

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 and for the welfare and benefit of the tribes and tribal members; and

WHEREAS, the Tribal Business Council FY 1984 budget needs modification for compliance with changes mandated specifically for the Indirect Cost budget; and

WHEREAS, the revised Tribal Business Council T/2 budget includes, new, changed, or deleted line item changes that are needed to properly operate the Tribal Business Council.

NOW, THEREFORE, BE IT RESOLVED, that the Tribal Business Council hereby approves the Tribal Business Council T/2 budget modification retroactive to December 5, 1983.


BE IT FURTHER RESOLVED, that the Tribal Business Council approves the Indirect Cost budget with the rate at 25%.

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

I, the undersigned, as 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 constituting a quorum, 9 were present at a REGULAR Meeting, thereof duly called, noticed, convened, and held on the 8 day of DECEMBER, 1983; that the foregoing resolution was duly adopted at such meeting by the affirmative vote of 8 members, 1 members opposed, — members abstained, — members not voting, and that said resolution has not been rescinded or amended in any way.

Chairman (Voting) (~~Not Voting~~)

Dated this 8 day of DECEMBER, 1983


SECRETARY, TRIBAL BUSINESS COUNCIL

ATTEST:


CHAIRMAN, TRIBAL BUSINESS COUNCIL

THREE AFFILIATED TRIBES
FY-1984 BUDGET

EXPENSES:COUNCIL SALARIES (50%):

CHAIRPERSON	13,000.00
VICE-CHAIRPERSON	9,750.00
SECRETARY	9,960.00
COUNCIL MEMBER (ROY)	10,000.00
COUNCIL MEMBER (DON)	6,568.00
COUNCIL MEMBER (ERNEST)	3,000.00
COUNCIL MEMBER (DENNIS)	<u>4,280.00</u>

TOTAL OF COUNCIL SALARIES. 56,558.00

FRINGE @ 18% 10,180.44

COUNCIL STIPENDS (50%)

COUNCIL MEMBER (GERALD)	6,630.00
COUNCIL MEMBER (MARIE)	3,000.00
COUNCIL MEMBER (PETE)	6,568.00
COUNCIL TREASURER (PAUL)	<u>8,294.00</u>

TOTAL OF STIPENDS. 24,492.00

COUNCIL MILEAGE: (50%)

COUNCIL MEMBER (MARIE)	1,352.00
COUNCIL MEMBER (GERALD)	3,120.00
COUNCIL MEMBER (DON)	3,432.00
COUNCIL MEMBER (PAUL)	1,456.00
COUNCIL MEMBER (MATT)	1,040.00
COUNCIL MEMBER (ERNEST)	6,749.99
COUNCIL MEMBER (DENNIS)	5,720.00
COUNCIL MEMBER (PETE)	<u>3,432.00</u>

TOTAL OF MILEAGE 26,301.99

TOTAL COUNCIL COMPENSATION 117,532.43

ADMINISTRATOR SALARIES (50%)

ADMINISTRATIVE ASSISTANT @ 9 WEEKS	3,150.00
STAFF ASSISTANT I	5,563.00
STAFF ASSISTANT III	8,345.00
EXECUTIVE SECRETARY	8,025.00
EXECUTIVE SECRETARY	8,025.00
SERGEANT-AT-ARMS	11,448.00
(3) SECURITY GUARDS	<u>13,354.00</u>

TOTAL ADMIN SALARIES 57,910.00

FRINGE @ 21.8% 12,624.38

TOTAL ADMIN COMPENSATION 70,534.38

TOTAL COUNCIL AND ADMINISTRATION COMPENSATION 188,066.81

THREE AFFILIATED TRIBES
FY-1984 BUDGET

OTHER OPERATING EXPENSES:

COUNCIL TRAVEL	44,475.50
MAINTENANCE TRAVEL	1,800.00
CONSULTANT	10,000.00
TELEPHONE	9,000.00
AUDITS	10,000.00
POSTAGE	2,500.00
OFFICE SUPPLIES	2,500.00
TRIBAL ELECTION	15,000.00
PRINTING	3,000.00
REFERENDUM VOTE	4,500.00
COMPUTER PURCHASE PAYMENTS	13,200.00
POLICE UNIFORMS	1,400.00
PORPOERTY DAMAGES	4,050.00
OTHER	16,387.96
LEGAL DEPARTMENT	159,700.81
SPACE COSTS	15,362.16
WELL RENOVATION	2,524.50
MCKENZIE ELECTRIC	11,000.00
COMMUNITY COLLEGE	5,000.00
	SUB TOTAL
	331,400.93
	TOTAL INDIRECT COST @ 25.9%
	<u>134,542.14</u>

TOTAL OTHER OPERATING EXPENSES 465,943.07

TOTAL TBC OPERATING EXPENSES 654,009.88

THREE AFFILIATED TRIBES
FY-1984 BUDGET

INCOME:
GENERAL

T/2 MISCELLANEOUS	25,000.00
GRAZING FEES	115,000.00
FARM LEASES	80,000.00
LEASE FEES	20,000.00
COMPUTER RECOVERY	13,200.00
REPAYMENT OF WAGE	
ASSIGNMENT (LOANS)	10,000.00
SBA LOAN CARRYOVER	25,000.00
MONEY MARKET INTEREST	35,000.00
(EST.)	
INSURANCE RECOVERY FROM	
PROGRAMS (31,000.00 @ 70%)	21,700.00
RENT	10,000.00

