanane – No, no he refinanced it.

Administrative Director Michael Borja – He probably refinanced the loan so he got a lower interest rate.

Chairman David Matanane – He refinanced it because the lower interest rate. It used to be 6 now 4.

Commissioner Pascual Sablan – I figure that thing too but how did that thing happen? Who's the other bank that lend out money beside Guam Housing and the disaster?

Administrative Director Michael Borja – Like this couple said I asked them who's the bank? Bank of Guam is the bank. Guam Housing is just the facilitator on most of these things. They help you to get qualified they help you with the process of the paperwork and they have the relationship with the different banks to come in and say okay here I got a person that's qualified. We're going to be relying on Guam Housing to help us with a lot of these processes in the future if and when we get to the point where we're going to get our own housing subdivisions developed. So we're going to get a private developer hopefully develop these houses build a bunch of homes but we're going to get Guam Housing to go through our full listing of folks find people who are interested number one in participating in that. This is where we will be jumping the list because you know some people would not want to be part of it and some people that will. Find out if they are and so if they're interested that's the first thing and if they're qualified that's the second thing. So we got to make sure that they're qualified financially to be eligible for one of those homes and that's what Guam Housing is going to help us in doing because that's their charter. Their charter is to help people get houses. They don't care where they're going to be building their house. They don't care who they are but in our case they have to be Chamorro Land Trust recipients.

Vice-Chairman Joseph Cruz – So when you say Guam Housing is the facilitator of the loan the funding for that project is from Guam Housing or from Bank of Guam?

Administrative Director Michael Borja – Like this couple here Bank of Guam is going to be the ultimate lender. What we're going to try and work out here I already kind of put it in the ear of Lou Leon Guerrero at Bank of Guam that we need to sit down and figure out a different way to do this. Because they're not fee simple you know the banks have certain guidelines. But if there's a way we can work something else out in the language whatever it

takes if I need to change legislation you know or introduce legislation to change the law in order to make it happen better than whatever because I really want to get out of the loan guaranty business. It's not because it's a hassle but it's because it is a hassle.

Vice-Chairman Joseph Cruz – So the interest rate that's being package by Guam Housing is also the interest rate of Bank of Guam?

Administrative Director Michael Borja – Guam Housing is not setting the interest rate.

Vice-Chairman Joseph Cruz – It's Bank of Guam.

Administrative Director Michael Borja – Bank of Guam is.

Vice-Chairman Joseph Cruz – So Bank of Guam would go down as far as 2% or 3% on a home mortgage?

Administrative Director Michael Borja – It might have been an SBA disaster.

Vice-Chairman Joseph Cruz – That's why I asked is the funding coming from Guam Housing under the HUD program or Bank of Guam under the regular residential?

Administrative Director Michael Borja – I probably would have to get Guam Housing to answer most of those questions. I just know that 78% of these things in here the rate is really low because it's really a FEMA through SBA kind of loan.

Vice-Chairman Joseph Cruz – So that FEMA is a program from the federal not from Bank of Guam.

Administrative Director Michael Borja – Right. But Guam Housing doesn't have anything to do with it. Those FEMA disaster relief loans were directly from FEMA to SBA to this person nobody else was involved. Now an SBA was the one holding that loan to collect on and then SBA was told to get out of the business for most of these and they started selling it.

Chairman David Matanane – I see one Department of Veterans Affairs.

Administrative Director Michael Borja – Yeah there's VAs but we're finding now that VA does not require because we got someone that's trying to do this VA doesn't require our guaranty.

Commissioner Pascual Sablan – Mr. Director to the best of my knowledge there's no other bank that lend out money for housing under the Chamorro Land Trust only Guam Housing. Now that's news to me that Bank of Guam is coming in.

Administrative Director Michael Borja – No like I said they facilitate. We could get these Chamorro Land Trust folks they don't even need to go through Guam Housing. There's no

need for them to go through Guam Housing. They can go out and get their own loan from somebody and then come to us in the end and say Bank Pacific wants me to get for this housing loan that I want you need to guaranty it and they're going to go hopefully through this whole process here.

Margarita Borja (DLM) – What Guam Housing requires them to do is get two denials from the banks. And what they're doing is a lot of the banks outside won't do it so they'll get the denials and then they end up with Guam Housing. Some banks will some banks won't. I think Bank of Guam according to Martin they're just trying to get them to do these things with Chamorro Land Trust.

Commissioner Pascual Sablan – But they haven't yet.

