

RESOLUTION OF THE GOVERNING BODY OF
THE THREE AFFILIATED TRIBES OF THE
FORT BERTHOLD RESERVATION

WHEREAS, This Nation having accepted the Indian Reorganization Act of June 18, 1934, and the authority under said Act; and

WHEREAS, the Constitution and By-Laws of the Three Affiliated Tribes authorizes and empowers the Tribal Business Council to engage in activities for the welfare and benefit of the Tribes and tribal members; and

WHEREAS, the Three Affiliated Tribes Tribal Declaration of Policies and Plan of Operation for the Tribal Credit program was modified under Resolution No. 79-253 to include a new section entitled "Short-Term Assignment" Loans; and

WHEREAS, the "Short-Term Assignment" Loan Program was set up with a \$200,000 allocation at the Fort Berthold Agency IIM; and

WHEREAS, Tribal members had not utilized the loan program.

NOW, THEREFORE BE IT RESOLVED, that the Declaration of Policies and Plan of Operation be modified to delete the above mentioned section.

BE IT FURTHER RESOLVED, that the Bureau of Indian Affairs is hereby instructed to forward the balance of the above mentioned IIM Account to the U.S. Treasury to be invested or to be made available for tribal use if needed.

C E R T I F I C A T I O N

I, the undersigned, as the Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of 11 members of whom 7 constitutes a quorum, 7 were present at a Special Meeting, thereof duly called, noticed, convened and held on the 17th day of July, 1980; that the foregoing resolution was duly adopted at such meeting by the affirmative vote of 7 members, 0 members opposed, 0 members abstained, 0 members passed, and that said resolution has not been rescinded or amended in any way.

Chairman (voting) (not voting).

Dated this 17th day of July, 1980

Mary A. Neels

SECRETARY,
Tribal Business Council

ATTEST:

Admiral Bivuta

CHAIRMAN,
Tribal Business Council

DECLARATION OR POLICIES AND PLAN OF OPERATION

TRIBAL CREDIT PROGRAM

Approved April 28, 1967

with

Modification I approved February 11, 1970

Modification II approved January 3, 1977

Modification III approved May 17, 1977

Modification IV approved January 11, 1979

Modification V approved June 14, 1979

Modification VI approved July 17, 1980

DECLARATION OF POLICIES AND PLAN OF OPERATION
TRIBAL CREDIT PROGRAM

1. DEFINITIONS

Wherever the following terms are used herein, they will have the meanings indicated:

- (a) "SECRETARY" means the Secretary of the Interior.
- (b) "ASSISTANT SECRETARY" for Indian Affairs.
- (c) "AREA DIRECTOR" means the Officer in Charge of the Aberdeen Area Office of the Bureau of Indian Affairs under which the Fort Berthold Agency is placed for administrative purposes.
- (d) "SUPERINTENDENT" means the Superintendent or other officer in charge of the Fort Berthold Agency.
- (e) "AGENCY OFFICE" means the headquarters office of the Fort Berthold Agency.
- (f) "TRIBE" means the Three Affiliated Tribes.
- (g) "TRIBAL COUNCIL" means the governing body of the Tribe consisting of eleven members of the Tribe elected in accordance with Article IV of the Tribe's constitution approved April 24, 1937, Amendment No. I approved October 16, 1956 and Amendment No. II approved December 12, 1961.
- (h) "COMMITTEE" means the Credit Committee appointed in accordance with section 6 hereof.
- (i) "DECLARATION" means this Declaration of Policies and plan of Operation.
- (j) "CREDIT PURPOSES" means loans to individuals and cooperatives by the Tribe.

(1) "REHABILITATION LOAN" means a loan to an individual to finance an enterprise of a size large enough to produce an income sufficient to cover operating and living expenses on a reasonable standard, and to repay the loan over a reasonable period of time.

2. PURPOSE

The purpose of this Declaration is to establish procedures to govern all future loans by the Tribe. This Declaration will be used by the Committee in day-to-day credit operations, and will make possible a minimum of reference to the Secretary's regulations and instructions of the Commissioner. In some instances the provisions hereof depart from the instructions of the Commissioner contained in the Manual of the Bureau of Indian Affairs. In all such cases the provisions of this Declaration will govern.