TOTAL T/2	354,900.00
EXCESS LOCAL FHA ACCT (R)	120,000.00
FY 1983 CARRYOVER	16,717.03
SALARY SAVINGS	7,242.23
TOTAL GENERAL	498,859.26

D)

DOCKET FUNDS:

350 C & D	ADMINISTRATION	103,068.09	
	FHA	158,244.09	
	SCHOLARSHIP	16,249.61	
	COMMUNITY DEVELOPMENT	155,351.71	
	TOTAL C & D		432,913.50

350 F:

	WAKE FUND	30,084.73	
	TOTAL 350 F		30,084.73

350 G:

	LAND PURCHASES	217,110.00	
	CAPITAL (Bus.) DEVELOPMENT	147,248.09	
	WAKE FUND	42,231.80	
	ELDERLY	56,497.45	
	EDUCATION	43,923.84	
	COMMUNICATIONS	33,870.11	
	ALCOHOLISM	51,437.60	
	CHILD WELFARE	34,908.38	
	TOTAL		627,227.27

TOTAL DOCKET FUNDS	1,090,225.50
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TOTAL INCOME	1,589,084.76
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THREE AFFILIATED TRIBES
FY-1984 BUDGET

OTHER PROGRAMS EXPENSES:

ATTORNEY FEES	50,000.00	
INSURANCE (+ APPRAISALS)	55,000.00	
WAKE FUND	72,316.53	
SCHOLARSHIPS	16,249.61	
LAND PURCHASES (BUDGET)	217,110.00	
ELDERLY (P+R)	56,497.45	
EDUCATION (P+R)	43,923.84	
TELECOMMUNICATIONS	33,870.11	
ALCOHOLISM: LOAN PAYMENT	10,625.00	
(BUDGET) OTHER	<u>40,812.60</u>	
	51,437.60	51,437.60
CHILD WELFARE	34,908.38	
COMMUNITY DEVELOPMENT	155,351.71	
CAPITAL (BUSINESS) DEVELOPMENT (P+R)	<u>147,248.09</u>	
TOTAL OTHER PROGRAM EXPENSES		933,913.32
TOTAL EXPENSES (ALL PROGRAMS)		1,587,923.20
TOTAL INCOME		1,589,084.76
EXCESS INCOME		1,161.56

ADMITTED BY: *Dennis Maddox*
DENNIS MADDOX, TRIBAL COMPTROLLER

APPROVED BY: *Nathan Paul Goodiron*
NATHAN PAUL GOODIRON, TRIBAL TREASURER

THREE AFFILIATED TRIBES
 FY-1984 INDIRECT COST
 TRIBAL BUSINESS COUNCIL
 FOR PERIOD OCT. 1, 1983 THRU SEPT. 30, 1984

SALARIES/MILEAGE/PER DIEM

COUNCIL SALARIES @ 50%	56,558.00	
COUNCIL MILEAGE @ 50%	26,301.99	
COUNCIL PER DIEM @ 50%	24,492.00	
COUNCIL FRINGE 18% @ 50%	<u>10,180.44</u>	
TOTAL COUNCIL COMPENSATION		117,532.43

ADMINISTRATION

STAFF ASSISTANT I @ 50%	8,345.00	
EXECUTIVE SECRETARY @ 50%	<u>8,025.00</u>	
TOTAL ADMINISTRATION SALARIES	16,370.00	
FRINGE 21.8% @ 50%	3,568.66	
TOTAL COMPENSATION/ADMIN.		19,938.66

OTHER OPERATING EXPENSES

OFFICE SUPPLIES	1,000.00	
TELEPHONE	<u>1,000.00</u>	
TOTAL OTHER OPERATING EXPENSES	2,000.00	<u>2,000.00</u>
TOTAL INDIRECT COST		<u>139,471.09</u>

DECLARATION OF POLICIES AND PLAN OF OPERATION

U. S. DIRECT LOAN PROGRAM

THREE AFFILIATED TRIBES OF FT. BERTHOLD RESERVATION
NORTH DAKOTA

THREE AFFILIATED TRIBES OF FT. BERTHOLD RESERVATION
NORTH DAKOTA

U.S. DIRECT LOAN PROGRAM

1. PURPOSE

The following provisions apply to receiving, processing applications and approval and disapproval of loans from the United States to individual Indians and partnerships where the provisions of this plan contradict those of 47 BIAM Supplement 2, the provisions of this plan shall govern. Should this plan contradict provisions of 25 CFR 10, CFR 91, shall govern. Where matters are not specifically covered in this plan the provisions of 47 BIAM shall govern.

2. DEFINITIONS

Where the following terms are used therein, they will have the meaning indicated.

