

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 of the Three Affiliated Tribes generally authorizes and empowers the Tribal Business Council to engage in activities on behalf of and in the interest of the welfare and benefit of the Tribes and of the enrolled members thereof; and
- WHEREAS, Article VI, Section 5(c) of the Constitution of the Three Affiliated Tribes specifically authorizes and empowers the Tribal Business Council to administer funds within the exclusive control of the Tribes and to make expenditures from available Tribal funds for public purposes of the Tribes; and
- WHEREAS, The Credit and Finance Committee of the Tribal Business Council has recently revised the policies and procedures of the Tribal Small Loan Program and has presented its proposed final draft of the Declaration of Policies and Plan of Operation/Tribal Small Loan Program to the Tribal Business Council for review, consideration and recommended approval; and
- WHEREAS, The Tribal Business Council has reviewed and discussed the substance of the proposed final draft and has determined it advisable to formally approve the adoption of said draft.
- NOW, THEREFORE, BE IT RESOLVED, The Tribal Business Council of the Three Affiliated Tribes hereby formally approves the adoption of the Declaration of Policies and Plan of Operation/Tribal Small Loan Program, a photostatic copy of which document is attached hereto.
- BE IT FURTHER RESOLVED, That the Tribal Business Council hereby expressly authorizes the Credit and Finance Committee of the Council to reorganize, amend and further develop, as deemed advisable and necessary, the Declaration of Policies and Plan of Operation/Tribal Small Loan Program.

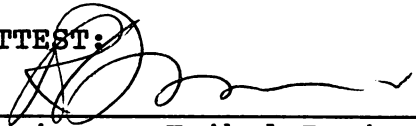
C E R T I F I C A T I O N

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 7 members of whom 5 constitute a quorum, 6 were present at a Regular Meeting thereof duly called, noticed, convened, and held on the 11th day of April, 1996; that the foregoing Resolution was duly adopted at such Meeting by the affirmative vote of 6 members, 0 members opposed, 0 members abstained, 0 members not voting, and that said Resolution has not been rescinded or amended in any way.

Dated the 11th day of April, 1996.

Daylon Spotted Bear
Secretary, Tribal Business Council

ATTEST:



Chairman, Tribal Business Council

DECLARATION OF POLICIES AND PLAN OF OPERATION

TRIBAL SMALL LOAN PROGRAM

1. DEFINITIONS

- (a) "TRIBE" means the Three Affiliated Tribes.
- (b) "TRIBAL COUNCIL" means the governing body of the Tribes consisting of seven members of the Tribe elected in accordance with Article IV of the Tribe's constitution approved April 24, 1937, Amendment No. 9 approved July 2, 1986.
- (c) "DECLARATION" means this Declaration of Policies and Plan of Operation.
- (d) "TRIBAL SMALL LOAN" is described as installment loans which provide the convenience of Monthly/Annual payments to individuals for Personal/Consumer, Emergency Medical or Funeral Loans.

2. PURPOSE

The purpose of this Declaration is to establish procedure to govern all loans made through this program. This Declaration will be used by the Tribe in their day-to-day Tribal Small Loan program operations.

3. POLICY

The policy of the Small Loan program is to help the applicant in a bonafide personal/consumer or emergency loan situation. Loans may be made only upon determination that repayment can be made, based upon accepted loan analysis.

4. SCOPE

This Declaration will apply to all Tribal Small Loan program funds advanced by the Tribe for loan purposes.

5. REGULATIONS AND INSTRUCTIONS

All Tribal Small Loan activities of the Tribe will be governed by the regulations in this Declaration and applicable amendments thereto.

6. TRIBAL SMALL LOAN COMMITTEE

All Tribal Small Loan activities of the Tribe will be administered by the Tribal Credit And Finance Committee. The committee shall consist of Tribal Council members and two non council members selected by the Tribal Business Council.

