



The Senate
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500129
SAIPAN, MP 96950

STANDING COMMITTEE REPORT NO. 24-70
Date: February 10, 2026
RE: Senate Bill No. 24-25

Honorable Karl R. King-Nabors
President of the Senate
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Saipan, MP 96950

Dear Mr. President:

Your Committee on Fiscal Affairs, to which Senate Bill No. 24-25 was referred, entitled:

“To amend 4 CMC § 10306(a)(4) to allow the board of directors to authorize the executive director to review and grant loan or loan guarantee application exceeding \$25,000.00 per applicant; and for other purposes,”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion and deliberation, your Committee recommends the passage of the proposed legislation in the form of Senate Bill No. 24-25, Senate Draft 1.

II. ANALYSIS:

A. Purpose:

The intent of Senate Bill No. 24-25 is to allow the board of directors to authorize the executive director to review and grant a loan or loan guarantee application exceeding \$25,000.00 per applicant, by amending 4 CMC § 10306(a)(4).

B. Committee Findings:

Your Committee finds that 4 CMC § 10306 permits the Commonwealth Economic Development Authority (CEDA) Board of Directors the authority to delegate the executive director to review and grant loans or loan guarantee applications, pursuant to 4 CMC § 10203(a)(18), (19), and (20), of up to \$25,000 per applicant, commonly referred to as the Micro Loan Program.

Your Committee met on February 6, 2026, to deliberate on the proposed legislation and review the comments received. It was noted by CEDA that since its establishment in 1985, formerly the Commonwealth Development Authority, the lending limit has remained at a maximum of \$25,000. CEDA expressed its support for increasing the threshold to \$50,000 and stated that the adjustment would streamline the loan approval process without adding undue burden to the Board of Directors, allowing them to focus on larger loan applications. Your Committee further finds that the Saipan Chamber of Commerce expressed its full support for the proposed legislation. Increasing the cap signifies a step forward to promote economic growth and support businesses that are the backbone of the community.

Your Committee acknowledged feedback from the community, regarding inflation, that the \$50,000 lending limit may not be sufficient for startup costs to do business in the Commonwealth. After careful consideration, your Committee agreed to further amend the threshold and increase the lending limit up to \$100,000. Your Committee recognizes that the proposed legislation, as amended, supports economic development of the business community. It is for this reason that your Committee recommends the passage of the proposed legislation in the form of Senate Bill No. 24-25, Senate Draft 1.

C. Legislative History:

Senate Bill No. 24-25 was formally introduced by Senator Jude U. Hofschneider on March 4, 2025, and was initially referred to the Senate Standing Committee on Resources, Economic Development, Programs and Workforce. The proposed legislation was subsequently referred to the Senate Standing Committee on Fiscal Affairs for disposition.

D. Public Hearing and Comment:

1. Public Hearing. No public hearing was scheduled for Senate Bill No. 24-25. However, a committee meeting, which is open to the public, was held on February 10, 2026. See below for further details.
2. Committee Meeting. The proposed legislation made its first¹ appearance during the scheduled committee meeting on Tuesday, February 10, 2026. The committee meeting notices and agenda were officially posted on January 30, 2026, on various legislative forums and social media sites to invite members of the general public to provide comments as indicated under *Item No. IV. Public Comment* on the

¹ Oversight of Committee records indicates that the proposed legislation should have appeared under *Item V. New Business* of the Committee Agenda.

Committee Agenda. Oral testimony in support of Senate Bill No. 24-25 was made by the following:

- a. Richard Hofschneider, personal testimony

No oral testimony in opposition of the proposed legislation was made.

3. Written Comment. Your Committee solicited comments on the proposed legislation. To date, the status of comment(s) received from the following government and private entities is as follows:

- a. Office of the Attorney General², *no comment received*
- b. *Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority³, letter dated May 6, 2025*
- c. Mayor of the Municipality of Rota, *no comment received*
- d. Mayor of the Municipality of Tinian and Aguiguan, *no comment received*
- e. Mayor of the Municipality of Saipan, *no comment received*
- f. Rota Chamber of Commerce, *no comment received*
- g. Tinian Chamber of Commerce, *no comment received*
- h. *Joe C. Guerrero, President, Saipan Chamber of Commerce, letter received June 12, 2025*
- i. *Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority, letter received February 3, 2026*

E. Estimated Fiscal Cost:

No fiscal analysis was prepared for the proposed legislation.

