

AN ACT

To provide for the creation, use and extinguishment of mortgages, to provide procedures for the foreclosures thereof, to repeal Congress of Micronesia Public Law No. 7-53 as amended by Congress of Micronesia Public Law No. 7-59, to repeal Palau Public Law No. 6-3s-17, and for other purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1                   Section 1. Short title; legislative findings and purposes.

2                   (a) This Act shall be known and may be cited as the  
3 Mortgage Act of 1981.

4                   (b) The Olbiil Era Kelulau hereby finds and declares the  
5 public policy of the Republic of Palau to be as follows:

6                   (1) The laws relating to security interests in land  
7 located in the Republic of Palau are outdated and in need of  
8 revision.

9                   (2) Alien theory mortgage act is required to encour-  
10 age private home ownership and construction and to provide a  
11 constitutional means of financing real estate transactions.

12                   (c) The purpose of this Act is to establish a consti-  
13 tutional system of mortgage law in the Republic of Palau which will  
14 induce lenders to take realty as security for commercial and residen-  
15 tial loans, while at the same time insuring that citizens of the  
16 Republic of Palau who execute mortgages will have a full comprehension  
17 of the nature and consequences thereof.

18                   Section 2. Definitions. As used in this Act:

19                   (a) "Default" means a failure of a mortgagor or mortgagee  
20 to perform an act or fulfill an obligation which he is legally bound



1 to perform or fulfill.

2 (b) "Devisee" means a person to whom lands or other real  
3 Property is given by will.

4 (c) "Encumbrance" means a claim, lien, charge or liability  
5 attached to and binding on real property.

6 (d) "Fixture" means any building, structure or artificial  
7 condition permanently attached or affixed to real property, and which  
8 cannot be removed from the realty without doing substantial injury to  
9 said property.

10 (e) "Heir" means one who inherits property, whether real or  
11 personal in the case of interstate succession.

12 (f) "Lien" means an encumbrance imposed upon specific pro-  
13 perty by which the property is made the security for the performance  
14 of an act, the fulfillment of an obligation, or the payment of a debt.

15 (g) "Mortgage" means a contract in which real property is  
16 made the security for the performance of an Act, usually but not  
17 necessarily the payment of debt, without the necessity of a change of  
18 possession and without the transfer of title.

19 (h) "Mortgagee" means one who takes or receives a mortgage.  
20 This term also shall refer to any heir, personal representative, suc-  
21 cessor or assignee of the mortgagee to whom an interest in the mort-  
22 gage has been transferred by any means whatsoever. A noncitizen of  
23 the Republic of Palau may be a mortgagee under the provisions of this  
24 Act; provided, however, that nothing in this Act shall be construed to  
25 mean that a noncitizen mortgagee is entitled to hold title to real

1 property in the Republic of Palau.

2 (i) "Mortgagor" means one having all or part of the title  
3 to property who by written instrument and in accordance with the  
4 provisions of this Act pledges that property as security for the per-  
5 formance of an act. This term also shall refer to any personal

1 representative, successor, or assignee of the mortgagor to whom an  
2 interest in the mortgaged property has been transferred.

3 (j) "Property" means any interest in real property capable  
4 of being transferred, including a leasehold interest.

5 Section 3. Property mortgageable; acts or obligations  
6 secured.

7 (a) Any interest in real property capable of being trans-  
8 ferred may be mortgaged. The exemption set forth in Section 61 (3) of  
9 Title 8 of the Trust Territory Code shall not apply to any property  
10 which is mortgaged and properly recorded.

11 (b) A mortgage may secure the performance of past obliga-  
12 tions, obligations incurred at the time the mortgage is executed, ob-  
13 ligations to be incurred in the future, and/or the obligations of  
14 another.

15 Section 4. Right to possession. Absent a provision in the  
16 mortgage or other agreement to the contrary, and subject to the pro-  
17 visions of this Act, the Constitution of the Republic of Palau, and  
18 all applicable laws and regulations of the Republic of Palau, the  
19 mortgagor is entitled to the exclusive use and possession of the mort-  
20 gaged property; provided, however, that after the execution of the  
21 mortgage the mortgagor may agree to deliver the possession and use of  
22 the property to the mortgagee without additional consideration.