3. POLICY

Except as provided herein it is the policy of the Tribe to consolidate its credit and financing operations under one system, and to make all loans only under the procedures herein. Loans heretofore made by the Tribe will not be disturbed so long as the borrowers adhere to their loan agreements. The present tribal unsupervised loan program in the amount of \$50,000.00 will not become a part of this enterprise.

Loans will be made for the purpose of raising the social and economic status of members of the Tribe to a point where they can look to the same sources of financing as are looked to by other citizens. Loans may be made only upon determination that repayments can be made, based upon accepted credit analyses, and only to those members unable to obtain financing elsewhere on reasonable terms and conditions. Except for: (a) Loans to employed Indians who desire to finance small enterprises to supplement their wage income, (b) Loans for the purchase or construction of homes and other buildings, (c) Loans for the purchase or improvement of land, (d) Loans for the purchase of heirship lands by individuals, and (e) short-term fully secured loans as provided by Paragraph 36 herein, the Tribe will make only rehabilitation loans:

4. SCOPE

This Declaration will apply to all revolving funds borrowed from the United States; to all tribal funds heretofore or hereafter advanced to the Tribe for credit purposes under authority of 25 CFR 91.2.

5. REGULATIONS AND INSTRUCTIONS

All credit activities of the Tribe will be governed by the regulations in 25 CFR 91 and applicable amendments thereto, and, except as otherwise provided herein, in accordance with applicable instructions of the Commissioner contained in Part 47 of the Indian Affairs Manual, and applicable amendments thereto and revisions thereof.

6. CREDIT COMMITTEE

All credit activities of the Tribe will be administered by a credit committee of five members selected by the Tribal Council.

(a) Selection The first five members will be appointed by the Council. Members will continue to serve until their successors are appointed.

(b) Members of the Committee The names, addresses, and terms of office of the first five members are:

<u>Thomas Eagle, Jr.</u>	<u>Chairman</u>	<u>1978 - 1982</u>
<u>Marie Wells</u>	<u>Secretary</u>	<u>1978 - 1982</u>
<u>Willard Yellow Bird</u>	<u>Member</u>	<u>1978 - 1982</u>
<u>August Little Soldier</u>	<u>Member</u>	<u>1978 - 1982</u>
<u>Theodore Bird Bear</u>	<u>Member</u>	<u>1976 - 1980</u>

(c) Record of Appointments A record of all appointments to the committee will be furnished to the Superintendent, Area Director, and Commissioner.

(d) Officers After the appointment of the committee and each year following the appointment of a member, the members will select a chairman from among themselves, and a secretary from within the committee membership. The chairman and secretary will perform duties customary to their offices. In the absence of the chairman or secretary, the members present will select a temporary chairman from among themselves, and a temporary secretary from within the committee membership.

(e) Record of Meetings The secretary will keep, or cause to be kept, a full and complete record of all meetings, copies of

which will be furnished to the Superintendent, Area Director, and Tribal Council.

(f) Quorum Three members will constitute a quorum at any meeting. a uniform vote of at least two members will be required for any action to be effective.

(g) Suspension and Removal The Tribal Council may suspend a committee member for just cause. Notice of such suspension, including a clear and concise statement of the charges resulting in the suspension, will be forwarded to the suspended member by registered mail and a copy furnished the Agency Superintendent. Such member will have 60 days from the date of the notice to request a hearing before the Tribal Council. The hearing will be held at the next regular or special meeting of the Tribal Council, after receipt of request for hearing. The Tribal Council may remove such member from the committee. The decision of the Tribal Council will be final.

(h) Vacancies Vacancies in the membership will be filled by appointment by the Tribal Council for the unexpired term.

(i) Qualifications of Members The members must have a reputation for industry, dependability, honesty, and integrity; have had at least five years of successful experience in the operations of a farm, ranch or business; be an enrolled member of the Tribe; at least 21 years of age; and of at least one-quarter degree Indian blood.

(j) Restrictions on Membership No person or spouse will be eligible for membership when he or she has a loan from the Tribe that is

delinquent or in default, and members will not be eligible to receive loans from the Tribe during the time they are committee members, unless their applications are approved by a majority vote of the Tribal Council, and by the Superintendent on loans falling within local approving authority.