The enactment of Senate Bill No. 24-25 would incur no direct cost to the Commonwealth government. However, in anticipation of an increase in applicants to the Micro Loan Program, CEDA may acquire additional administrative costs related to the evaluation of loan applications, oversight of the increased lending limit, and implementing measures to mitigate risks of default. An increase in the lending threshold is expected to stimulate economic growth by providing greater access to capital for local businesses, creating employment opportunities, and supporting the local business community of the Commonwealth.

F. Summary of Committee Amendments:

Amendment Note:

- ~~Single strikethrough~~ and single underline: original proposed amendment
- ~~Double strikethrough~~ and double underline: committee's proposed amendment

Your Committee agreed to the following amendments:

² Comment solicited by the Senate REDW Committee.

³ Comment solicited by the Senate REDW Committee.

1. Section 1. Findings and Purpose. Beginning on page 1, lines 1-13, to read:

“The Legislature finds that the current Commonwealth Economic Development Authority (CEDA) statute in 4 CMC § 10306 restricts the authority of CEDA’s board of directors to delegate loan guarantee and loan applications to the executive director for review and approval, placing a monetary limit of \$25,000 to his approval authority. This restriction has been in place since 1985, with the passage of Public Law 4-63, thirty-nine (39) years ago. The Legislature finds that this monetary restriction needs to be updated to account for inflation and to relieve the board of some of its duties and responsibilities to reduce the number of board meetings and the time devoted toward board meetings, by delegating some loan review and approval functions to the executive director. This will be accomplished by allowing the board to delegate loan-related applications to the executive director for review and approval, up to a maximum threshold amount of ~~\$50,000~~ \$100,000 per individual loan or loan-guarantee application.”

2. Section 2. Amendment. Beginning on page 1, line 16 through page 2, line 2, to read:

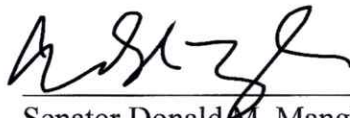
“(4) The executive director shall refer to the board for decision on all loan applications from any eligible borrower under this division, and all other matters involving allocation of authority funds except for such authority over loan applications and operations funds as the board may delegate to him. The board may delegate to the executive director the review and granting of loan or loan guarantee applications pursuant to 4 CMC § 10203(a)(18), (19) and (20) of up to ~~\$25,000~~ ~~\$50,000~~ \$100,000 per applicant.”

III. CONCLUSION:


Your Committee agrees with the intent and purpose of the proposed legislation, as amended, and recommends its passage in the form of Senate Bill No. 24-25, Senate Draft 1.

Respectfully submitted,


Senator Jude U. Hofschneider
Chairperson




Senator Donald M. Manglona
Vice Chairperson



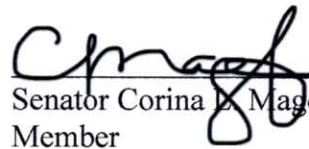
Senator Ronnie M. Calvo
Member



Senator Manny Gregory T. Castro
Member



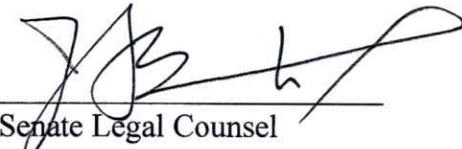
Senator Francisco Q. Cruz
Member



Senator Corina B. Magofna
Member

Senator Paul A. Manglona
Member

Reviewed by:



Senate Legal Counsel

Attachment(s):

1. Written Testimonies

- a. Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority, letter dated May 6, 2025
- b. Joe C. Guerrero, President, Saipan Chamber of Commerce, letter received June 12, 2025
- c. Derek T. Sasamoto, Executive Director, Commonwealth Economic Development Authority, letter received February 3, 2026



May 6, 2025

The Honorable Corina L. Magofna
Chairwoman, Committee on Resources, Economic
Development and Workforce (REDW)
The Senate
24th Northern Marianas Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Re: Senate Bill 24-23 and Senate Bill 24-25

Dear Chairwoman Magofna:

The Commonwealth Economic Development Authority (CEDA) has received your letter dated April 28, 2025 requesting comments from CEDA regarding:

- **Senate Bill No. 24-23 – “To suspend the administration and implementation of the Commonwealth Zoning Code and the Saipan Zoning Law and its amendments for a period of five (5) Years; and for other purposes.”**
- **Senate Bill No. 24-25 - “To amend 4 CMC §10306(a)(4) to allow the board of directors to authorize the executive director to review and grant loan or loan guarantee applications exceeding \$25,000.00 per applicant; and for other purposes.”**

Senate Bill No. 24-23:

This bill proposes to “suspend the administration and implementation of the Commonwealth Zoning Code and Saipan Zoning Law (Zoning Law) and its amendments for a period of 5 years . . . “

The bill identifies current issues with the implementation of the Zoning Law such as major delays, inefficiency, lack of transparency, slow decision making and backlogs, for example. Furthermore, it goes on to identify how these conditions, received as community feedback, discourage, and have discouraged, investment on Saipan.

Comments on Senate Bills 24-23 & 24-25

May 6, 2025

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CEDA agrees with the intent of Senate Bill No. 24-23, however, we must express some concerns regarding its implementation.

Firstly, the 5-year suspension seems extensive. A shorter period, where those responsible for zoning matters, shall be held accountable for the development of new zoning rules within an identified time frame may be warranted. For example, reducing this timeframe to 6 months for an initial roadmap for the future of the zoning code. Then, a 1- or 2-year period for planning, engagement, evaluation, and implementation.

Secondly, a major component is to require zoning efforts to be data driven. Data must be captured, maintained, and analyzed regarding zoning processing times, processing times by industry, organization type, for example. The effectiveness of the new zoning rules must be measured to be evaluated effectively.

Thirdly, with such suspension, how will development be controlled during the suspension period? The suspension period must be intentional with actual goals identified and outcomes developed and implemented. During this period, the potential for undesirable and/or unsightly businesses established in desirable areas may occur and may pose a nuisance, threat, obstruction, danger, blight, etc. For example, a pig farm (whether small or large scale) may emerge in a residential area. This may be an extreme example, but such a risk is a potential occurrence.

Fourthly, the bill establishes that existing permits will be maintained, it seems, by the Department of Public Works which will also absorb Zoning Office employees. With the suspension of the zoning law, what weight do these permits have? Will the conditions on these permits be enforceable? What work will former Zoning employees perform? One potential is for these employees to contribute to the development of the new zoning rules given their experience and perspective on the actual work. If there is no long-term work for these former Zoning Office employees, they can be interviewed regarding identified negative issues in the zoning process to get insights for resolution development. CEDA supports the business-friendly intent of the bill, and we commend you for your efforts to support economic recovery and development. Reevaluating the zoning environment in The Marianas, to support economic recovery efforts, is necessary. However, we must ensure that we do not expose The Marianas to extreme and costly risks of potential uncontrolled development, especially by those with ill intent. We must ensure that the suspension period is intentional with desired outcomes being accomplished.

Comments on Senate Bills 24-23 & 24-25

May 6, 2025

Page 3

Senate Bill No. 24-25:

This bill proposes to increase the authorized lending limit of the CEDA Executive Director from \$25,000 to \$50,000. This amendment is fully supported by CEDA's Board of Directors and management and staff. This will allow CEDA to serve more clientele more efficiently, as well as reduce the burden on CEDA's Board of Directors who continuously meet regarding loan matters. This will reduce the number of board meetings, lower costs, serve more clients and serve them more efficiently. We humbly ask that the Committee supports the passage of this bill.

Thank you for soliciting our input to the above-referenced Senate legislations. Your hard work and untiring support of CEDA are greatly appreciated.

Respectfully,



Derek T. Sasamoto
Executive Director

xc: Senate President
Members, Senate Committee on REWD
CEDA Board of Directors
CEDA Executive Assistant



Board of Directors

June 12, 2025

President

Joe C. Guerrero

Honorable Jude Hofschneider

Senator

Vice President

Joshua Wise

24th Commonwealth Legislature

PO Box 500129

Treasurer

Janice Tenorio

Saipan MP 96950

Secretary

Ron Smith

Re: S.B. No. 24-25 - To amend 4 CMC SS 10306(a)(4) to allow the board of directors to authorize the executive director to review and grant loan or loan guarantee applications exceeding \$25,000.00 per applicant; and for other purposes.