23 Section 5. Waste. The mortgagor shall not cause any waste  
24 or diminishing of the value of the property which would substantially  
25 impair the mortgagee's security. At any time, the mortgagee may apply

1 to the Trial Division of the Supreme Court for the appointment of a  
2 receiver for the property. A receiver shall be appointed where it  
3 appears that the real property subject to the mortgage is in danger of  
4 substantial waste, or that the outcome therefrom is in danger of being  
5 lost.

1           Section 6. Heirs and devisees. Whenever real property  
2           which is subject to a mortgage passes by succession or devise, the  
3           successor or devisee is not entitled to have the decedent's personal  
4           representative satisfy the mortgage out of the decedent's estate un-  
5           less there is an express provision in the decedent's will that his  
6           estate is to satisfy the mortgage unless the mortgage is so satis-  
7           fied out of the decedent's estate, the heir or devisee takes the  
8           property subject to the mortgage.

9           Section 7. Necessity of writing.

10           (a) A mortgage shall be created, amended, renewed or  
11           extended only by a writing signed by the mortgagor, which signature  
12           shall be acknowledged or proven.

13           (b) The mortgage instrument shall contain: a legal des-  
14           cription of the property subject to the mortgage; a description of the  
15           obligations secured by the mortgage, including the principal thereon,  
16           the time and place of repayment, and the maturity date; and the names  
17           and addresses of each mortgagor and mortgagee.

18           Section 8. Requisites for recording.

19           (a) No mortgage shall be received for recordation unless it  
20           complies with the requirements of Section 7 of this Act.

21           (b) All mortgages and all amendments, renewals and exten-  
22           sions of mortgages shall be acknowledged or proven, and recorded with  
23           the Clerk of the Supreme Court, and with the Senior Commissioner or  
24           Registrar. For the purposes of this Act, proof or acknowledgment of  
25           an instrument affecting title to or any interest in real property

1 shall be made by a person duly authorized to acknowledge instruments  
2 in the Republic of Palau.

3 Section 9. Failure to record. No encumbrance on real  
4 estate created by a mortgage shall be valid against any subsequent  
5 purchaser in good faith for valuable consideration or mortgagee of the



1 same real estate or interest, without notice of such mortgage, against  
2 any person claiming under them, if the transfer to the subsequent pur-  
3 chaser or mortgagee is first duly recorded. Nor shall any mortgage be  
4 valid as against any judgment affecting the title unless such mortgage  
5 is duly recorded prior to the record of the notice of action in which  
6 the judgment is rendered.

7 Section 10. Waiver. Any agreement made or entered into by  
8 a mortgagor at the time of or in connection with the making or renew-  
9 ing of any loan secured by a mortgage or other instrument creating a  
10 lien on property, whereby the mortgagor agrees to waive the rights or  
11 privileges conferred upon him by this Act, shall be void and of no  
12 effect.

13 Section 11. Notice. Any notice by this Act shall be deemed  
14 delivered if sent by registered or certified mail with proper postage  
15 thereon, to the mortgagor or other person to whom service is to be  
16 given, at the address set forth in the mortgage, or personally  
17 delivered to the mortgagor or to his agent, if any, designated in the  
18 mortgage, or to any other person to whom service is to be given. A  
19 certificate of service, as provided for in the rules of civil proced-  
20 ure in effect in the Republic of Palau shall be filed with the Clerk  
21 of the Supreme Court by the person serving the notice.

22 Section 12. Assignment. Nothing in this Act shall preclude  
23 the assignment, subordination, or waiver of a mortgage. Any right of  
24 assignment must be provided for in the mortgage instrument. To be  
25 effective, an assignment must meet the writing and recording require-

1           ments in Sections 7 and 8 of this Act. The recordation of any assign-  
2           ment, subordination, or waiver shall operate as notice to all persons  
3           from the date and time of recordation; provided, however, that when  
4           a mortgage is executed as security for money due or to become due on a  
5           promissory note, bond, or other instrument, the recordation of the

1 assignment of the mortgage is not sufficient notice to the mortgagor  
2 so as to invalidate any payment made by the mortgagor to the person  
3 holding such note, bond or other instrument unless at the time of the  
4 assignment a notice is served upon the mortgagor pursuant to the pro-  
5 visions of Section 11 of this Act. The notice shall be in substan-  
6 tially the following form:

7 "Your promissory note and mortgage of (date) to (payee-  
8 mortgage) has been assigned to (assignee). All payments  
9 shall hereinafter be made to (assignee), at (assignee's  
10 address).

