




*I Mina'trentai Ocho Na Liheslaturan Guåhan*  
**BILL STATUS**

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
305-38 (COR)	Joe S. San Agustin V. Anthony Ada Tina Rose Muña-Barnes	AN ACT TO ADD A NEW § 75A122(d), CHAPTER 75A, ARTICLE 1, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPES OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY ASSISTED OR FEDERALLY-INSURED FINANCING.	4/10/26 9:34 a.m.						

***'I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN***  
**2026 (SECOND) Regular Session**

**Bill No. 305-38 (COR)**

Introduced by:

Joe S. San Agustin   
V. Anthony Ada   
Tina Rose Muna Barnes 

**AN ACT TO *ADD* A NEW § 75A122(d), CHAPTER 75A, ARTICLE 1, TITLE 21, GUAM CODE ANNOTATED, RELATIVE TO FINANCING-DRIVEN EXTENSIONS OF COMMERCIAL GROUND LEASE TERMS FOR NEW AND EXISTING COMMERCIAL LEASES AND LICENSES, AND FOR ALL TYPES OF FINANCING AND ALL UNDERWRITING REQUIREMENTS, INCLUDING BUT NOT LIMITED TO FEDERALLY-ASSISTED OR FEDERALLY-INSURED FINANCING.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that federally-assisted and federally-insured financing programs, including programs administered by the U.S. Department of Housing and Urban Development (HUD), commonly require ground lease terms that extend *beyond the maturity date of the mortgage* in order to protect the lender's security interest and preserve the long-term viability and marketability of the mortgaged project.

*I Liheslaturan Guåhan* further finds that, unlike fee simple ownership, a ground lease may be subject to termination or forfeiture; accordingly, a longer lease term is used in underwriting to reduce the risk that termination of the ground lease

1 could extinguish or materially impair a lender’s lien, thereby threatening the  
2 financing, continued operation, and transferability of the project.

3  
4 *I Liheslaturan Guåhan* further finds that financing sources for CLTC  
5 commercial projects may include private lending, bond financing, federally-  
6 supported financing, and infrastructure-related financing secured through the U.S.  
7 Department of Agriculture’s Rural Utilities Service (RUS), including the  
8 Substantially Underserved Trust Area (SUTA) Initiative.

9 *I Liheslaturan Guåhan* further finds that Bill No. 176-38 (COR), now enacted  
10 into law as 5 GCA § 5128, establishes a general mechanism for certain tenants in  
11 good standing to obtain additional commercial lease time on government property;  
12 however, CLTC commercial leases and commercial licenses remain governed by the  
13 more specific provisions of Chapter 75A of Title 21, Guam Code Annotated, and  
14 projects requiring financing-driven extensions still require targeted statutory  
15 authority addressing underwriting requirements, commercial licenses, and terms tied  
16 to mortgage maturity dates or other federal program requirements.

17 *I Liheslaturan Guåhan* further finds that eligibility for financing-driven lease  
18 and license term extensions should apply to both newly issued commercial leases  
19 and commercial licenses, and to existing commercial leases and commercial licenses  
20 that are amended, extended, renewed, refinanced, or otherwise modified to meet  
21 applicable financing and underwriting requirements, in order to ensure continuity of  
22 operations and access to financing for ongoing and future projects.

- 23 • CLTC commercial lease and commercial license projects to access all types of  
24 financing, including without limitation private lending, bond financing,  
25 federally-supported financing, and financing secured through RUS, including  
26 the SUTA Initiative, when such financing requires a longer ground lease term,  
27 for both: (1) new commercial leases and commercial licenses; and (2) existing

1 commercial leases and commercial licenses that are amended, extended,  
2 renewed, or refinanced, including where underwriting commonly requires a term  
3 extending at least ten (10) years beyond the loan term;

