CREDIT PROGRAM CODE

CONFEDERATED TRIBES

OF THE

UMATILLA INDIAN RESERVATION
CREDIT PROGRAM CODE

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APPENDIX A.  LEGISLATIVE HISTORY
CHAPTER 1. GENERAL PROVISIONS

SECTION 1.01. FINDINGS OF THE BOARD OF TRUSTEES

A. The Credit Program continues to be a unique and essential financial resource for meeting the credit needs of many tribal members. The Board of Trustees has established the Credit Program to provide a supplemental source of credit to tribal members in need of a loan for personal, educational or emergency purposes and to provide loans to tribal members that are secured by collateral to ensure loan repayment so that the Credit Fund contains sufficient resources to permit the Credit Program to provide loans to future generations of tribal members.

B. The purpose of this Credit Program Code is to establish and authorize the Credit Program, which shall be administered by the Credit Board of Directors (Credit Board), and to set forth the governing procedures for the ongoing operation of the Credit Program and Credit Board.

C. The Credit Board shall receive administrative support from the Finance Office, Department of Justice and contractors deemed appropriate and necessary by the Credit Board.

SECTION 1.02. REPEALER

This Code repeals and supersedes all previous codes and Plans of Operations governing the Credit Program, including the Plan of Operations enacted by the Board of Trustees in Resolution No. 98-44 (August 5, 1998).

SECTION 1.03. DEFINITIONS

A. Unless otherwise required by the context, the following words and phrases shall have the designated meanings.

1. “Aggregate”. A total or combined gross amount.

2. “Amortize”. To reduce a debt by making installment payments against the principal balance.

3. “Applicant”. Somebody who formally applies for a loan with the Credit Program.

4. “Application”. A formal request for a Credit Program Loan.

5. “Board of Trustees”. The governing body of the CTUIR pursuant to article VI of the CTUIR Constitution.

6. “Borrower”. A person that has applied, met specific requirements, and received a monetary loan from a lender.

7. “Co-borrower”. Any additional borrower(s) whose name(s) appear on the loan documents, whose income is used to qualify for the loan and who will be equally responsible for the repayment of the loan.

8. “Covenants”. A provision in the loan agreement by which the borrower agrees to do or not do something as specified in the loan agreement.

9. “Credit Board”. Refers to the CTUIR Credit Board of Directors who assists in setting Credit Program standards by reviewing and recommending code revision for the Board of Trustees.
10. “Credit Program”. Program established by the Board of Trustees to provide a supplemental source of credit to tribal members in need of a loan for personal, educational or emergency purposes.

11. “Credit Program Code”. The Credit Program Code establishes and authorizes the Credit Program and sets forth the governing policy for the ongoing operation of the Credit Program and Credit Board.

12. “Criminal Acts”. Relating to, involving illegal and lawless acts against the Credit Program.


14. “Default”. A failure to pay financial debts in accordance to repayment terms set and agreed upon at loan signing.

15. “Education Loan”. Credit Program loan granted to cover expenses related to attend an accredited school of higher education or trade school as further defined in Section 4.02(B).

16. “Eligibility”. To be qualified to participate or be chosen.

17. “Emergency Loan”. Credit Program loan considered a type of Personal loan and for use in the case of personal emergency as further defined in Section 4.02(D).


20. “Good Standing”. Status of a borrower who has been making payments towards their loan as agreed.

21. “Interest”. The charge by the Credit Program for borrowing money, typically expressed as an annual percentage rate.

22. “Loan”. Money from the Credit Program lent to CTUIR members at interest.

23. “Loan Clerk”. Administrative support for the Credit Program.

24. “Loan Officer”. The lead administrator of the Credit Program.

25. “Non-performance”. A loan that is in default or close to being in default.

26. “Payroll Deduction”. Signed authorization to withhold a set amount per pay period from an employee’s payroll check specific to repayment terms of a loan.

27. “Personal Loan”. Loans issued to CTUIR members under this code for purposes specified in Section 4.01(A) and pursuant to terms set forth in Section 4.02.

28. “Probate”. The process of administering the estate of a deceased person.

29. “Processing fee”. A fee charged by the Credit Program for preparing loan documents.

30. “Promissory Note”. A legal financial instrument in which the borrower promises in writing to repay the Credit Program the amount of the loan plus interest and the associated repayment terms.
31. “Refinance”. A new Credit Program loan that pays off an existing Credit Program loan and the remaining proceeds are released to the borrower.

32. “Repayment terms”. Requirements of repayment set forth and outlined in the Promissory Note.