11 The assignment of a debt secured by a mortgage carries with it the  
12 mortgage unless the assignment and notice are to the contrary.

13 Section 13. Discharge. When all mortgage has been sati-  
14 fied, the mortgagee must execute, acknowledge, record and deliver to  
15 the mortgagor a certificate of discharge. Any mortgagee who, after  
16 satisfaction of the mortgage and upon demand by the mortgagor, for a  
17 period of thirty (30) days wrongfully fails or refuses to deliver such  
18 certificate of discharge shall be liable for all damages which such  
19 mortgagor may sustain by reason of such refusal, from the date of  
20 satisfaction by the mortgagor. Upon satisfaction of the mortgage, the  
21 mortgagee shall also deliver to the mortgagor, the mortgage and the  
22 note so paid or satisfied with, if requested, satisfaction of the  
23 mortgage and note acknowledgment on the margin thereof.

24 Section 14. Notice of Default. In the event of default by  
25 the mortgagor in the performance of his duties under the mortgage or

1           underl yi ng obl i gati ons, the mortgagee shall serve on the mortgagor a  
2           noti ce of defaul t whi ch shall contai n: the legal descri pti on of the  
3           real property, the date of the mortgage, the amount due for pri nci pal  
4           and i nterest, separatel y stated, and a statement that i f the amount  
5           due i s not pai d wi thi n thi rty (30) days from the date of servi ce

1 proceedings shall be commenced pursuant to Section 16 of this Act.

2 Section 15. Acceleration. No acceleration of unpaid principal  
3 of the underlying obligation shall be effective until thirty  
4 (30) days after receipt of the notice of default provided for in  
5 Section 14 of this Act.

6 Section 16. Mortgagee's remedies in the event of default.  
7 In the event of default by the mortgagor in the performance of his  
8 obligations under the mortgage or note or any other instrument secured  
9 by the mortgage, the mortgagee may elect to do any or all of the following:  
10

11 (a) Commence an action for specific performance or injunctive  
12 relief, or a common count or counts for payment of money by the  
13 mortgagor, guarantor and/or any other parties bound by the terms of  
14 the mortgage or any underlying obligation. In the event that the  
15 judgment rendered in such action orders full performance of the mortgagor's  
16 entire obligation, or payment of the entire sum for which the  
17 mortgagor is indebted, satisfaction by the mortgagor of the judgment  
18 shall act to discharge the mortgage.

19 (b) Bring an action to foreclose the mortgage in accordance  
20 with the provisions of this Act.

21 Section 17. Cure of default; payment of arrearages; costs and fees; effect upon acceleration. Whenever there has been a failure  
22 by the mortgagor to pay obligations in accordance with the terms of a  
23 mortgage, including circumstances where all or a portion of the principal  
24 sum secured by the mortgage has, prior to the fixed maturity  
25

1           date become due or been declared due by reason of his default, the  
2           mortgagor or his successor in interest or any other person having a  
3           subordinate lien or encumbrance in the mortgaged property or any part  
4           thereof, may at any time prior to the foreclosure sale, pay to the  
5           mortgagee or his successor in interest, the entire amount then due

1 under the terms of such mortgage, and reasonable attorney's fees  
2 actually incurred. Such payment shall cure the default, and all pro-  
3 ceedings theretofore instituted shall be dismissed or discontinued.  
4 The obligations and mortgage shall then be reinstated and remain in  
5 full force and effect as if no default had occurred.

6 Section 18. Judicial foreclosure. A mortgagee may bring an  
7 action for judicial foreclosure, as authorized by Section 16 (b) of  
8 this Act, by filing a complaint in the Trial Division of the Supreme  
9 Court on a date not earlier than thirty (30) days after serving the  
10 notice of default provided for in Section 15 of this Act.

11 Section 19. Same; service of summons. Service of summons  
12 in an action of foreclosure shall be made in accordance with the rules  
13 of civil procedure in effect in the Republic of Palau.