- (a) "SECRETARY" means the Secretary of the Interior
- (b) "ASSISTANT SECRETARY" means the Assistant Secretary - Indian Affairs
- (c) "AREA DIRECTOR" means the Officer in charge of the Area Office of the Bureau of Indian Affairs under which the Ft. Berthold Agency is placed for administrative purposes
- (d) "SUPERINTENDENT" means the Superintendent or other officer in charge of the Ft. Berthold Agency
- (e) "AGENCY OFFICE" means the headquarters office of the Ft. Berthold Indian Agency
- (f) "TRIBE" means members of the Three Affiliated Tribes of the Ft. Berthold Reservation of North Dakota
- (g) "TRIBAL COUNCIL" means the governing body of the Three Affiliated Tribes
- (h) "DECLARATION" means this Declaration of Policies and Plan of Operation
- (i) "CREDIT OFFICER" means the tribally contracted Credit Officer or the Agency Credit Officer if the Credit Program is not contracted.
- (j) "INDIVIDUAL" means Indians who are members of federally recognized tribes who are not making loans to its members
- (k) "RESERVATION" means the Ft. Berthold Reservation lying within the immediate vicinity of McKenzie, McClean, Dunn, Ward and Mountrail Counties, North Dakota.

3. POLICY

Primary emphasis shall be placed upon assisting individual Indians and partnerships in obtaining financing from the same sources (both private and governmental) that serve other citizens.

Secondary emphasis shall be placed upon assisting individual Indians and partnerships in obtaining financing from commercial lenders through the Guaranteed and Insured Loan Program (25 CFR 103) of the Bureau of Indian Affairs.

Except for loan category (d) below, loans may be approved only for projects located on or near a reservation and which will have a direct economic impact to a Tribe or to its members residing on a reservation or for economic development of a reservation and its resources. Such loans from the direct program may be made only in those cases where it has been ascertained that the applicants are not in a position to obtain outside financing and/or where the costs of financing from private sources appears to be exorbitant. Loans to employees of the Bureau of Indian Affairs will require approval of the Area Director.

Although not necessarily limited, preference will be given to loans which will finance projects under the following categories:

- (a) Productive Loans: A loan for financing a self-liquidating enterprise i.e., one that will produce income sufficient to cover necessary operating expenses, and repay the loan within a reasonable period of time.
- (b) Loans for Commercial Enterprises: Loans may be made for commercial enterprises only if they are to be conducted on a cash basis, unless otherwise specifically authorized by the Commissioner.
- (c) Agricultural Loans: Loans to finance the purchase of farm machinery, land, livestock, seeds, fertilizer, supplies, development cost, etc.
- (d) Educational Loans: To individual Indians for purposes of (a) obtaining a college or graduate education and degree in a field which will provide employment opportunities and (b) attending vocational schools which provide training in desired skills in a field in which there are employment opportunities, provided that adequate funds and/or training are not available from grants, scholarships, federal or state training programs or other loan sources.

4. ELIGIBILITY

Direct loan from the United States may be made only to members of federally recognized tribes that do not have relending programs and who reside on or near the reservation under the jurisdiction of the Ft. Berthold Agency and are unable to obtain financing from other sources on reasonable terms and conditions as follows:

- (a) Individual Indians: Indians who are members of tribes which are not making loans to its members.

Indians who are not members, or not eligible for membership in a tribe or organization, who reside on a reservation under the jurisdiction of the Ft. Berthold Agency, which is making loans to its members. In such cases it shall be the responsibility of the applicant to furnish evidence or proof of Indian descent satisfactory to the Ft. Berthold Agency Superintendent prior to submission of the application.

- (b) Indian Proprietors: Partnerships which are Indian-owned economic enterprises established or organized as a partnership are eligible for loans from the revolving fund where the activity is profit-oriented.

- (c) Federal Employees: Applications received from Federal employees, or their spouses, will be referred to the Assistant Ethics Counselor in the Aberdeen Area Office who will render a written statement of his opinion of the proposal as it relates to possible violations of 25 CFR 140.S, limiting Federal employees, including Bureau employees, rights to contract and trade with Indians. The opinion shall become a permanent part of the application. Loans will not be approved where these opinions state that the loan may cause violations of these regulations.

- (d) Availability of Other Financing: Eligibility will require the application be accompanied by documented evidence that the applicant cannot obtain the needed financing on reasonable terms and conditions from other lenders, both Government and commercial making loans for similar purposes, homes and for land purchase or development, such evidence shall include that a bona-fide application was filed with Farmers Home Administration and turned down.

- (e) Signature: Only eligible Indians may sign applications. Ineligible spouses, however, will be required to sign promissory notes and all securing documents. Applications of partnerships will require the signature of all partners.

- (f) Form of Applications: Forms 5-4738, S-4737, and S-4739 will be used by individuals and partnerships.

(1) All applications shall be accompanied by a resume of the applicants education, work and managerial experience in his immediate and allied fields of endeavor. The resume may be handwritten and shall be dated and signed by the applicant. In cases of partnerships each partner shall submit a resume.

(2) Additional supporting documents, agreements/statements made by applicants should be numbered as "Attachment No. 3", etc., and titled as to its purpose.

- (g) Compliance with other Federal Laws and Regulations: Approving officials will be responsible for compliance with other Federal laws and regulations affecting loans and modifications made according to this Declaration of Policy and Plan of Operation. Compliance with the following laws and regulations will be required as set forth in 47 BIAM Supplement No. 2, Section 4.10, whenever applicable, such as Truth-In-Lending, Fair Credit Reporting Act, Environmental and Flood Disaster Acts, Preservation of Historical and Archaeological data, charters and amendments thereto and assignments.