- (a) Selection: The members will be appointed by the newly seated council at their earliest convenience.. Members will continue to serve until their successors are appointed.
- (b) Officers and Members of the committee: The Tribal Business Council Treasurer will serve as the Chairman of the Committee. Two other members will also serve, one of which will act as Secretary.
- (c) Record of Appointments: A record of all appointments to the committee will be furnished to the Superintendent.
- (d) Record of Meetings: The Secretary will keep, or cause to be kept, a full and complete record of all meetings.
- (e) Quorum: Three members, one of which must be the Chairman, will constitute a quorum at any meeting; a uniform vote of at least two members will be required for any action to be effective.
- (f) Suspension and Removal : The Tribal Council may suspend a committee member for just cause. Notice of such suspensions, including a clear and concise statement of the charges resulting in the suspension, will be forwarded to the suspended member by registered mail. Such member will have 30 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.
- (g) Vacancies: Vacancies in the membership will be filled by appointment by the Tribal Council for the unexpired term.
- (h) Qualification of Members: The members must have a reputation for dependability and uphold the highest standards of accountability.
- (i) Restrictions of 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.

- (j) Compensation: Compensation of members shall be that which is applicable to compensation of non council members in accordance with the Resolution which governs compensation for non council members.
- (k) 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 of two members of the committee. In the event that the chairman fails to call a meeting at least Three members may call a meeting. At least three days written notice will be given of all meetings except the regular meetings unless two members agree to a waiver of such notice. The number of meetings held will be kept to the minimum necessary to conduct the Tribes small loan business. All meetings will be in executive session with the secretary, and a clerk to keep records in accordance with subsection (d) 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 may be permitted to be present at the time of voting.
- (l) Signature on Actions: The Tribal Chairman or Credit And Finance Committee Chairman is authorized to sign all approved and related actions. In the absence of either Chairman, the Secretary will have such approval authority. All such authorizations will be reflected in the records of the committee. In the absence of all committee members, no action will be taken.

7. **AUTHORITY AND DUTIES OF TRIBAL SMALL LOAN PROGRAM COMMITTEE**

The Committee and Credit Officer will have full authority to act for and on behalf of the Tribe in all phases of its Tribal Small Loan Program operations, except as provided in Section 6 (i). Actions related to 6 (i) will be acted upon by Full Council. Applications for Tribal Council Members and the Small Loan Director will be acted upon by the full Tribal Business Council. Initial action for the Tribe on all loan matters will be taken by the Credit Officer who will either recommend approval, in whole or in part, conditionally or unconditionally or return the applications or request to the applicants with advice as to why the same cannot be recommended for approval. If it becomes apparent that an individual will become delinquent, the Credit Officer will take steps to prevent the delinquency, either by obtaining payment or by extending the repayment terms.

Advice of the Tribal Attorney will be requested when any legal action is contemplated.

8. **CREDIT OFFICER**

Tribal Small Loans Director: Administers the policies and plan of operation of the Small Loan Program as described in this Declaration. He/She will attend all meetings of the committee insofar as practicable and will advise it of action necessary. He/She will be responsible to see that the bookkeeping, clerical work, records, reports, securing of required forms, filing, recording, inputting data into computer and administrative detail necessary for proper operation of the tribe's Small Loan Program, are handled properly. He/She 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 (d). All actions of the Tribal program staff and authorizations are adequately reflected in the minutes. The Tribal Small Loans Director will approve/disapprove loans up to \$1,000.00 and make recommendations to the committee or the Tribal Business Council. The Tribal Small Loan Director will see that individuals are notified by the Credit Committee when payments are in arrears and that these notifications are properly made in a matter of record. The Tribal program staff will complete all assignments in a timely manner to accomplish the goals of the Tribal Credit Program.

9. **COMPENSATION FOR TRIBAL SMALL LOAN PROGRAM EMPLOYEES**

Tribal Small Loan Director and Staff will be employed to administer the Small Loan Program and will be compensated by the funds allocated to the PL - 93-638 contract.