14 Section 20. Same; complaint in an action for foreclosure of  
15 a mortgage. The complaint for foreclosure shall set forth the date of  
16 execution of the mortgage; its assignments if any, the name and  
17 residence of the mortgagor, a legal description of the mortgaged pro-  
18 perty, a statement of the date of the note or other obligation secured  
19 by the mortgage and the amount claimed to be unpaid thereon, and the  
20 names and residences of all persons having or claiming an interest in  
21 the property subordinate in right to that of the holder of the mort-  
22 gage, all of whom shall be made defendants in the action. All persons  
23 having or claiming an interest in the property prior in right to that  
24 of the holder of the mortgage, which interest appears of record at the  
25 time of the commencement of the action, shall be given notice of the

1           acti on, but need not be made a party thereto. No person hol di ng a  
2           conveyance from or under the mortgagor of the property mortgaged, or  
3           havi ng a l i en thereon, whi ch conveyance or l i en does not appear of  
4           record at the ti me of the commencement of the acti on, need be made a  
5           party to such acti on, and the judgment thereon rendered, and the



1 proceedings therein had, shall be conclusive against the party holding  
2 such unrecorded conveyance or lien as if he had been a party to the  
3 action.

4 Section 21. Same; trial and judgment in foreclosure suits.

5 If, upon trial in a foreclosure action, the court shall find the facts  
6 set forth in the complaint to be true, the court shall ascertain the  
7 amount due to the plaintiff upon the underlying debt or obligation,  
8 including interest, costs, and attorney's fees, and shall render judgment  
9 for the sum so found due, and order that the same be paid into  
10 court within a period of three (3) months from and after the date on  
11 which the order is made.

12 Section 22. Same; sale of the mortgaged property.

13 (a) When the mortgagor, after being ordered to do so, as  
14 provided in Section 20 of this Act, fails to pay the principal,  
15 interest, costs, and attorney's fees at the time directed in the  
16 order, the court shall order the property, or so much thereof as may  
17 be necessary to satisfy the judgment, to be sold; provided, however,  
18 that such sale shall not affect the rights of persons holding prior  
19 recorded encumbrances upon the same property or part thereof. Any  
20 sale of property under a judgment of foreclosure shall be made by a  
21 person appointed by the court for that purpose and shall be made at a  
22 public place to be designated by the court, upon the notice and in the  
23 manner provided by the law covering sales under execution with such  
24 additional requirements including but not limited to the extension of  
25 the term of notice, and requirements of publication or announcement in

1 a local newspaper or on radio or television, as may be prescribed by  
2 the court in an attempt to assure a reasonable return from the sale.  
3 Nothing in this Act shall deny to the mortgagee the right to purchase  
4 property at a foreclosure sale; provide, however, that the property  
5 may be sold only to a citizen of Palau or a corporation wholly owned

1 by citizens of Palau.

2 (b) If, at the time of the sale, the property cannot be  
3 sold to a qualified purchaser for the fair market value of the pro-  
4 perty, or at a price acceptable to the court, the mortgagee shall have  
5 the right to enter, possess and use such property under such terms and  
6 conditions as may be set by the court; provided, however, that the  
7 mortgagee must continue to use its best efforts to sell such property  
8 and must use the property in such a way as will mitigate any monies  
9 owed by the mortgagor. All proceeds realized from the use of such  
10 property must be credited by the mortgagee to the unpaid interest and  
11 principal owed by the mortgagor in the same ratio as if the monies  
12 received were paid by the mortgagor.

13 Section 23. Same; certificate of sale and deed. Whenever  
14 any real property shall be sold under judgment of foreclosure pursuant  
15 to the provisions of this Act, the person making the sale must give to  
16 the purchaser a certificate of sale and properly record a duplicate  
17 thereof. The certificate shall state the date of judgment under which  
18 the sale was made, the names of the parties, a legal description of  
19 the real property sold, and the price which for each distinct lot or  
20 parcel. The person making the sale, his successor in office, or some  
21 other officer appointed by the court, shall not later than thirteen  
22 (13) months nor earlier than twelve (12) months after the date of sale  
23 make to the purchaser, his heirs, or assigns, or to any person who has  
24 acquired the title of such purchaser, a deed or deeds to such pro-  
25 perty. Such deed shall vest in the grantee all the right, title and

1 interest of the mortgagor in and to the property sold, at the time the  
2 mortgage was executed, or subsequently acquired by him, and shall con-  
3 stitute a bar to all claims, rights, or equity of redemption in or to  
4 the property by the parties to such action, their heirs and personal  
5 representatives, and against all persons claiming under them.