5. PURPOSE OF MATURITY OF LOANS

All individual applications for agricultural, business and land will be submitted on Form 5-4738 (Applications for Loan), and supported by Information Statements relative to the particular loan involved. Security will be taken, where available, up to an amount which will fully secure the loan. Items purchased with loan funds will be taken as security for the loan.

If an applicant's security or collateral for a loan is weak or insufficient, the Credit Officer shall require the applicant to obtain sufficient insurance to protect the loan. This may be credit life, debt cancellation, fire and storm damage, crop or other insurance with a loss payable clause in favor of the United States.

- (a) Agricultural Loans: Loans shall be available for the purchase of livestock, poultry, farm equipment, land purchase, major improvements to the farm and operating expenses. Loan applications will be accompanied by Informational Statement by Applicant, Form 5-4741, and if the request exceeds \$5,000.00, a Farm and Home Plan developed with the help of technical assistance available. 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 Agency Superintendent. Plans will bear the signature of the applicant or applicants.

(1) Maturity: Consideration shall be given to the security offered and the repayment ability reflected by projected operating expenses. Loans should be scheduled to mature at the earliest practical date but not to exceed 10 years.

(2) Operating Loans: Operating loans shall normally be scheduled for repayment at the end of the operating year, but not to exceed two years.

(3) Equipment and Machinery: Loans for purchase of equipment and machinery shall be scheduled for maturity not to exceed the lesser of ten (10) years or the remaining useful life of the item at the date of purchase.

(4) Livestock: Loans for purchase of livestock shall be scheduled for maturity within 10 years.

(5) Security: Financing statements and security agreements shall be executed on crops, livestock and farm equipment. Bills of sale shall be filed in the borrower's loan file. The approving official may require a real estate mortgage or mortgage of lease-hold interest on any loan.

(6) Accounting for Security: The Agency Superintendent shall be responsible to see that all collateral offered as security is properly maintained and accounted for. Proceeds from the sale of basic security shall be applied on the loan or expended for security of equal value. Sale of calves, crops, etc., normally sold for income, may be sold subject to the money (check) received being made payable to the seller and the secured party (United States).

(7) Proof of Tenure: Applicants for agricultural loans shall when possible, be required to show proof of tenure for farm and grazing land for the term of the loan. Credit Officers will contact Agency Land Operations and Realty Personnel for applicable provisions of land tenure. Detailed farm and home management plans shall be required on applications for agricultural loans exceeding \$5,000.00.

- (b) Business and Commercial Loans: Loans will be available for any type of business which is legal. Loan applications will be accompanied by Form 5-4740. Informational Statements by Applicants together with any economic data which is necessary to evaluate the proposal will also be submitted.

If prior to the date of application the applicant has been operating an economic enterprise for which loan funds are being requested or where loan is for the purchase of an existing business, operating budgets, profits and loss statements and balance sheets covering the last two fiscal years of operation shall be submitted with the applications.

Pro Forma budgets, balance sheets and operating statements including cash flow statements shall be included showing the projected results of two years operations after loan funds would be advanced. Such applications must also be accompanied by a plan of operation, for the enterprise and a resume of the applicant's management and experience.

- (1) Maturity: Consideration shall be given to the security offered and to the repayment capacity reflected by the projected operating statements. Business and commercial loans should be scheduled to mature at the earliest practical date but not to exceed ten years.

- (2) Operating Loans: Funds advanced for operating expenses shall normally be scheduled for repayment at the end of the operating year but not to exceed two years.
- (3) Equipment and Machinery: Loans for purchase of equipment and machinery shall be scheduled for maturity not to exceed the lesser of ten years or the remaining useful life on the item at the date of purchase.
- (4) Security: A security agreement and financing statement should be executed on goods and inventory or the business and on equipment and machinery if purchased with loan funds. A real estate mortgage on available real estate may be required.
- (5) Accounting for Security: The Agency Superintendent shall be responsible to see that all collateral offered as security is properly maintained and accounted for. Proceeds from the sale of basic security shall be applied on the loan or expended for security of equal value.
- (6) Management and Technical Assistance: The Agency Superintendent must have documented evidence that the applicant has the ability to successfully manage and operate the business. If applicant needs management or technical assistance, arrangements should be made to provide such technical assistance.
(See 47 BIAM Supplement 2, part 2)

(c) Land Purchases and Improvement Loans: Where lands are to be utilized directly by the applicant, loans may be made for the purchase of land located within and adjacent to the reservation boundary and for the financing of major improvements to the land. Loan applications will be accompanied by Form 5-4741, Informational Statement by Applicant, if the land is to be used for agricultural purposes; or Form 5-4770, Information Statement by Applicant, if the land is to be used for a commercial business.

- (1) Loans for the purchase of land or interest therein shall have a maturity not exceeding 30 years.
- (2) Loans for major improvements, amounts exceeding \$5,000.00 shall be scheduled for repayment within 15 years, sooner when possible.
- (3) A real estate mortgage or mortgage of leasehold interest shall be taken on real property purchased or upon which improvements are made with loan funds. Additional security may be required by the approving officer.
- (4) An appraisal will accompany all applications for purchase of land.

(5) Title insurance in an amount satisfactory to cover the amount of the mortgage will be required on land purchased in unrestricted status.