Directors

Alex A. Sablan

John Arroyo

Velma Palacios

Brad Ruzala

Nicole Babauta

Håfa adai yan tirow Senator Hofschneider,

Executive Director

Kimberly Camacho

On behalf of the Saipan Chamber of Commerce (SCC), I am writing to express our full support to S.B. No. 24-25 which aims to amend 4 CMC SS 10306(a)(4) to allow the board of directors to authorize the executive director to review and grant loan or loan guarantee applications exceeding \$25,000.00 per applicant.

Marianas Business Plaza
2nd Floor, Suite 201-A, Nauru
Loop, Susupe
PO Box 500806
Saipan, MP 96950

This legislation is a critical step towards streamlining the loan application process and to better support small businesses in our Commonwealth.

Tel 1(670)234-7150

www.sainanchamber.com

The existing \$25,000 cap has been in place for nearly four decades, and adjusting it to \$50,000 will significantly alleviate the administrative burden of the Commonwealth Economic Development Authority (CEDA) board, allowing them to focus on broader strategic issues. This amendment will expedite the review and approval of loans for small businesses, enabling them to access much-needed funds more efficiently and promptly. By reducing the number of board meetings dedicated to individual loan approvals, this bill will save time and resources and foster a more agile and responsive economic development environment.

These improvements will undoubtedly encourage more small businesses to apply for loans, knowing they can receive a quicker response. In our experience, timely access to capital is crucial for small businesses to thrive, expand, and contribute to our local economy. The proposed change will remove unnecessary delays, empower entrepreneurs, and create a more business-friendly climate.

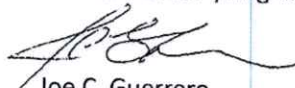
While we fully support the proposed increase to \$50,000, we believe that removing the cap entirely would have an even greater impact. We also recommend considering allowing the CEDA board to make internal decisions regarding the delegation of loan approval authority to the executive director. This flexibility would enable the board to adjust the executive director's approval limit based on current economic conditions and the volume of loan applications, ensuring the system remains responsive and efficient in


Senator Jude Hofschneider
June 12, 2025
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the long term. Allowing the board to manage this delegation internally would foster greater agility and allow for more dynamic management of CEDA's resources.

We believe these adjustments will provide greater efficiency, support our business community, and promote economic growth. Therefore, we urge the Legislature to support Senate Bill No. 24-25 and consider our recommendation to remove the loan approval cap entirely, allowing the CEDA board greater internal management over this process.

Si Yu'us ma'asi' yan ghilisow,


Joe C. Guerrero
President

6/12/25 11:05 AM

THE OFFICE OF
SENATOR JUDE U. HOFSCHEIDER
TEL. NO. (670)664-8868/FAX NO. (670)664-8908




CEDA
COMMONWEALTH ECONOMIC
DEVELOPMENT AUTHORITY



P.O. Box 502149 Saipan, MP 96950 | Tel No.: (670) 234-6245 / 6293 / 7145 / 7146 | Fax No. 235-7147 | www.developcnmi.com

January 29, 2026

The Honorable Jude U. Hofschneider
Chairman, Standing Committee on Fiscal Affairs
The Senate
24th Northern Marianas Commonwealth Legislature
P.O. Box 500129
Saipan, MP 96950

2/3/2026 
THE OFFICE OF
SENATOR JUDE U. HOFSCHEIDER
TEL. NO. (670)664-8868/FAX NO. (670)664-8908

Subject: Senate Bill No. 24-25; To amend 4 CMC § 10306(a)(4) to allow the board of directors to authorize the executive director to review and grant loan or loan guarantee applications exceeding \$25,000.00 per applicant; and for other purposes.

Dear Mr. Chairman:

Thank you for reaching out to the Commonwealth Economic Development Authority (CEDA) to solicit our comments on Senate Bill referenced above.