1           Section 24. Same; appl i cati on of proceeds. The proceeds of  
2 every judi ci al forecl osure sal e must be appl i ed fi rst to the costs of  
3 sal e, i ncl udi ng attorney' s fees adj uged by the court to be due; and  
4 then to the debt. If there i s any surpl us, i t must be pai d to the  
5 court for the use of the defendants or of the person enti tled thereto,  
6 subject to the order of the court.

7           Section 25. Same; di sposi ti on of proceeds i n event debt not  
8 al l due. If the debt whi ch the mortgage secured i s not al l due, as  
9 soon as suffi ci ent property has been sol d to pay the amount due, wi th  
10 costs, the sal e shal l cease; and afterwards, as often as more becomes  
11 due for pri nci pal or i nterest, the court may, upon moti on, order more  
12 to be sol d. If the property cannot be sol d i n porti ons wi thout i njury  
13 to the parti es, the whol e shal l be ordered sol d i n the fi rst i nstance,  
14 and the enti re debt and costs pai d, there bei ng a rebate of i nterest  
15 where such rebate i s proper.

16           Section 26. Same; vacati ng sal e. Upon moti on by an ag-  
17 gri eved party brought wi thi n one year of the date of sal e, the court  
18 may vacate a forecl osure sal e and order a new sal e upon a fi ndi ng that  
19 there has been fraud i n the procurement of the forecl osure decree,  
20 that the same has been i mproperl y, unfai rl y, or unl awful l y conducted,  
21 or that the sal e i s so taint ed by fraud that to al low i t to stand  
22 woul d be i nevi tabl e.

23           Section 27. Redempti on. Al l real property sol d upon fore-  
24 cl osure of a mortgage by order, j udgment, or a decree of court may be  
25 redeemed i n the manner herei nafter provi ded at any ti me, wi thi n twel ve

1 (12) months after the date of such sale by the judgment debtor or his  
2 successor in interest; provided, however, that the judgment debtor or  
3 his successor in interest must redeem all of the property as sold.

4 Section 28. Redemption amount; time; payment; disagreement  
5 as to amount; proceedings for determination; notice and hearing;

1        certi fi cate. The judgment debtor may redeem the property from the  
2        purchaser wi thi n twel ve (12) months of the date of the sal e, upon  
3        payi ng the purchaser the amount of hi s purchase, wi th i nterest at the  
4        legal rate thereon, up to the ti me of redempti on. In addi ti on, the  
5        judgment debtor shall pay the fol lowi ng:

6                    (1) the amount of any assessment or taxes;

7                    (2) any reasonabl e sum pai d for fi re i nsurance, mai n-  
8        tenance, unkeep, or repai r of i mprovements l ocated upon the  
9        property;

10                   (3) the fai r market val ue of any i mprovements con-  
11        structed upon the property; and

12                   (4) any sum pai d on a pri or obl i gati on secured by the  
13        property to the extent such payment was necessary for the  
14        protecti on of the purchaser' s i nterest, whi ch the purchaser  
15        may have pai d thereon after purchase, and i nterest on such  
16        amounts computed at the legal rate.

17        In the event of a di sagree ment between the purchaser and the  
18        judgment debtor as to whether any sum demanded by the purchaser i s a  
19        proper charge to be added to the amount requi red for redempti on, the  
20        judgment debtor shall thereupon pay to the cl erk of the court whi ch  
21        i ssued the executi on or order authori zi ng the sal e, the amounts the  
22        purchaser bel i eves, i n good fai th, are the amounts al l owed by thi s  
23        Act, l ess the amount i n di spute, and shall at the same ti me fi l e wi th  
24        sai d court a peti ti on i n wri ti ng setti ng forth speci fi cal l y the i tems  
25        demanded to whi ch he obj ects, together wi th hi s reasons for such ob-

1           jecti ons, and aski ng that such amount be determi ned by the court; sai d  
2           court shal l thereupon fi x a day, not fewer than ten (10) nor more than  
3           twenty (20) days from the date of such fi l i ng, for the heari ng of sai d  
4           obj ecti on; a copy of sai d peti ti on, together wi th a noti ce of heari ng,  
5           gi vi ng the ti me and pl ace thereof, shal l be served by the judgment