- 4 • Preserve legislative oversight by requiring that extensions beyond a defined  
5 administrative threshold remain subject to approval by *I Liheslaturan Guåhan*,  
6 consistent with existing law recognizing that longer terms require legislative  
7 approval; provided that the “administrative threshold” under this act shall be a  
8 lease or license term extending not less than ten (10) years beyond the mortgage  
9 maturity date, as required by applicable financing terms and all underwriting  
10 requirements, or such other period required by the applicable federal program,  
11 and any term extending beyond that threshold shall require approval by *I*  
12 *Liheslaturan Guåhan* by law;
- 13 • Protect the public interest by requiring documentation of financing and all  
14 underwriting necessity and maintaining lender-protection provisions (including  
15 notice of default and opportunity to cure) that support long-term stability of the  
16 project and continuity of operations; and
- 17 • Provide an orderly process under which - (1) the CLTC may approve term  
18 extensions within its statutory authority; and (2) where Guam statutes require  
19 legislative approval for lease or license terms beyond a specified period,  
20 including any lease or license term extending beyond not less than ten (10) years  
21 beyond the mortgage maturity date, or such other period required by the  
22 applicable federal program, and all underwriting requirements, such extended  
23 terms shall be submitted for approval by *I Liheslaturan Guåhan* by law, so that  
24 extended terms are implemented through both the CLTC and *I Liheslaturan*  
25 *Guåhan* in compliance with applicable statutes.

26 **Section 2.** A new § 75A122(d), Chapter 75A, Article 1, Title 21, Guam  
27 Code Annotated, is hereby *added* to read:

1           “(d) Financing-Driven Term Extensions for all types of financing and all  
2 underwriting requirements applicable to both new and existing commercial  
3 leases and commercial licenses.

4           (1) Purpose. This subsection establishes a structured process for  
5 extending the term of a commercial lease or commercial license  
6 (whether newly issued or already in effect and being amended) where  
7 such extension is required as a condition of all underwriting  
8 requirements, and for all types of financing (whether private, public,  
9 federal, or otherwise), while preserving legislative approval  
10 requirements for longer terms.

11           (2) Definitions. For purposes of this subsection:

12           (A) “Financing” means any financing, credit facility, loan,  
13 bond, credit-enhancement, guarantee, or other secured or  
14 unsecured financing arrangement from any source, including  
15 private lenders, bondholders, and federal or territorial programs,  
16 and financing secured through the U.S. Department of  
17 Agriculture’s Rural Utilities Service, including the Substantially  
18 Underserved Trust Area Initiative.

19           (B) “Mortgage Maturity Date” means the stated maturity  
20 date of the senior mortgage (or equivalent primary secured loan)  
21 for the project.

22           (C) “Financing Term Requirement” means a documented  
23 minimum remaining ground-lease term required by the lender,  
24 insurer, guarantor, bond trustee or investor, or financing source,  
25 including requirements that the lease extend beyond the  
26 Mortgage Maturity Date; including compliance with all  
27 underwriting requirements, and underwriting standards that

1 commonly require a lease term extending not less than ten (10)  
2 years beyond the mortgage maturity date, or such other period  
3 required by the applicable federal program.

4 (3) Financing Term Standard; CLTC Authority. Upon request by  
5 a tenant and submission of required documentation, the Commission  
6 shall have the authority to approve an amendment extending the term  
7 of a commercial lease or commercial license such that the term equals  
8 or exceeds the Financing Term Requirement, including compliance  
9 with all underwriting requirements, and underwriting standards that  
10 commonly require a lease term extending not less than ten (10) years  
11 beyond the mortgage maturity date, or such other period required by  
12 the applicable federal program.

13 (4) Administrative Extension Authority; Commission Action;  
14 Statutory Compliance. Notwithstanding any other provision of law  
15 limiting term, and upon request by a tenant and submission of required  
16 documentation under this subsection, the Commission may, by  
17 resolution adopted at a duly noticed meeting and supported by written  
18 findings, approve a financing-driven amendment to a commercial lease  
19 or commercial license (whether newly issued or already in effect and  
20 being amended) as necessary to satisfy all underwriting requirements  
21 and to establish a term that extends up to not less than ten (10) years  
22 beyond the mortgage maturity date, or such other period required by  
23 the applicable federal program, provided that the Commission finds  
24 that:

25 (A) the term approved is necessary to satisfy the Financing  
26 Term Requirement and all underwriting requirements; and

1           (B) the tenant has provided documentary evidence from  
2           the lender and/or applicable federal program establishing the  
3           Financing Term Requirement and all underwriting  
4           Requirements; and

5           (C) the amendment is in the best interest of the Trust and  
6           consistent with the purposes of this Chapter.