CEDA strongly supports S.B. 24-25. The current \$25,000 lending limit, established in 1985, is outdated and does not account for nearly four decades of inflation. This constraint requires frequent board reviews for loans that, in today's economic context, are relatively modest, resulting in unnecessary delays for applicants and increased administrative burdens. By raising the delegation threshold to \$50,000, the bill will streamline our loan approval process, reduce the workload of the Board, and allow CEDA to respond swiftly to the financial needs of businesses. Most importantly, the amendment preserves the board's oversight for larger loans, ensuring accountability, while enhancing operational efficiency.

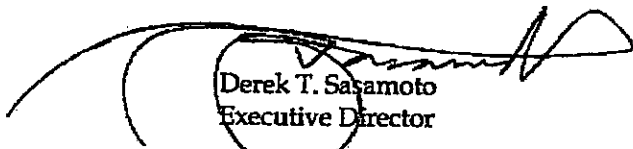
We believe this amendment will bolster CEDA's ability to support economic development across the CNMI, aligning with our mission to foster growth and opportunity. We commend you for introducing this forward-thinking legislation and encourage its passage.

If you have any further questions or need additional information, please don't hesitate to contact me. CEDA values its partnership with the Legislature and looks forward to continuing our collaboration to strengthen and diversify our economy.

Comments on S.B. 24-25
January 29, 2026
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Thank you for your untiring support and strong leadership.

Respectfully,



Derek T. Sasamoto
Executive Director

xc: Senate President
Members, Senate Standing Committee on FA
CEDA Board of Directors
CEDA Loan Manager
CEDA Executive Assistant

A BILL FOR AN ACT

To amend 4 CMC § 10306(a)(4) to allow the board of directors to authorize the executive director to review and grant loan or loan guarantee applications exceeding \$25,000.00 per applicant; and for other purposes.

**BE IT ENACTED BY THE TWENTY-FOURTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:**

1 **Section 1. Findings and Purpose.** The Legislature finds that the current
2 Commonwealth Economic Development Authority (CEDA) statute in 4 CMC § 10306
3 restricts the authority of CEDA’s board of directors to delegate loan guarantee and loan
4 applications to the executive director for review and approval, placing a monetary limit of
5 \$25,000 to his approval authority. This restriction has been in place since 1985, with the
6 passage of Public Law 4-63, thirty-nine (39) years ago. The Legislature finds that this
7 monetary restriction needs to be updated to account for inflation and to relieve the board
8 of some of its duties and responsibilities to reduce the number of board meetings and the
9 time devoted toward board meetings, by delegating some loan review and approval
10 functions to the executive director. This will be accomplished by allowing the board to
11 delegate loan-related applications to the executive director for review and approval, up to
12 a maximum threshold amount of ~~\$50,000~~ \$100,000 per individual loan or loan-guarantee
13 application.

14 **Section 2. Amendment.** 4 CMC § 10306(a)(4) is hereby amended to read as
15 follows:

16 “(4) The executive director shall refer to the board for decision on all loan
17 applications from any eligible borrower under this division, and all other matters involving
18 allocation of authority funds except for such authority over loan applications and
19 operations funds as the board may delegate to him. The board may delegate to the executive

1 director the review and granting of loan or loan guarantee applications pursuant to 4 CMC
2 § 10203(a)(18), (19) and (20) of up to ~~\$25,000~~ ~~\$50,000~~ \$100,000 per applicant.”

3 **Section 3. Severability.** If any provision of this Act or the application of any such
4 provision to any person or circumstance should be held invalid by a court of competent
5 jurisdiction, the remainder of this Act or the application of its provisions to persons or
6 circumstances other than those to which it is held invalid shall not be affected thereby.

7 **Section 4. Savings Clause.** This Act and any repealer contained herein shall not
8 be construed as affecting any existing right acquired under contract or acquired under
9 statutes repealed or under any rule, regulation or order adopted under the statutes.
10 Repealers contained in this Act shall not affect any proceeding instituted under or pursuant
11 to prior law. The enactment of this Act shall not have the effect of terminating, or in any
12 way modifying, any liability civil or criminal, which shall already be in existence at the
13 date this Act becomes effective.

14 **Section 5. Effective Date.** This Act shall take effect upon its approval by the
15 Governor or upon its becoming law without such approval.

Date: 03/04/25

Introduced By: /s/
Senator Jude U. Hofschneider

Reviewed for Legal Sufficiency by:

/s/ Antonette R. Villagomez
Senate Legal Counsel