33. “Workout Loan”. A new Credit Program loan to replace an existing Credit Program loan that has different repayment terms and does not provide new funds to the borrower.

CHAPTER 2. CREDIT BOARD

SECTION 2.01. ESTABLISHMENT OF CREDIT BOARD

The Board of Trustees hereby establishes the Credit Board of the CTUIR, which shall oversee the Credit Program and act for the CTUIR in all matters related to the Credit Program pursuant to this Code. The Credit Board is the successor to the Credit Committee.

SECTION 2.02. OPERATING PROCEDURES OF THE CREDIT BOARD

A. The operating procedures of the Credit Board shall be those procedures contained in chapter 3 of the Advisory Committee Code (“Operating Procedures for Advisory Committees”), and section 1.02 of that Code (“Definitions”), as those provisions may be amended and renumbered from time to time, provided that the following sections of the Advisory Committee Code shall be applied to the Credit Board as follows:

1. The definitions of “advisory committee” and “committee” shall be understood to refer to the Credit Board, contrary to the definition appearing in section 1.02(B);

2. Section 3.03(A)(1) and (2) shall not apply to the Credit Board;

3. The third and fourth sentence of section 3.04(B) shall not apply to the Credit Board, but Credit Board stipends shall be subject to the Credit Board budget as approved by the Board of Trustees and the availability of funds;

4. Stipends shall not be paid to Credit Board members who attend less than half of a meeting;

5. Credit Board members may elect to not receive stipends;

6. Notwithstanding section 3.01(B), terms of office of Credit Board members shall be three years.

B. Eligibility for Loans from Credit Program. Credit Board members shall be eligible to receive loans pursuant to the Credit Program and this Code. Applications for Credit Program loans submitted by Credit Board members shall be treated in the same way as applications from other enrolled tribal members, except that the Credit Board member applicant shall recuse themselves from any decision making process on their loan or loan application.

C. Credit Board members shall recuse themselves from voting or participating in the loan process involving a member of their immediate family. For purposes of this Code, immediate family members are defined as father, mother, son, daughter, wife, husband, sister, brother, grandmother, grandfather, stepfather, stepmother, stepdaughter, stepson as well as any other person residing within the Credit Board member’s household.

D. The Credit Board retains the right to call special or emergency meetings as permitted in Section 3.03(A)(2) and (3) of the Advisory Committee Code.
CHAPTER 3.  CREDIT PROGRAM ADMINISTRATION

SECTION 3.01.  PROGRAM ADMINISTRATION DUTIES

A. The Credit Board shall operate the Credit Program on behalf of the CTUIR. The administration of the Credit Program shall be carried out by the following entities performing the duties outlined in this section.

B. Credit Board Duties. The Credit Board shall be responsible for:
   1. Setting Credit Program Standards, by annually reviewing and recommending code revisions for the Board of Trustees approval;
   2. Reviewing Compliance, by reviewing loan files to ensure compliance with the Credit Program Code;
   3. Interpreting Policy, by helping with the interpretation of existing Credit Program Code when questions are brought forward;
   4. Planning for the future, by exploring possibilities for Credit Program development and expansion, and by developing short and long term goals for the future of the Credit Program;
   5. Monitoring progress, by reviewing Credit Program financial and portfolio status reports monthly;
   6. Reviewing all write off requests and modifications to loan terms;
   7. The development and submission of an annual budget for the Credit Program which includes the loan fund appropriation and anticipated expenses utilizing loan fund revenues. The submission of this budget must be in compliance with the CTUIR Fiscal Management Policies;
   8. The development of short and long term plans for the Credit Program; and
   9. Staying informed on current issues regarding lending practices.

C. Tribal Finance Office Duties. The Tribal Finance Office shall be responsible for the following duties:
   1. Approves and denies all loans based on criteria outlined in this Code;
   2. Prepares disbursements for approved loans;
   3. Prepares and mails statements and late notices;
   4. Receipts payments and makes deposits to bank;
   5. Coordinates collection from payroll, gaming distributions, BIA, etc.;
   6. Maintains loan files and records;
   7. Performs full accounting and reconciliation of Credit Program and Fund;
   8. Facilitates banking;
   9. Prepares appropriate reports to include all financial and statistical information needed to support effective management of the Credit Program;
10. Ensures that the Credit Program is included in the CTUIR annual independent audit;
11. Meets with Credit Board to review all appropriate reports not less than quarterly; and
12. Appoints from Finance Office staff a Loan Officer who is responsible for the duties set forth in subsection (D) of this section.