(k) Compensation Compensation of members and the rate of per diem and mileage to be paid to them will be determined by the Tribal Council, and be paid from "local" tribal funds.

(l) Meetings The committee will meet when business demands and requires its attention. Meetings may be called by the chairman. Meetings shall be called by the chairman upon request in writing of two members of the committee, or upon request of the Superintendent or Agency Credit Officer.

In the event that the chairman fails to call a meeting within five days after receipt of written request, the other two members may call a meeting. At least three days written notice will be given of all meetings except the regular meeting unless the members unanimously agree to waiver such notice. The number of meetings held will be kept to the minimum necessary to conduct the Tribes Credit business. All meetings will be in executive session and, with the exception of employees of the Bureau of Indian Affairs, the secretary, and a clerk to keep records in accordance with subsection (e) of this section, attendance at meetings will be by invitation only. All voting on applications, request for modification, declaring loans in default, disbursement authorizations, and

other actions will be taken only at meetings, and the applicants or borrowers will not be permitted to be present at the time of voting.

- (m) Signatures on Actions The chairman, secretary, or such other of the members as may be authorized at meetings, will sign such papers as the committee may designate for and on its behalf. All such authorizations will be reflected in the records of the committee.

7. AUTHORITY AND DUTIES OF CREDIT COMMITTEE

The committee will have full authority to act for and on behalf of the Tribe in all phases of its credit operations, including the financing of enterprises, except as provided in Section 6 (j). Initial action for the Tribe on all credit matters will be taken by the committee, which will either recommend for approval, in whole or in part, conditionally or unconditionally, or return the applications or request to the applicants or borrowers, with advice as to why the same cannot be recommended for approval.

It will be the responsibility of the committee to see that loans are repaid when due and to do the necessary follow-up with each borrower to see that they make proper use of funds loaned to them.

The committee will make a written report at least annually regarding adherence or nonadherence to the plan, which will be filed in the borrower's loan folder (see section 28 regarding annual inspections). If it becomes apparent that a borrower will become delinquent, the committee will take steps necessary to prevent the delinquency, either by obtaining payment, by extending the repay-

ment terms, or by declaring the loan in default and placing it in liquidation. Advice of the tribal attorney will be requested when any legal action is contemplated.

The authority as set forth in this section will not be interpreted as placing any restrictions on the committee's authority to act for and on behalf of the Tribe in any phase of its credit operations.

8. TECHNICAL ASSISTANCE

Except loans which are fully secured, and those for less than \$1,000, applicants will be required to submit plans of enterprises for which financing is requested in a form satisfactory to the committee and the approving official. Plans will be worked out with representatives of Federal or state agencies, or such personnel of the Bureau of Indian Affairs as may be designated by the Superintendent, and bear the signature of the applicant or applicants,

9. CREDIT OFFICER

The Credit Officer assigned to the Fort Berthold Agency will work in close cooperation with the committee and assist applicants and borrowers in the preparation of loan applications and other papers. He will advise the committee and applicants and borrowers of conformance or nonconformance to terms and agreements in applications and other papers, to the regulations of the Secretary, manual instructions of the Commissioner, and the provisions of this Declaration. He will attend all meetings of the committee insofar as practicable, and will advise it of action necessary. He will be responsible to see that the bookkeeping, clerical work, records, reports, securing of required

forms, filing, recording, and administrative details necessary for proper operation of the Tribe's credit program are handled properly. He will check on the property purchased with or given as security for the loan from the Tribe in conjunction with the Credit Committee. He will arrange with representatives of technical Branches for necessary inspection of property purchased with loans. He will not make technical inspections or perform functions which properly fall within the province of other Branches of the Bureau. He will be responsible to see that minutes are kept of meetings of the committee by the secretary or a clerk in accordance with section 6 (c) and that all actions and authorizations are adequately reflected in the minutes. He will make such recommendations to the committee or the Tribal Council as he may be authorized by the Superintendent. The Credit Officer will be responsible for prompt filing or recording of all documents given as security for loans. He will see that borrowers are notified by the Credit Committee when payments are in arrears and that these notifications are properly made in a matter of record.