10. **DEPOSITORY**

The depository for loan funds of the Tribal Small Loan Program will be controlled in a separate bank account. All loan disbursements and all repayment of loans shall be made directly from and to this account. Disbursements from this account will be made in the form of a check. The check's must be signed by any two of the following three authorized individuals; Tribal Treasurer, Tribal Chairman and Small Loan Director.

PLAN OF OPERATION

Outlined herein are the guidelines and requirements established to offer a resource of credit to tribal members for the purposes described in the Tribal Small Loan Program Policy Statement. It is imperative that the Small Loan Director and staff follow these guidelines and requirements to maintain the soundness of the program. The Tribal Small Loan Committee will hold the Small Loan Director and staff accountable and responsible for administrating the policies and plan of operation of the Tribal Small Loan Program.

Loan Under Writing Standards

I. Type of Loan

- A. Personal/Consumer
- B. Emergency Medical
- C. Funeral Loans

II. Applicant

- A. Only individuals who are enrolled members of the Three Affiliated Tribes are eligible to participate in this program.
- B. Any non-enrolled persons employed by the Tribe whose spouse or children are enrolled members of the Tribe may be eligible for a wage assignment.

III. Loan Application And Security Documents

- A. See attached forms as Exhibit "A". These forms may be updated from time to time to meet the current requirements of the Credit Program.

IV. Credit Analysis

The Small Loan Director shall evaluate the information presented by applicant on the loan application to determine eligibility. The following key areas should require careful analysis.

A. Credit Experience

Past performance with the Small Loan Program and other financial institutions. If applicant is applying for the first time a credit report may be requested.

B. Employment Stability

The Small Loan Program is interested in applicants who have a steady employment record; but will favorably consider applicants who have had job changes in the previous two years which demonstrated advancement. Unstable employment may be grounds for the denial of an applicant.

Consideration: Welfare Recipients

Welfare Recipients will not be approved without recommendations from the Tribal Social Service Program.

C. Income

The Small Loan Program requires that the total fixed monthly payments of the borrower after factoring in the requested debt, not exceed 36% of the applicants stable gross monthly income.

Fixed monthly payments should be calculated to include:

1. Home mortgage payments, including insurance and property taxes.
2. Installment debt payments.
3. Revolving charge account payments.
4. Alimony, child support, and separate maintenance payments.

Alimony, child support and maintenance receipts need not be revealed if the applicant does not desire to consider such income.

D. Security

All loans made under this program will be secured in the following manner:

1. Current cash farm lease or crop shares.
2. Current leased range units.
3. Land Sales.
 - a. Money on deposit
 - b. Deed signed

4. Oil leases
 - a. Money on deposit, up to 25%.
5. Assignment of income from direct payment leases will not be accepted as security for loans unless they are modified to be paid to the Bureau of Indian Affairs.
6. Wage assignments.
 - a. Be employed by the Tribe where the Treasurer and Chairperson are signators on the employees paycheck.
 - b. The amount requested shall not exceed the net amount earned in a pay period or \$1,000.00. Which ever is less.
 - c. The applicant will be required to sign an assignment of wages payable to the Three Affiliated Tribes.
 - d. The authorizing officer of the Tribe, Fort Berthold Housing Authority or 4 Bears Casino shall be the Treasurer/Director/Manager and his/her signature on the wage assignment shall make it valid.
 - e. The Small Loan Director will be responsible for putting the wage assignment in effect and assuring the Tribe of prompt repayment of the loan.
 - f. Any non-enrolled person employed by the Tribe whose spouse or children are enrolled members of the Tribe maybe eligible for a wage assignment. The Tribal employee must put the small loan in the enrolled members name and follow all criteria stated herein.
 - g. If for any reason an applicant is not eligible for a wage assignment, the applicant would be required to go a co-signer with sufficient lease income to fully secure the loan and also meets all other requirements of the Small Loan Program. The Credit and Finance Committee may at their discretion accept or reject any and all wage assignments upon recommendation of the Tribal Small Loan Director.
 - h. Any other collateral deemed appropriate to secure the loan.

i. **Age of Applicant.**

Applicants will not be discriminated against because of age, providing the applicant has reached the legal age in which to enter into a binding loan agreement.