7           (D) Nothing in this paragraph (4) shall be construed to  
8           authorize the commission to approve any lease or license term  
9           that, under applicable Guam statutes, requires approval by I  
10           Liheslaturan Guåhan by law; and any lease or license term  
11           extending beyond not less than ten (10) years beyond the  
12           mortgage maturity date, or such other period required by the  
13           applicable federal program, and all underwriting requirements,  
14           shall require approval by I Liheslaturan Guåhan by law; where  
15           such approval is required, the commission's approval shall be  
16           conditioned upon and subject to approval by I Liheslaturan  
17           Guåhan.

18           (5) Legislative Approval Required Beyond Administrative  
19           Threshold. Any extension of term beyond the Commission's authority  
20           in Paragraph (4) shall require approval by I Liheslaturan Guåhan by  
21           law. Nothing in this subsection shall be construed to eliminate or  
22           weaken existing requirements that longer terms must be approved by I  
23           Liheslaturan Guåhan. The CLTC shall implement extended terms only  
24           in a manner consistent with applicable statutes requiring legislative  
25           approval for lease or license terms beyond a specified period, and where  
26           such approval is required, the extended term shall be subject to approval  
27           by I liheslaturan Guåhan by law. In addition, any commercial lease or

1 commercial license term extending beyond not less than ten (10) years  
2 beyond the mortgage maturity date, or beyond such other period  
3 required by the applicable federal program, and any such extension  
4 necessary to satisfy all underwriting requirements, shall require  
5 approval by *I Liheslaturan Guåhan* by law.

6 (6) Required Lender-Protection Provisions. Any financing-  
7 driven extension approved under this subsection shall require that the  
8 lease or license, as amended, include commercially reasonable lender-  
9 protection provisions consistent with the enforcement and cure  
10 framework required under this Chapter, including, at a minimum:

11 (A) written notice of default to any recognized mortgagee  
12 or secured lender of record;

13 (B) a reasonable opportunity for such mortgagee or lender  
14 to cure defaults or cause defaults to be cured; and

15 (C) such estoppels, consents, and non-disturbance terms as  
16 are reasonably necessary to satisfy the Financing Term  
17 Requirement; provided that nothing herein limits the  
18 Commission's rights to enforce material defaults pursuant to this  
19 Chapter and the terms of the lease or license, including notice  
20 and cure provisions.

21 (7) Documentation. For purposes of this subsection, requests  
22 may be submitted for new commercial leases/licenses or for  
23 amendments to existing commercial leases/licenses. The tenant shall  
24 submit, at a minimum:

25 (A) a lender letter or commitment describing the  
26 Financing Term Requirement;

1                   (B) the proposed financing term (e.g., 30-year, 35-year,  
2                   40-year) and the proposed lease/license term needed to meet the  
3                   Financing Term Requirement and all underwriting requirements;  
4                   and

5                   (C) any additional lender or financing source  
6                   documentation, including any documentation required to satisfy  
7                   all underwriting requirements, reasonably required by the  
8                   Commission.

9                   (8) Recovery of RUS and SUTA Funded Investments. Where  
10                  infrastructure, utility, site, or project-related investments supporting a  
11                  commercial lease or commercial license are financed through the U.S.  
12                  Department of Agriculture’s Rural Utilities Service, including the  
13                  Substantially Underserved Trust Area Initiative, the Commission may,  
14                  in addition to any annual lease fee or license fee otherwise required by  
15                  law, recover from the lessee or licensee the full cost of such RUS- and  
16                  SUTA-funded investments, which cost shall be prorated over the life of  
17                  the duly executed lease or license agreement.

18                  (9) Relationship to 5 GCA § 5128. Nothing in this subsection  
19                  shall be construed to impair any extension authority otherwise available  
20                  under 5 GCA § 5128 for a tenant in good standing; provided, however,  
21                  that where a commercial lease or commercial license on CLTC land  
22                  requires a longer term or other amendment to satisfy a Financing Term  
23                  Requirement, this subsection shall govern the financing-driven  
24                  extension.

25                  (10) No Automatic Extension. Nothing in this subsection shall  
26                  be construed to create an entitlement to an extension. The Commission

1                   retains discretion to approve or deny a request based on the best  
2                   interests of the Trust and compliance with law.”

3                   **Section 3. Severability.** If any provision of this Act or its application to any  
4 person or circumstance is found to be invalid or inorganic, such invalidity shall not  
5 affect other provisions or applications of this Act which can be given effect without  
6 the invalid provisions or application, and to this end the provisions of this Act are  
7 severable.

8                   **Section 4. Effective Date.** This Act shall be effective upon enactment.