10. LEGAL ASSISTANCE

The Tribe's attorney will handle such legal work as may be necessary in the enforcement of any credit obligations to the Tribe.

11. COMPENSATION FOR CREDIT EMPLOYEES

The credit committee and any other person employed by the Tribal Council to assist in its revolving credit program will be paid by the Tribes from local Tribal funds. All credit employees having civil service status will be paid by the U.S. Government.

12. VETERANS

Wherever possible, the benefits of the loan guaranty or insurance provision of the Servicemen's Readjustment Act of 1944, as amended, will be obtained on loans which the Tribe may make on veterans.

13. DEPOSITORY

The depository for credit funds of the Tribe will be an Indian Money Account of the Fort Berthold Agency.

14. ADVANCES OF FUNDS TO THE TRIBE

All advances of revolving funds in accordance with the terms of loan agreements with the United States, and all advances of tribal funds to the Tribe from the United States Treasury for credit purposes, will be made to the treasurer, who will be bonded in an amount and in a manner satisfactory to the Area Director.

15. DISBURSEMENTS

All disbursements from the Tribe's account (section 13) will be by check of the Superintendent. The Superintendent may make disbursement only upon receipt of written requests signed by the chairman, secretary, or such other committee member as may be authorized by the committee at meetings in accordance with section 6 (m) of this Declaration to sign such requests. The Superintendent will satisfy himself that all such requests were authorized by the committee at meetings. Disbursements on loans will not be made until the loans have been properly approved in accordance with the provisions of this Declaration, nor until the loan agreements are complete and the

securing instruments, except on property purchased with the loan, have been properly filed or recorded in accordance with section 29.

16. REPAYMENTS

All repayments and other receipts on loans will be made direct to the Bureau of Indian Affairs designated Collection Officer. Such officer will issue an official receipt to the remitter for the account of the organization. The remitter will receive the original receipt and a copy will be furnished the organization. All repayments and other receipt on loans will be deposited promptly in the Tribe's depository for credit funds. Insofar as the foregoing functions are concerned, they shall not be construed as placing any responsibility on the Government for the collection of loans made under this Declaration.

17. RECORDS, REPORTS, AND AUDITS

Records and accounts will be maintained in a manner and in accordance with an accounting system satisfactory to the Area Director. Reports will be submitted in accordance with 47 IAM 11. An annual audit of the Tribe's credit operations will be made as of September 30 each year and contain such information as the Area Director may consider essential. Copies of audit reports will be furnished to the Tribal Council, Credit Committee, Superintendent, Area Director, and Commissioner.

18. APPROVAL OF LOANS

Subject to the restrictions in this section below and in Section 19

below, applications of individuals which have been recommended for approval by the committee may be finally approved as follows:

- (a) The Superintendent may approve loans to members of the Tribe where the applicant's total indebtedness to the Tribe will not exceed \$15,000.
- (b) Loans to members of the Tribe in excess of \$15,000 shall require approval of the Area Director or Commissioner.
- (c) Loans to members of the credit Committee shall require approval in accordance with section 6 (j) of this Declaration.
- (d) Loans shall not be approved where:
 - (1) The loan is for the purchase of undivided heirship interests unless the purchase will result in the applicant getting the heirship tract in complete and single ownership.
 - (2) The loan application is for less than \$100.
 - (3) The loan will result in the applicant having more than one loan agreement.
 - (4) The loan is for burial, support and subsistence purposes.

19. RESTRICTIONS ON APPROVAL OF LOANS

Loans will not be approved during the period September 15 through October 1 each year, except in cases of emergency, nor if they fall in any one of the following classes:

- (a) Undue Risk Where the loan involves undue risk.
- (b) Residence of Applicant Where the applicant resides outside the boundaries of the Fort Berthold Reservation, unless the loan is fully secured.

- (c) Purchase of Livestock Where the loan is for the purchase of livestock, unless the applicant has made adequate provisions for year-round care of the livestock.
- (d) Factual Applications. If the applicant falsifies his application or conceals his liabilities.
- (e) Purchase of Unrestricted Real Property Where the loan is for the purchase of unrestricted real property, unless the applicant accompanies the application with an up-to-date abstract of title showing a clear and marketable title, or furnishes a policy of title insurance satisfactory to the Area Director.
- (f) Delinquent Borrowers If the applicant is delinquent in repayment of any tribal loans; however, a borrower may request refinancing of a delinquent loan.