(6) A land status report shall accompany all applications for the purchase of land held in trust or restricted status.

6. ADVANCES

Upon approval of a loan, the Agency Superintendent will prepare and approve an SF-1034 requesting funds from the U.S. Treasury account. The Agency Superintendent will be responsible for the proper disbursement and accounting of all funds.

7. DISBURSEMENTS

All disbursements made from the borrower's controlled bank account will be by check only and will be co-signed by the Agency Superintendent or his designated representative. Checks will only be signed when funds are to be used as approval in the original loan application or for necessary operating expenditures.

8. REPAYMENTS

Repayments and other receipts on loans will be made in accordance with the terms of the loan agreements. The designated Collection Officer of the Bureau will receipt for repayments and other receipts on loans will be deposited promptly in the U.S. Treasury. Copies of all receipts will be furnished to the Area Office.

9. RECORDS, REPORTS AND AUDITS

Records and accounts will be maintained in a manner and in accordance with an accounting system prescribed in writing by the Agency Superintendent. Reports will be submitted. An annual audit of the borrower's operations will be made as the Agency Superintendent may consider essential. Copies of audit reports will be furnished to the Credit Officer, Agency Superintendent, Area Director and Assistant Secretary - Indian Affairs.

10. INTEREST

New loans shall bear interest at a rate determined by the Secretary of the Treasury in accordance with Section 104, Title I of the Indian Financing Act of 1974, for the month in which the loan funds are advanced to the borrower. Loans being refinanced or modified to extend repayment terms shall bear interest at the rate determined above for the remaining term of the original note. Any amount extending beyond the maturity date of the original note shall bear interest at the rate for the month in which the modification is effective.

11. APPROVAL OF LOANS AND MODIFICATIONS

Applications for loans shall be accepted at the Credit Office and be reviewed by the Credit Officer. When applications are received incomplete, the Credit Officer shall so advise the applicant and instruct or assist him in completing it before taking initial action. The Credit Officer will make recommendations to the Superintendent for approval or disapproval. The Superintendent will approve or disapprove loan applications in amounts authorized in the Area redelegation order. Applications exceeding the Superintendent's approval authority shall be forwarded with the recommendation of the Superintendent to the Area Director for appropriate action under authority of 10 BIAM 3.1. All loans shall be approved subject to the availability of funds. Authority for approval of modifications or extensions of loans shall be determined on the same basis as the authority for approving new loans. Loan closing shall be as prescribed by conditions of approval on loans and in accordance with 47 BIAM Supplement 2, Section 4.6.

12. RESTRICTIONS ON APPROVAL OF LOANS

- (a) Undue Risk: Where the loan involves undue risk.
- (b) Location: Except for educational loans, all other loans will be approved only for on-reservation located projects or projects to be operated adjacent to the reservation. In either case, the project must provide substantial economic benefit to the reservation and/or its Indian residents.
- (c) Motor Vehicles: Loans may be approved for the purchase of motor vehicles only in cases where the vehicle is required in the operation of an economic enterprise being financed with a U.S. Direct Loan.
- (d) 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.
- (e) Factual Applications: If the applicant falsifies his application or conceals his liabilities.
- (f) 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 clear and marketable title, or furnish a policy of title insurance satisfactory to the Area Director.
- (g) Delinquent Borrowers: If the applicants are delinquent in repayment of any loan; however, a borrower may request refinancing of a delinquent loan.

- (h) Amount of Loan: Where the amount of loan is less than \$1,000.00 or where the individuals total indebtedness to the United States would exceed \$100,000.00.
- (i) Holding and Speculation: Where a substantial amount of the loan will be used for purposes of holding, investment or speculative purposes.

13. CREDIT OFFICER

The Credit Officer will receive general administrative supervision from the Agency Superintendent and technical guidance from the Area Branch of Credit and Financing. Procedural guidance will be made available through Bureau policy, Indian Affairs Manual, Code of Federal Regulations, legal decisions, Indians, Tribal Councils, office of Indian organizations; and will also assist other institutions of all credit matters involving Indians and tribal organizations. He shall be expected to perform the following primary duties.

- (a) Financing Through Non-Bureau Sources: Assist the Indians in obtaining credit and financing from the same outside sources that serve other citizens, including assisting with development of applications and joint conferences with lenders.
- (b) Bureau Financing - Applications and Planning: Assist Indians in the preparation of applications for loans from the Bureau of Indian Affairs in those cases where it has been ascertained the applicants are not able to obtain outside financing. Applications for agricultural loans will be based on plans developed by the Branch of Land Operations, and/or the State Extension Service, and for applications for educational loans, the Branch of Education and/or the Branch of Employment. Assistance must assist the applicant in completing the application and furnishing supportive information. The Credit Officer will be responsible for assistance in the planning of all types of loans.
- (c) Office Supervision: Supervise the recordkeeping and clerical work in the Branch of Credit, and be responsible for the accurate preparation and timely submission of all required reports.
- (d) Filing of Securing Documents: Be responsible for the prompt and correct filing and recording of securing documents. He will assure that security documents are renewed as necessary to maintain a valid security interest in collateral.
- (e) Counseling and Advice: Advise Indians concerning should business practices and procedures.