V. Loan Size

The maximum amount which may be loaned to any applicant by the Tribal Credit Office under this program is \$1,000.00; the minimum loan will be \$50.00. Applicant must demonstrate by past performance to the credit program his/her ability to promptly repay loans in the amount of \$500.00 or less before he/she will be eligible for loans greater than \$500.00 and not to exceed \$1,000.00.

Emergency medical and funeral loans can not exceed \$500.00. An applicant may co-sign for a loan not to exceed the \$1,000.00 maximum to include his/her loan loans(s) and the co-signed loans(s).

VI. Pricing

The interest rate on emergency medical and funeral loans will be 5% and interest rate on personal/consumer loans will be priced at the Bank of North Dakota prime rate per annum or a minimum of \$25.00 per loan whichever is greater.

VII. Term

Loans in the amount of \$250.00 or less shall be payable within 12 months. Loans in excess of \$250.00 shall be payable in a term not to exceed 24 months.

VIII. Loan Disbursements

All loan proceeds will be disbursed by check from the Small Loan Credit Office. Disbursements on loans will not be made until the loans have been properly approved in accordance with the provisions of this policy and all loan and securing are complete.

IX. Repayments

All repayments and other receipts on loans will be made direct to the Tribal Credit Office. The Tribal Credit Office will issue an official receipt to the remitter. All repayments and other receipts on loans will be deposited daily in the separate Small Loan Bank account.

X. Approval of Loans

The Small Loan Director is to determine eligibility of applicant, evaluate the loan request and security position, prepare the proper documentation and services the loan account to maintain a current status. Any loan request that the small Loan Director receives and wishes the Credit and Finance Committee review shall be presented to said committee.

XI. Extensions and Refinancing

Extensions of the repayment terms of all loans will be subject to review and approval of the Small Loan Director. Tribal Small Loans may be refinanced by another loan provided that the repayment terms of the refinanced portion of the loan are not extended and the interest is paid to date.

XII. Status of Loans Report

A monthly report on the status and collectibility of small loans shall be provided by the Small Loan Director to the Credit and Finance Committee. The committee may request reports from the department as it sees fit.

XIII. Delinquencies

Loans will not be permitted to remain delinquent for more than 90 days at any particular time, except loans which are in the process of liquidation, and loans on which there are unpaid balances but which have been charged off on the programs active accounting records. In the event of failure to comply with provisions of this section at any time, it is agreed that no further loans will be made until there is compliance on the part of the individual.

XIV. Legal Assistance

The Tribe's Attorney will handle such legal work as may be necessary in the enforcement of any Small Loan obligations to Small Loan Program.

XV. Records, Reports and Audits

Records and accounts will be maintained in a manner and in accordance with an accounting system satisfactory to the Tribal Business Council. An annual audit of the Small Loan Program shall be required to be included in the Tribes Annual Audit. Copies of the audit reports will be furnished to the Tribal Business Council and the Credit and Finance Committee.

XVI. Modification of this Declaration of Policies And Plan of Operation

This Declaration may be modified by the actions of the Tribal Business Council. The Declaration, in compliance with Privacy Act, shall provide that only the name, amount of loan and the date of such loan shall be given to any person on persons soliciting information regarding small loans.

Executed and signed for and on behalf of the Three Affiliated Tribes of the Fort Berthold Indian reservation as authorized by Resolution # 96-75-DSB dated April 11, 1996

Date: 4/11/96 Chairman 

Date: 4-11-96 Secretary Daylan Spotted Bear