1 debtor seeking redemption, or his attorney, upon the purchaser not  
2 fewer than five (5) days before the day of hearing; upon the day  
3 fixed for the hearing, the court in which the order of sale or  
4 execution was originally issued shall determine, by order duly en-  
5 tered in the records of said court, the amount required for redemp-  
6 tion, either upon affidavit or evidence which is satisfactory to the  
7 court; and when the amount has been so determined, and in the event  
8 the amount has been so determined, and in the event the amount thereto  
9 deposited with the court shall be sufficient, the same shall be forth-  
10 with paid to the purchaser upon his execution of a proper certificate  
11 of redemption, said certificate stating the name of the purchaser and  
12 the redeemer, and further stating the claim, instrument, or judg-  
13 ment under which the redeemer derives the right to redeem, and  
14 further stating the date of the redemption and amount for which it was  
15 made, and particularly describing the redeemed property. In the event  
16 an additional amount to that theretofore paid to the court is requir-  
17 ed, the redeemer shall pay such additional amount to the clerk  
18 within ten (10) days. He shall then pay the whole amount necessary to  
19 the purchaser upon his execution of a proper certificate of redemp-  
20 tion. The certificate of redemption so issued may be deposited with  
21 the clerk for delivery to the redeemer, or given to the redemp-  
22 tioner at the time of payment.

23 Section 29. Rents and profits; rights of purchaser and  
24 redeemer; credit upon redemption; money to be paid; accounting.

25 The purchaser, from the time of the sale until a redemption, is enti-

1 tiled to receive, from the tenant in possession, the rents of the  
2 property sold, or the value of the use and occupation thereof. But  
3 when any rents or profits which have been received by the purchaser,  
4 or his assigns, from the property thus sold proceeding such redemp-  
5 tion, the amounts of such rents and profits, less reasonable expenses

1 incurred in the production of such rents and profits, shall be a  
2 credit upon the redemption money to be paid; and if the redemptioner,  
3 before the expiration of the time allowed for such redemption, demands  
4 in writing of such purchaser a written and verified statement of the  
5 amounts of such rents and profits thus received, the period for  
6 redemption is extended to five (5) days after such sworn statement is  
7 given by such purchaser or his assigns, to such redemptioner. If such  
8 purchaser or his assigns shall, for a period of one (1) month from and  
9 after such demand, fail or refuse to give such statement, the redemp-  
10 tioner may bring an action before the Supreme Court, to compel an  
11 accounting and disclosures of such rent and profits, and until fifteen  
12 (15) days from and after the final determination of such action, the  
13 right of redemption is extended to such redemptioner.

14 Section 30 Vacating of premises The mortgagor or its  
15 agents or persons holding possession of the property by and through  
16 the mortgagor shall vacate the property and give up possession thereof  
17 at any time prior to the date of sale under Section 22 of this Act,  
18 subject to the right of redemption provided for in Section 27 of this

1 Act.

2 Section 31. Anti-Deficiency. No deficiency judgment shall  
3 lie against a mortgagor after any sale of real property under Section  
4 22 of this Act for default by the mortgagor in the performance of his  
5 obligations under a mortgage given to a lender to secure repayment of  
6 a loan which was in fact used to pay all or part of the purchase price  
7 of a dwelling occupied in whole or in part by the mortgagor.

8 Section 32. Prospective effect. The provisions of this Act  
9 shall have prospective effect only and shall not apply to mortgages,  
10 deeds of trust or other contracts or conveyances entered into prior to  
11 the effective date of this Act.

1                   Section 33. Repeal. Congress of Micronesia Public Law No.  
2                   7-53 as amended by Congress of Micronesia Public Law No. 7-59, and  
3                   Palau Public Law No. 6-3s-17 are hereby repealed in their entirety.

4                   Section 34. Effective date. This Act shall take effect  
5                   upon its approval by the President of the Republic of Palau, or upon  
6                   its becoming law without such approval, except as otherwise provided  
7                   by law.

PASSED: August 4, 1982

Approved this 23<sup>rd</sup> day of August 1982.

/s/ \_\_\_\_\_  
Haruo I. Remeliek  
President  
Republic of Palau