D. Loan Officer Duties. The Loan Officer shall be responsible for the following duties:
1. Meet with applicants and assist with application;
2. Process applications, which includes researching the financial status of applicants and verifying the accuracy of information provided on the application;
3. Coordinates with other Tribal programs regarding other grant and loan requests made by applicant;
4. Coordinates with other entities of the CTUIR to confirm if applicants have delinquent balances owed to them;
5. Confirm the availability and condition of collateral offered to secure the loan;
6. Assist Finance Office in review and approval or denial of all loans;
7. Present approved and denied loan applications to Credit Board for review at regularly scheduled meetings;
8. Process approved loans;
9. Coordinate disbursement of loan proceeds;
10. File claims on or against security for loans;
11. Contact delinquent borrowers and work with borrowers to bring loans current;
12. Advise Credit Board of the need to call a special meeting;
13. Review existing loan collateral and recommend actions when necessary (ongoing review of collateral condition and value);
14. Provide or facilitate credit counseling;
15. Provide all appropriate information to Credit Board; and
16. Supervise the Loan Clerks who will be responsible for assisting the Loan Officer in the accomplishment of duties set forth in this subsection.

E. Department of Justice Duties. The Department of Justice shall be responsible for the following duties:
1. Assists with the development and revisions of loan forms and legal documents for use by the Credit Program;
2. Assists with legal matters related to Credit Program operations as requested by the Credit Board or Loan Officer; and
3. Assists with collection of loans in default.
SECTION 3.02. CREDIT PROGRAM EXPENSES

A. The administrative costs of the Program shall be funded solely by Board of Trustees appropriations made specifically for that purpose. Examples of such administrative costs include the following:

1. Expenses of processing loans, dealing with borrowers,
2. Expenses of securing loans, filing fees, etc.,
3. Expenses of receipting payments, banking, accounting, billing, and administration,
4. Postage, forms, reproduction,
5. Expenses of Credit Board, and
6. Expenses of collecting delinquent loans, such as court costs, legal costs, etc., if not paid by borrower.

B. The Credit Program shall use the established purchasing procedures of the CTUIR.

SECTION 3.03. ADMINISTRATION OF CREDIT FUND

The Credit Fund shall be used only for the depositing of Credit Program loan payments and to make Credit Program loans, except when the Board of Trustees has authorized budgeted expenses to cover specific needs of the Credit Program. The Credit Fund shall be administered in accordance with Fiscal Management Policies of the CTUIR and the Fund Authorization Policy for the Credit Fund, both of which are hereby incorporated herein by reference. A minimum cash balance of $10,000 will be reserved to satisfy unforeseen emergency loan requests. When the Credit Fund’s available cash balance drops below this level only emergency loan requests will be funded until receipts are accumulated above the $10,000 reserve. All other approved loan requests will be funded when balances are above the reserve amount. The reserve is considered to be met when there is at least $10,000 available on the Credit Fund credit line.

SECTION 3.04. ACCOUNTING AND REPORTING

The Finance Department shall establish and maintain full accounting of the Credit Program and Credit Fund, and shall provide support for the program in accordance with the duties herein assigned. Regular reporting of the program shall include all appropriate financial and statistical information needed to support effective management of the Credit Program, including, but not limited to:

A. Regular financial statements,
B. Analysis of the loan portfolio as to type, status, amount and duration of loans,
C. Aging of loans, delinquencies and projected payment stream, and
D. Unmet loan needs related to loans not approved due to lack of funds.

SECTION 3.05. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The Credit Program shall comply with applicable Tribal and Federal laws and regulations governing matters relating to the extension of credit, including reporting and privacy.

SECTION 3.06. REVIEW OF CODE

The Credit Board and tribal staff providing administrative support to the Credit Program shall review this Code each year and shall make such recommendations to the Board of Trustees on the need for Code amendments as shall be deemed appropriate to the purpose and goals of the Credit Program.
CHAPTER 4. LOAN POLICIES AND PROCEDURES

SECTION 4.01. TYPES OF LOANS

The Credit Program shall issue two types of loans.

A. Personal loans. These are loans for emergencies, education, land acquisition, housing, automobiles, debt consolidation or other lawful personal purposes.

B. Education loans. These are to cover expenses related to the attendance of an accredited school of higher education or trade school.