- (f) Field Investigations: Be responsible for field work and investigations on loan applications and servicing of loans. He will make periodic, at least annual, visits with borrowers to evaluate progress of the borrower, the extent to which the borrower's plan is adhered to, and to inventory and appraise collateral given on loans. He will make such visits a matter of record in the loan folder. He will inform the Agency Superintendent of developments or existing circumstances detrimental to the loan and will assist in initiating remedial actions.
- (g) Initiating Corrective Actions: Be responsible for initiating reviews, investigations, analysis and corrective measures on loans that are delinquent and/or where individual or tribal enterprises may be in jeopardy of failure. Assistance of other Branch personnel and technicians should be solicited.
- (h) Technical Assistance: The responsibility of the Credit Officer in connection with Indian enterprises shall be confined to matters involving the lending of money or investment of tribal funds in such enterprises; appropriate form in which operating plans should be prepared; analysis of audits; and the supervision of credit and other financial transactions. No action on applications, plans or budgets will be recommended to the appropriate line officer until such technical phases involved have been acted upon and recommendations received from the particular staff activity involved.

14. SERVICING AND COLLECTION OF U.S. DIRECT LOANS

- (a) Responsibility of Credit Officer: The responsibility of loan servicing will rest with the Credit Officer. He will be responsible for the following:
 - (1) He will assure that funds are used only for approved purposes. Any deviation in use of funds must be approved in advance by the Bureau Official authorized to approve or modify such loans.
 - (2) He will see that a record of all insurance policies are kept in force and up to date. Insurance policies shall contain a loss payable clause in favor of the Bureau of Indian Affairs.
 - (3) He will assure that the project plan is adhered to and that any changes that would materially affect the loan collateral etc., are approved in advance, by the person having authority to approve such loans.
 - (4) He will assure that all collateral offered for security is properly accounted for, that security documents are current, and that the security is not diminished in any way.
 - (5) He will see that collections are made to an authorized Bureau Collection Officer in accordance with repayment schedule(s). Borrowers shall be advised of payments coming due and be notified after loan is past due aggressive collection measures will be taken.

(6) He will see that separate subsidiary loan cards are maintained on each loan, that the card contains pertinent loan information and that payments are promptly posted to reflect the current status of the loan at all times.

(b) Repayments: Repayments on loans made by the United States shall be made to the designated collection officer of the Bureau of Indian Affairs who shall issue an official receipt for payment and deposit the collection in the revolving loan fund. Tribally contracted credit officers will not accept loan repayments monies or receipts for loan repayments.

(1) Records and Reports: The accounting or recordkeeping system is ordinarily most effective when established by the firm or individual who will audit the accounts. The Agency Superintendent may, when in his opinion it is justified, require that an applicant install a particular type of accounting system or make specific changes in one presently in use. He may also require special reports.

(2) Organizations: All borrowers will be required to submit annual financial statements to the Agency Superintendent within 90 days following the close of the business year.

(3) Partnerships and Individuals: Loan contracts between the United States and partnerships or individuals will require that borrowers establish and maintain accounting and operating records that are satisfactory to the approving officer and submit reports as he may require.

Unless specifically authorized by the Commissioner, loans from the revolving fund used to finance economic enterprises will require that the borrower submit to the Superintendent, three (3) copies of the annual audit of the enterprise records will be submitted to the Agency Superintendent, within 90 days of the close of the business year to be distributed as specified in 47 BIAM Supplement 4, 1.3A. Such audits should be performed by a certified public accountant or other qualified accountant satisfactory to the approving officer. Audits should be arranged for and paid for by the borrower.

(4) Computing Delinquencies: A loan is delinquent if a payment is not received on or before the day following the date payment was scheduled.

To compute the amount of delinquency of an amortized loan, multiply the number of payments due by the amount of each payment and subtract total of payments received, both principal and interest. The balance after deducting any unpaid accrued interest to date of computation, will represent delinquent principal. If a loan is delinquent in principal so is the accrued interest.

- (5) Delinquent Loans: Special attention will be given to delinquent loans to explore all possible ways to bring the loan current by collections and to assure that risk to the United States is not increasing by a diminishing of the security. If the interests of the United States will not be additionally harmed by doing so, the borrower may be given up to 90 days in which to bring the loan current or to present a plan that will correct the problems which are causing the delinquency. If the plan presented is unrealistic or unfeasible and cannot be modified to the satisfaction of the Agency Superintendent he shall so document the case. The documentations shall include: (1) the length of the delinquency (2) the reason(s) for the delinquency (3) the borrower's plan for correcting the delinquency together with reasons it is believed to be unworkable (4) the security pledged for the loan (5) any other facts pertinent to the case.

- (c) Penalties of Default and Cancellation of Loans: The following provisions apply in handling defaults of direct loans made to individuals, partnerships and corporations. Unless otherwise provided in the loan agreement, failure on the part of the borrower to conform to the terms of his loan agreement will be deemed grounds for any one or all of the following steps to be taken by the Agency Superintendent.

- (1) Discontinue any further advances of funds contemplated by the agreement.
- (2) Taken possession of any or all collateral given as security, and in the case of individuals and cooperative associations, the property purchased with borrowed funds.
- (3) Prosecute legal action against the borrower(s) or against officers of corporations.
- (4) Declare the entire balance outstanding in the amount advanced immediately due and payable.
- (5) Prevent further disbursements of credit funds under the control of the borrower.
- (6) Withdraw any unobligated funds from the borrower.