20. APPROVAL OF MODIFICATIONS

Requests for modifications of loan agreements which have been recommended for approval by the committee may be approved by the Superintendent where the applicant's unpaid balance to the Tribe does not exceed \$15,000. Requests for modification of loan agreements where the unpaid balance is in excess of \$15,000 shall require approval of the Area Director or the Commissioner.

21. ELIGIBILITY FOR LOANS

Only individual Indians who are members of the Tribe, or at least one-quarter degree of Indian blood, and who cannot receive financing from the same credit institutions serving other citizens on reasonable terms and conditions, will be eligible for loans from the Tribe.

Cooperative associations must be organized pursuant to the laws of the State of North Dakota. Any tribal enterprise will be handled in accordance with 47 IAM 9.

22. OBJECTIVE OF LOANS

The objectives of loans by the Tribe are:

- (a) Rehabilitation of Borrowers To rehabilitate and promote the economic development of the borrower to the end that they become self-sustaining and independent of assistance from the Tribe.
- (b) Utilization of Resources To utilize the reservation resources by tribal members.
- (c) Improvement of Housing
- (d) To Consolidate or Purchase Heirship Lands

23. PRIORITY OF APPLICATIONS

Loans to purchase heirship lands, rehabilitation loans, housing loans, and loans for the purchase or improvement of land will receive preference in the order named. Those applicants having the greatest need for these types of loans, due consideration being given to soundness, will receive first consideration. Veterans of all wars will receive preference over the other applicants.

24. LOAN PROCEDURE

- (a) Applications Applications will be written by the applicants on the forms provided, or be filled out for them.
- (b) Appraisal An actual physical appraisal showing the value of assets of the applicant will be made when such assets are taken as security. This appraisal will be made by an authorized

committee representative, and bear the signature of the appraiser.

(c) Farm Plans A complete farm and conservation practice plan prepared in a manner satisfactory to the officer approving the application and farm and home plans will not be required on fully secured loans or loans of less than \$1,000, unless the borrower desires.

(d) Unrestricted Real Property Applications for the purchase of real property will be accompanied by an up-to-date abstract of title showing a clear and marketable title and a down-payment of at least five percent of the cost of the property will be required.

(e) Housing Loans Application for housing loans will be accompanied by:

(1) A plan showing the type, dimensions, floor area of the house to be constructed, and an estimate of the cost of the construction. If the house is to be built by a private contractor, the plan will be accompanied by specifications showing the types, qualities, and amount of materials to be used, signed by the contractor and the applicant. The contractor will be required to agree to permit a committee representative to inspect the construction from time to time; that payment therefor will be made on a percentage of completion basis; and final payment only after the house has been approved by the borrower and an authorized committee representative.

(2) In the case of houses to be built on trust land, a statement signed by an authorized representative of the Agency or

Area Branch of Real Property Management and approved by the Superintendent, showing that the applicant has trust title to the land or an assignment of the land upon which the house to be constructed, will be required. The same requirement will apply in the case of houses to be purchased which are located on trust land.

- (3) A statement, signed by the applicant, stating what other buildings he owns, and whether those buildings are located on the land upon which the proposed house is to be constructed, or on other land.
- (4) In the case of houses to be built on unrestricted land, evidence of ownership of the land in the form of a current abstract of title showing a clear and marketable title, or a policy of title insurance, and a down-payment of at least five percent of the house will be required.
- (5) Home loans for existing construction on property outside the boundaries of the reservation will be adequately secured and where applicable, fully secured. Unless waived by the final approving officer, loans for the purchase of homes already constructed will be closed through escrow and a policy of title insurance will be required. Applications for purchase of existing homes will be accompanied by an appraisal report.
- (f) Housing Repair and Improvement Loans In the case of loans for house repairs and improvements, the committee or the approving officer may require information similar to that required by section 24 (e) (1) through (5); before taking action on the

application. If the improvement is to be made on a house located on land to which the applicant does not have a clear title, the loan must be fully secured, or the applicant will obtain clear title to the land on which the house is situated before the loan may be approved. If the improvements are made on applicant's unrestricted real property upon which there is a lien, the applicant must own at least a twenty percent equity in the value of the property. The Tribe may, in the discretion of the committee and the approving officer, lend the applicant a sufficient amount to discharge the lien plus the amount of the cost of the proposed improvements. A first mortgage will be required as security on all such loans.