SECTION 4.02. ELIGIBILITY FOR LOANS

A. Personal Loans. Enrolled members of the CTUIR who have attained the age of majority (18) or are legally considered adults and who are able to enter into a legal binding contract are eligible for loans from the Credit Program, provided that:

1. Applicant’s gaming distributions are not assigned or being garnished for some other purpose unless for an existing Credit Program loan belonging to the applicant;

2. If the applicant has an existing Credit Program loan, it is in good standing;

3. Applicants who have been more than 30 days late in making a payment on a prior Credit Program loan within the last 12 months, or otherwise failed to meet the repayment terms of prior Credit Program loans within the last 12 months shall not be eligible for a new loan until 6 months has passed following the payoff of the prior Credit Program loan. If the applicant’s previous Credit Program loan was behind but the applicant has made up all past due payments and has paid as agreed for the last 12 months then the applicant would be considered to have met this requirement. Applicants who have had all or part of an uncollected Credit Program loan written off must repay the written off loan prior to receiving a new Credit Program loan or must pay the written off loan with proceeds from the new Credit Program loan, if they are eligible for a new loan that provides them with enough money to pay the written off loan and meet their new request;

4. Loans shall not be extended to borrowers who have past due balances owed to the CTUIR, including its governmental agencies, utilities and enterprises (e.g. Wildhorse Resort & Casino, URHA, Tribal Environmental Recovery Facility, Daycare, Water/Sewer, Tribal Court) or for past due child support as reported by the CTUIR Child Support Enforcement office, unless payment of the outstanding Tribal debt is included in the loan, or provided that if a borrower has a past due balance owed to the CTUIR, or one of its agencies or enterprises, and the borrower has entered a repayment agreement in connection with such debt and has made timely payments for the twelve (12) months prior to the Credit Program loan application, the borrower’s debt will not have to be repaid with the new loan;

5. The applicant must submit a completed loan application to be considered for a loan;

6. The applicant shall disclose all debts, including those owed to the governmental agencies, utilities and enterprises of the CTUIR;

7. The applicant shall sign a release authorizing the Credit Program to request and receive information regarding all of the applicant’s income, debts and credit history;

8. Applicants must meet the eligibility requirements for the loan tier level for which they are applying. The Personal loan applications shall be divided into four tiers based on the amount being borrowed from the Credit Program. The tiers are designed to increase loan qualification requirements as the dollar amount of the request increases. The loan tiers are as follows:
i. Tier 1 loans are for amounts from $500 to $3,500. In order to qualify for a tier 1 loan, the applicant must meet the eligibility requirements outlined in section 4.02(A) subsections 1 through 7 (Tier 1 Requirements).

ii. Tier 2 loans are for amounts from $3,501 to $6000. Applications for tier 2 loans must meet all of the Tier 1 Requirements plus the applicant and co-applicant, if any, must demonstrate they have combined current gross annual income in excess of $15,000. If the income is from employment the applicant must demonstrate at least 6 months of current and continuous employment prior to the date of the loan application.

iii. Tier 3 loans are for amounts from $6,001 to $9,000. Applications for tier 3 loans must meet all of the Tier 1 Requirements plus the applicant and co-applicant, if any, must have combined current and continuing gross annual income exceeding $25,000. If the income is from employment the applicant must demonstrate at least 12 months of current and continuous, full-time employment prior to the date of the loan application.

iv. Tier 4 loans are for amounts from $9,001 to $12,000. Applications for tier 4 loans must meet all of the Tier 1 Requirements plus the applicant and co-applicant, if any, must have combined current and continuing full time gross annual income exceeding $35,000. If the income is from employment the applicant must demonstrate at least 24 months of current and continuous full-time employment prior to the date of the loan application.

v. Co-applicants must meet the requirements as outlined in Section 4.02(C).

Continuous employment is defined as employment for the required time frame with no breaks in employment except for planned job changes with short breaks of less than 30 days to allow for moving to a new job.

To determine income qualifications the loan officer will verify annual ongoing income with the applicant’s employer or other sources of income. If the employer will not provide verification of income then the borrower will be responsible for providing paystubs and or W-2 information to provide adequate documentation that the income level required has been met.

If income is from self-employment the loan officer will use the average net profit from schedule C, E, F and/or K1 from the most recent 3 years tax returns. If self-employed for less than 3 years, then self-employment income and wage income for the 3 year period will be averaged.

If the income is from trust property the annual income will be based on an average of the most recent 4 years.

The income used to meet the minimum requirements of the loan tier applied for must be demonstrated to be ongoing and not a onetime event.