Administrative Director Michael Borja – Guam Housing Corporation clients sometimes are your highest risk clients in the loan industry. That's where they kind to have to fall into place there but they're not all at that rate some people come in there just to get help. Because you know I was talking to an individual recently who was just using them because how many times do you buy a house in your life you know and it's not like buying socks. And you don't know what it's like to buy a house if you've never done it and even if you've done it you really still don't know what you're doing till somebody else that got a better deal tells you you screwed up. But what you have is a program here where people get good information from them on how they can go about in different ways to get a loan or the different things they can do. They give them good advice and that's what's the important part because it helps get them in the right track to making sure that they're eligible for a loan.

Vice-Chairman Joseph Cruz – So the program that we have I don't know whether we're going out of subject but the program that we have that we are now doing a model home up at Sagan Linahyan if an individual is qualified eligible to get a package out of that program is that going to be financed by a local bank or is it going to be financed by a special program that maybe Guam Housing has or any (interrupted).

Administrative Director Michael Borja – Guam Housing will help us. If a person can get a conventional loan on their own or has the cash up front to pay for it and you know one of the things that people need to I think throw out of their mind is that Chamorro Land Trust property is not just for indigents. It's for everyone that's eligible. It could be the guy who got the \$150,000 job just as long as he's Chamorro he can go get a lot. Let's say he's tired of his \$150,000 job and he wants to go farm and he's asking for an acre of land nothing is holding him back but he probably has the income to be able to go and get his own loan.

Vice-Chairman Joseph Cruz – I just want to understand the program that we're proposing out of that model homes that we are now advertising for our tenant.

Administrative Director Michael Borja – They should be able to go in first they have to be qualified Chamorro Land Trust applicants and then they have to be financially eligible. Guam Housing like I said we're using them as a facilitator to help identify those individuals

so we can get people on. So if a person comes in and says I have an interest I want to swap my land I already got for one of those lots up there that has a house because I like that house and he hasn't done anything to his land yet we can do that too. Now he's got to go through and see if and it'll probably be a first come first served you know who ever puts in the first bid to say I want to do this and they can begin the process. But whoever gets the loan first is probably going to be the one that gets the house.

Chairman David Matanane – You're talking about that house that have been (interrupted).

Administrative Director Michael Borja – Sagan Linahyan.

Chairman David Matanane – No that house that the military guy can't afford.

Administrative Director Michael Borja – Oh, no, no that's a different story but there again that's a VA loan and I think we just found out that even VA doesn't require you to be a VA to take over. Somebody else can take over the loan. But I think what's going to end up happening in that specific case one way or another, the son of the deceased lessee the one who is the beneficiary of the land is going to lose his VA benefit anyway. He can lose it one of two ways or he will lose it one of two ways. He voluntarily surrenders it because somebody else is going to assume the loan or he defaults. Of course you know the best way is to voluntarily surrender it you don't want to default. He's paying off his loan but can't keep doing it that's what we're hearing.

Chairman David Matanane – We need to find one of our recipients.

Administrative Director Michael Borja – We have there is an individual who has been identified and he's now going through the process to be qualified to do this. Again we're at this point does he have to be a VA? We're learning a lot of new details about some of these processes. We haven't really done one of these if we haven't done it before it's been a long time but we haven't done one of these before.

Chairman David Matanane – They need to be a Chamorro Land Trust recipient.

Administrative Director Michael Borja – Oh yeah. And see that was the big problem with the guy he doesn't live here and he just wanted to rent the house to pay the mortgage. But he's not allowed to do that. You can't win on that one right. You let that kind of stuff happen and then everyone is going to go get the land and build a house and lease it out which is not what the intent is.

Chairman David Matanane – And we cannot allow him to rent it out either.

Administrative Director Michael Borja – No so that's what happened is he's stuck with a dilemma of paying a mortgage that he can't live in because he's not here and he can't keep paying for it because he probably has his own rent or mortgage to pay for in the States.

Commissioner Pascual Sablan – Mr. Director in one sentence where do we stand on GRRP?

Administrative Director Michael Borja – Confused, nothing yet no. I made an inquiry to him via email early last week right after our meeting and I haven't heard from him. So we're going to have to look at something here real soon. I've got to call his bluff on him saying he's going to call me on default and I said he needs to be current on your payments too.

VIII. EXECUTIVE SESSION – None.

IX. ADJOURNMENT

Vice-Chairman Joseph Cruz moved to adjourn the meeting. Commissioner Pascual Sablan seconded the motion. There were no objections, meeting adjourned at 2:22pm.

Transcribed by: Teresa Topasna: *Teresa Topasna*

Approved by Board motion in meeting of: Feb. 19, 2015

Michael J.B. Borja, Administrative Director: *MRB*

Date: 2/19/15

David Matanane, Chairman: *[Signature]*

Date: 2/19/15