(g) FFA and 4-H Club Loans Loans may be made to members of FFA and 4-H Club organizations upon recommendations of the leader of the chapter or club or a representative of the State Extension Service.

(h) Credit Ratings. Loans may not be made unless the applicants and/or their cosigners have maintained good credit ratings, or if ratings have not been maintained, they must have good reputations for industry and dependability.

25. INSURANCE

Fire insurance with a loss payable clause in favor of the Tribe will be required on all loans for the construction or purchase of homes or other buildings, and on all loans in excess of \$1,000 for the repair or improvement of homes and other buildings, and homes or

other buildings given as security for loans. The amount of insurance, when required, will equal or exceed the unpaid balance of the loan. Borrowers will be required to obtain and maintain adequate insurance, and failure to do so will subject them to the default penalties of their loan agreements. In the event a borrower does not maintain adequate insurance, he will agree that the Tribe may do so and charge him therefor.

26. INTEREST

Interest will be charged the borrowers at the rate of nine and one half (9½) percent per annum on loans for any purpose, except that the interest rate on loans guaranteed or insured in accordance with the provisions of the Servicemen's Readjustment Act of 1944, as amended, will be in accordance with the requirements thereof. Interest rates on loans made prior to approval of this Declaration, the unpaid balances of which are refinances or extended shall be at the rates set forth therein.

27. DISPOSITION OF PROPERTY

When authorized by the committee, the chairman, secretary, or such member of the committee as may be authorized by the committee at meetings, may, with the approval of the superintendent, release property purchased with or given as security for loans under the following conditions:

(a) Plan When the borrower's plan calls for disposition, and the proceeds are to be applied as set forth herein.

(b) Redemption or Security, Where the property is sold and the pro-

ceeds are either applied on the loan or are used to purchase other capital good which are given as security for the loan.

- (c) Other Where the disposition is justified, and the loan is adequately secured without the property to be released.
- (d) Exchange Where the property is exchanged for other property which is given as security for the loan.
- (e) To protect and preserve the security.

28. ANNUAL INSPECTIONS

An authorized representative of the committee will make an annual inspection of each borrower's assets, except that in the case of fully secured loans which are not delinquent, the committee may waive this requirement. All such waivers shall be reflected in the record of meetings of the committee in accordance with section 6 (e). Each borrower will be notified in writing by the committee of the date of inspection ten days in advance, unless otherwise agreed upon by the parties involved.

29. FILING AND RECORDING

All recording or filing costs, including costs of lien searches, will be at the expense of the borrower. Securing documents, except assignments of income from trust land, will be filed or recorded in accordance with state laws. Assignments of income from trust land may be filled in at the Agency Office. Where crop mortgage are taken as security for loan, a new mortgage will be taken and filed each year in accordance with state laws.

30. TITLE TO PROPERTY

Title to property purchased with loans shall be taken in the name of

the borrower, except land, which may, with the approval of the Area Director, be taken in the name of the United States in trust for the borrower.

31. SECURITY

Borrowers with security to offer will be required to give it up to an amount adequate to protect the loan. Unless other adequate security is available, property purchased with the loan will be mortgaged to the Tribe as security. Lack of security will not prevent approval of a loan provided the borrower's plan shows reasonable assurance that it can be repaid, and if the applicant's managerial ability, reputation for industry, and financial responsibility are satisfactory.

32. MATURITY

The maturity of loans to cooperatives will be determined by the purposes for which the loan is requested, but will not extend more than ten years from the date of approval of the loan, unless specifically authorized by the committee and the Commissioner. The maturity of loans to individuals for the purchase of land, for the purchase or construction of homes or other buildings, for land improvements, and for other items customarily requiring long-term financing, will be scheduled for repayment at the earliest possible date consistent with the borrower's ability to repay. The maturity of loans guaranteed or insured under the Servicemen's Readjustment Act will be in accordance with regulations of the Veterans's Administration. In no event may a loan by the Tribe extend beyond the maturity of its loan from the United States, until the Tribe has other funds to permit it to

make prompt repayments of its obligations to the United States.