- (d) Penalties on Default: As repayments on loans become due, that policy will be to collect, extend or liquidate pursuant to applicable regulations in 25 CFR 91.15.
- (1) Voluntary Surrender of Property: The preferred procedure in repossessing the Property given as security for a loan is for the borrower to surrender sufficient property voluntarily to liquidate the balance owing on the loan. Every effort will be made to convince the borrower that this procedure will best service his interest and those of the lender. Where property is surrendered voluntarily, the following procedures will apply:
- (a) Agreement for Voluntary Liquidation: The borrower and the authorized officer of the lender will execute Form 5-4717, Agreement for Voluntary Liquidation of Loan.
- (b) Mutual Agreement on Valuation of Property: If the Field Representative and the borrower mutually agree upon a valuation of the property to be repossessed, and if a suitable buyer can be located who will purchase the property at the agreed upon valuation, such property may be sold.
- (c) Non-Agreement with Appraisal: If the borrower will not agree to the appraised value, the property may be sold only in accordance with the laws of the State in which it is situated unless other sale is mutually agreed upon.
- (e) Involuntary Surrender of Property: If the borrower will not execute Form 5-4717, and voluntarily surrender the property given as security, it will be repossessed and sold in accordance with the laws of the State in which agreed upon. In the event of default and involuntary liquidation, the Field Representative will work closely with the Field Solicitor to assure compliance with proper foreclosure procedures.
- (1) Trust and Restricted Land: On proposed foreclosures which involve the sale of individually held trust or restricted land given as security for a loan, the Tribe of the reservation on which the land is located will be notified in writing at least 30 (thirty) calendar days in advance of the anticipated date of sale.
- (f) Care of Repossessed Property: Repossessed property, regardless of whether it was repossessed voluntarily or involuntarily, will be stored in a place of safekeeping prior to the sale or placed under adequate care where there is adequate protection to prevent the property from being stolen or used.

(g) Disposition of Repossessed Property: All property repossessed will be sold at the earliest practicable date and shall not be retained longer than necessary to obtain a fair price.

(1) Responsibility of Agency Superintendent: If any repossessed property on loans by the United States remains on hand for more than six months after the date of repossession, the Agency Superintendent will make a report to the Area Director explaining the delay and any difficulties encountered. The Area Director will render all practicable assistance in disposing of the property.

(h) Application of Proceeds of Sales: Proceeds of sales will be applied in the order below, unless such applications are contrary to State Law, in which case the State Law will be followed.

First, for payment of expenses of the appraisal and sale, including expenses incidental to transporting, caring for, and maintaining the custody of the property sold pending sale and fees for release of county-filed security documents.

Second, for interest in full on the borrower's loan.

Third, for payment of principal of the borrower's loan.

Fourth, any balance remaining will be paid to the borrower.

(i) Report of Sale: Borrowers will be furnished reports of sales. The reports will be furnished by the Agency Superintendent. Copies of all reports will be furnished to the Area Director. Each report will show:

(1) CF Number of loan involved.

(2) Date of original loan.

(3) Amount of original loan.

(4) Property purchased with the loan and amount paid.

(5) Security given for the loan.

(6) Payments made on the loan, both principal and interest.

(7) Balance owing at time of liquidation.

(8) Property repossessed and the appraised or agreed upon value.

(9) Sale. Nature of sale, listing of property sold expenses incurred and net amount remaining.

(10) Balance. Amount of remaining indebtedness, or amount to the borrower's credit.

- (j) Accounting for Property: On loans by the United States property repossessed will be taken upon the property records of the Agency. Its appraised value will be shown on the property cards. When it is disposed of, it will be dropped from the Agency property records and the sale price shown on the records. If the sale price is more or less than the appraised value, these instructions will serve as authority to drop the difference or to credit the excess of the borrower.
- (k) Protection of Lender's Interests in Property of Deceased Borrowers: The Agency Superintendent will take all steps necessary to safeguard the property of a deceased borrower in which the United States has interest, until the obligation is liquidated or assumed by heirs of the deceased borrower, or by other parties. Collection will be made from the ultimate owners of such property or deducted from the proceeds of the sale thereof, reasonable expenses for its care. The Agency Superintendent will protect the interest of the United States in loans made by the United States. After reserving estimated probate fees, and after payment of funeral expenses, last illness, etc., any funds accruing to the estate from income property pledged as security for the loan will be applied on indebtedness. Proceeds of sales or property purchased with credit funds will be applied on the indebtedness.
- (1) Action: The action which the organization or Agency Superintendent will take in cases of deceased borrowers will be governed by the circumstances of the particular loan. In some instances, it may be necessary to declare the loan in default.
- (2) Assumption of Indebtedness: If the apparent heirs of a deceased borrower (or one or more of the apparent heirs with written agreement from the other apparent heirs) desire to assume the indebtedness of the borrower, and will sign notes and such other guarantees or repayment as the lender may require the property may be turned over to them. If the lender has assumed expenses in caring for such property prior to its being taken over by the apparent heirs, the lender may collect such amount from the heirs, before turning the property over to them. If the property is sold, such expenses may be deducted from the proceeds of the sale, before credit is entered on the borrower's account.
- (3) Joint Loans: The action to be taken will depend upon the right of the survivor in the property purchased with or created by the loan. Action contemplated will be checked and approved by the Field Solicitor. When one party to a joint loan dies, and the property purchased with and given as security for the loan is sufficient to cover the outstanding indebtedness and where the remaining party desires to continue with the enterprise, it will be advised that the remaining party continue with the enterprise, it is advisable the remaining party request

liquidation of the loan. A new loan will then be made to the survivor to purchase the assets. All such new loans will be judged on their own merits the same as any other application. In case the property purchased with or given as security for the loan is insufficient to cover the outstanding indebtedness, or in case the surviving borrower does not desire to continue with the enterprise, the Field Solicitor will be consulted as to the action most advisable.