33. LAND PURCHASE LOANS

The Tribe may make loans to individual members for the purchase of land. Loans may be made to buy land which is in heirship status for consolidation purposes. Applications for loans to purchase heirship lands will receive preference over applications for loans to purchase other lands.

34. DELINQUENCIES

Loans will not be permitted to remain delinquent for more than one year at any particular time, except loans which have been assigned to the United States for collection, loans which are in process of liquidation, and loans on which there are unpaid balances but which have been charged off on the Tribe's active accounting records. If an individual loan is 30 or more days delinquent, the Superintendent is requested and authorized to take action to apply any and all available trust income of a delinquent borrower to the delinquent loan by invoking the provisions of any existing approved assignments of trust income. The Tribe also agrees that upon written request of the Area Director, with the consent of the Tribal Council, the chairman or secretary of the Credit Committee is authorized and instructed to execute for and on behalf of the Tribe, a specific assignment of any agreement, note, right, or security heretofore or hereafter acquired in the Tribe's credit operations, in favor of the United States. In the event of failure to comply with the provisions of this section at any time, it is agreed that no further

loans will be made until there is compliance, except that the Area Director may authorize the approval of specific loans in order that borrowers who have demonstrated industry and good faith may not be penalized because of lack of industry and good faith on the part of other borrowers

35. MODIFICATION OF DECLARATION

This Declaration may be modified upon request of the Tribal Council and approval by the Commissioner of his authorized representative.

36. SHORT TERM LOAN PROGRAM

The amount of \$150,000 will be deposited in a separate Indian Money account of the Fort Berthold Agency in accordance with section 13 hereof, in a special account captioned "Small Loan Tribal Short Term Loan Program". An account will be used for short term loans. This \$150,000 will be shown on the credit accounts and balance sheet of the Tribe as an advance to the Short Term Loan Program which will be reported as a tribal enterprise. Separate accounting records will be maintained on the Short Term Loan Program, on which the \$150,000 will be shown as a liability item owing to the Tribe. Loans may be made from this fund under the conditions set forth below. Where the provisions of this section conflict with the provisions of other sections of this Declaration, the provisions of this section shall govern.

(a) Form Applications will be submitted on the form attached hereto as Exhibit III.

(b) Procedure Applications will be presented to the committee or to its chairman or secretary for action. The committee or its

chairman or secretary will indicate on the application the recommended repayment schedule of the loan.

- (c) Maximum and Minimum Amount The maximum amount which may be loaned to any one borrower or combination of borrowers under this program is \$500.00, the minimum loan will be \$25.00.
- (d) Security All loans made under this program will be fully secured, and assignments or per capita payments or other distribution of tribal assets, or lease income which is not due and payable within twelve months if less than \$250.00 and a maximum of three years if over \$250.00 of the date of approval of the application, will not be considered in determining whether or not a loan is fully secured. Assignment of income from direct payment leases will not be accepted as security for short term loans unless they are modified to be paid to the Bureau of Indian Affairs. A wage assignment may be taken as security for a Tribal Small Loan under the following criteria:

- (1) (a) He employed by the Tribe, where the Treasurer and Chairperson are required to sign off on the employees pay-check.
- (b) The amount requested shall not exceed the amount earned in a pay period.
- (c) The applicants will be required to sign an Assignment of Wages payable to the Three Affiliated Tribes.
- (d) The Authorizing Officer of the Tribe shall be the Treasurer.

(1) The signature of the Treasurer on the wage assignment shall make it valid.

(2) The Authorizing Officer shall assume the responsibility of putting the wage assignment in effect and assuring the Tribe of prompt repayment of the loan.

(2) If for any reason an applicant is not eligible for a wage assignment under Part A, the applicant would be required to get a cosigner with sufficient lease income to fully secure the loan.

The Superintendent may at his discretion accept or reject any and all wage assignments upon recommendation of the Credit Officer.