- (4) Report Indebtedness of Deceased Borrowers: Promptly following the death of an Indian indebted to the United States, steps will be taken to bring about any adjustment which may be necessary. A statement shall be drawn up on Form 5-4726, Report of Indebtedness due to the United States (Continuation-Sheet). The title of the Form shall be changed on indebtedness owing organizations. The form shall be set forth CF or contract numbers, dates, original amount of agreements, repayments, repayment dates, balances due, and a list of property purchased under the agreement. On the reverse side of this form will be set forth all adjustments between the date of death of the decedent and the date the hearing is held in connection with the determination of heirs. It also will explain what disposition has been made of all capital goods purchased under the agreements, or given as security therefore. This report will be furnished to the Hearing Examiner Probate, in triplicate, before the time of the hearing.

(1) Loan Servicing and Collection Policy:

- (1) On the first day of each month or as close to this date as possible, Credit personnel will review all outstanding direct loan accounts for compliance with loan agreement terms or for the purpose of noting loan payments which will become due and payable during the next succeeding 30 days, particularly those loans on which the repayment plans are not being followed.
- (2) The Credit Office will mail notices to borrowers stating that deficiency and/or the amount of principal and interest that will fall due that month on all loans where payments are required to be made on quarterly, semi-annual or annual basis. These payment notices are to be mailed to borrowers not later than twenty (20) days prior to the date on which the payment will become due.
- (3) On all loans where payment is not made by due date the Credit Office will mail notices by certified letter to borrower, advising of past due status and request prompt payment to bring loan amount up to date. These notices to be mailed not later than fifteen (15) days after due date and Superintendent will immediately apply the terms and conditions set forth in the Assignment of Trust Property and Power to Lease on all delinquent accounts.

- (4) When a payment has been delinquent for thirty (30) days and the borrower has not responded to the previous notice, the Credit Office will send borrower strong collection letter by certified mail as to terms of loan and regulations reflecting alternatives:
 - (a) bring payments current
 - (b) extension of payments
 - (c) adjust and reschedule
 - (d) modification
 - (e) legal recourse
- (5) If payment has not been received within 60 days after the due date, the borrower will be sent a final notice by certified mail advising if payment is not made within the next 30 days, the loan will be declared in default with the entire indebtedness becoming due and payable and forwarded to the Field Solicitor's Office for further action.
- (6) No later than 90 days after the due date, the delinquent loan will be declared in default with the full amount of the loan due and payable. All loan documents and correspondence addressing the collection efforts will be forwarded to the Field Solicitors Office requesting their assistance. Action will be taken promptly to liquidate the loan, either through voluntary liquidation or foreclosure procedures.
- (7) Declare uncollectible and request cancellation of any remaining balance of loan. Request cancellation in accordance with 4 BIAM Supplement 4, section 3.4.

15. VETERANS

The Credit Officer will assist Indian veterans in dealing with the Veterans Administrations.

16. INSURANCE

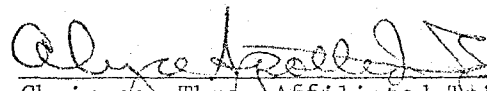
Fire, windstorn and hail type insurance with a loss payable clause in favor of the United States of America, Bureau of Indian Affairs, will be required on loans for the construction of buildings and home given as security for loans. The amount of insurance, when required, will equal to or exceed the unpaid balance of the loan. Borrowers will be required to agree to obtain and maintain adequate insurance and failure to do so will subject them to the default penalties of their loan agreement. In the event a borrower does not maintain adequate insurance, he will agree that the Bureau of Indian Affairs may do so and charge him therefore.

17. ANNUAL INSPECTIONS

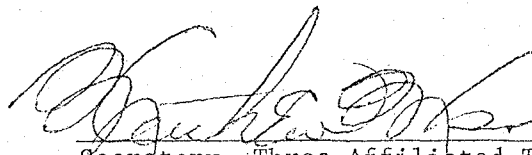
The Credit Officer will make an annual inspection of each borrower's assets. Each borrower will be notified in writing of the date of inspection ten days in advance, unless otherwise agreed upon by the parties involved.

Executed and signed for and on behalf of the Three Affiliated Tribes of the Fort Berthold Reservation, as authorized by Resolution No. 83-283-S adopted 12/8/1983.

DATE: 12/8/1983


Chairman, Three Affiliated Tribes
Tribal Business Council

ATTEST:


Secretary, Three Affiliated Tribes
Tribal Business Council

Approved:

Area Director
Bureau of Indian Affairs
Fort Berthold Agency