(e) Approval Applications recommended for approval by the committee or by its chairman or secretary may be finally approved by the Superintendent, provided the borrower's total cash indebtedness to the Tribe will not then exceed \$500.00.

(f) Approval Review The committee will review all applications approved by its chairman or secretary and may issue instructions for their guidance. The committee may at any time withdraw the authority of its chairman or secretary in accordance with subsections (b) and (e) of this section and require that all applications be acted upon by the committee.

(g) Unconditional Approval Applications will not be acted upon unconditionally by either the committee or its officers. Those which cannot be recommended for approval or disapproval as submitted, will be returned to the applicants, where applicable, with instructions for rewriting.

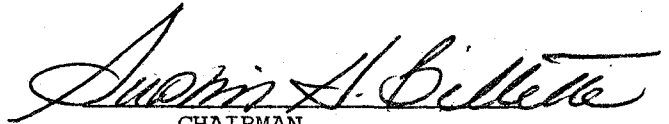
- (h) Maturity The maturity of loans will not exceed one year, unless the amount exceeds \$250.00. It may then be three years if authorized by committee action.
- (i) Purposes Loans may be made for support, emergency, or any other purpose which would rehabilitate the borrower.
- (j) Extensions Extensions of the repayment terms of "short term" loans will not be approved. Failure of any borrower to repay his "short term" loan in accordance with the terms thereof, will automatically make such borrower ineligible for further loans under the Short Term Program, unless the Superintendent specifically authorizes an exception in the case of a particular borrower where circumstances beyond his control make it impossible for him to meet his payments, and reasons for this action are fully documented on the application.
- (k) Register of Ineligible Members A register of members of the Tribe who are ineligible to receive loans under the Short Term Loan Program without specific authorizations by the Superintendent, will be maintained by the Tribe.
- (l) Recipients of Welfare assistance will not be approved without recommendations from the Bureau's Branch of Social Services.
- (m) Refinancing Short Term Loans may be refinanced by another short term loan; provided that the repayment terms of the refinanced portion of the loan are not extended.
- (n) Interest The interest rate of short term loans will be 9½ percent per annum or a minimum of \$2.00 per loan.

- (o) Filing Securing documents on short term loans will be filed or recorded in accordance with section 30.
- (p) Audits Audits of the Tribe's credit operations in accordance with section 17 will include a special section on the status and collectibility of loans made under the Short Term Loan Program.
- (q) Annual Reports For the purpose of annual credit reports the short term loan program will be considered a tribal enterprise. A separate Table B for the amount invested in the program will be submitted in accordance with 47 IAM 11. A Table C is not required. Attached to each Table B will a balance sheet and operating statement of the Short Term Loan Program, and a list of all delinquent loans, with reasons for the delinquencies and a statement of the collectibility of each loan. As of December 31 of each year, similar balance sheets and statements will be submitted.
- (r) Repayments Repayments on loans will be made in accordance with section 16. Interest and other earnings on short term loans will be credited to the Short Term Loan Program bank account, and may be used only for the purpose of making further short term loans, unless the financial condition of the Short Term Loan Program is such that earnings can be used for other purposes without endangering the soundness of the program, in which event, upon request of the committee, the Area Director may authorize the withdrawal of earnings to be used for other purposes in specific amounts.

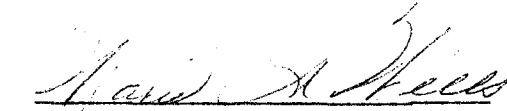
37. The Declaration in compliance with the Freedom of Information Act only the name, amount of a loan, and the date of such loan shall be given to person or persons soliciting information regarding Tribal Loans.
38. All Federal Employees applying for Tribal Loans have to clear it through their Ethics Counselor at the Aberdeen Area Office.

Executed and signed for and on behalf of the Three Affiliated Tribes of the Fort Berthold Reservation as authorized by Resolution No. 76-267N adopted January 18, 1977; Resolution 77-160 adopted May 17, 1977; Resolution No. 79-17 adopted January 11, 1979; Resolution No. 79-253 adopted June 14, 1979; and Resolution No. 80- 124 adopted on July 17th, 1980.

Dated July 17, 1980


CHAIRMAN

Dated July 17, 1980


acting SECRETARY