9. An applicant’s credit history unrelated to the Credit Program may be considered by the Credit Program in making a loan;

10. At the time of the loan signing the applicant must be in a state of mind that allows them to enter into a legal loan agreement. The applicant must not be under the influence of alcohol or drugs. If at the time of the loan signing the Finance staff person administering the loan perceives the applicant to be under the influence of alcohol or drugs the loan signing shall be postponed for at least 24 hours.
11. Applicant or co-applicant has not been convicted of crimes, entered into a settlement agreement for crimes, nor have they intentionally attempted criminal acts against the Credit Program in the 10 year time period prior to the date of their loan application.

B. Education Loans. Enrolled members of the CTUIR who have attained the age of majority (18) or are legally considered adults and are able to enter into a legal binding contract are eligible for Education loans from the Credit Program, provided that:

1. The applicant does not have a delinquent Credit Program loan;
2. Applicants gaming distributions are not assigned or being garnished for some other purpose unless for a Credit Program loan in good standing;
3. Applicants must provide proof that they have been accepted or are enrolled in a school of higher education or trade school at least one-half time, as defined by the school they are attending, or enrolled in one class if working full time and working towards a post bachelor’s degree;
4. Because Credit Program Education loans are not guaranteed by the federal government and therefore involve a higher risk of default, Education loans shall be authorized only after the applicant has exhausted all other avenues of funding. Applicants for Education loans are required to demonstrate that they have applied for grants, and scholarships from the Education Department of the CTUIR and for grants, scholarships and loans from federal government programs (Pell Grants, Sallie Mae, Stafford, Nellie Mae, Nel Net, etc.) before the application will be considered complete. Due to the limited amount of funds available applicants are required to accept funds from federally backed student loan programs before seeking Education loans thru the Credit Program;
5. Applicant must assign his or her gaming distribution to the Credit Program as collateral to secure payment of the Education loan in case of default;
6. If adding to an existing Education loan the applicant has provided all required grade transcripts and has maintained the required cumulative GPA;
7. Applicant or co-applicant has not been convicted of crimes, entered into a settlement agreement for crimes, nor have they intentionally attempted criminal acts against the Credit Program in the 10 year time period prior to the date of their loan application.

C. Co-applicants may be used to help qualify or strengthen the eligibility of a tribal member applicant, unless the co-applicant already has a loan with the Credit Program. Co-applicants need not be enrolled tribal members but must be at least 18 and able to enter into a binding legal contract. Co-applicants are also required to meet the loan eligibility requirements as set forth in section 4.02(A) paragraphs 3 thru 11. However, the applicant and co-applicants’ income may be combined for determining income eligibility. The applicant and co-applicant must each individually meet at least 50% of the income requirements for the loan tier requested in order to demonstrate they have the resources to repay the loan in the absence of the borrower or co-borrower. The co-applicant shall consent in writing to the jurisdiction of the Umatilla Tribal Court for the resolution of any dispute arising under, or the enforcement of, the Credit Program loan agreement.

D. Emergency loans are considered a type of Personal loan. In the case of a personal emergency the Credit Program has the authority to grant emergency loans to members of the CTUIR who may be otherwise ineligible for a Credit Program loan. The eligibility requirements for an emergency loan are as follows:

1. At least 50% of the applicant’s gaming distributions are not assigned or being garnished for some other purpose unless for an existing Credit Program loan belonging to the applicant;
2. 12 months must have passed since the applicant’s last emergency loan;

3. The applicant must have repaid at least $500 of the principal balance owed on any existing Credit Program loan over the previous 12 months, unless their loan is less than six months old; and

4. The applicant must not currently have a Credit Program loan where:
   i. the applicant has breached the terms of the Credit Program loan that has resulted in a court judgment; or
   ii. the Credit Program is in the process of filing, or has filed, for a judgment against the applicant due to the breach of the Credit Program loan.

5. Applicant or co-applicant has not been convicted of crimes, entered into a settlement agreement for crimes, nor have they intentionally attempted criminal acts against the Credit Program in the 10 year time period prior to the date of their loan application.

E. Emergency loans may only exceed $500 by the amount of the loan fee and may be combined with a current Personal loan the borrower/applicant may have with the Credit Program. If an emergency loan is to be combined with a Personal loan that has a co-borrower, the co-borrower must be a party to the new combined loan. The aggregate of the emergency loan and the existing Credit Program loan shall not exceed $12,000 as per section 4.04(A) of this Code.

SECTION 4.03. PRIORITY FOR LENDING

Loans shall be made based on the availability of funds within the Credit Fund. When the Credit Fund lacks sufficient funds to satisfy all eligible applications for loans, the priority for loans shall be as follows:

A. Emergency.
B. Education.
C. Land acquisition.
D. Housing down payment.
E. All other new loan requests for lawful personal purposes.
F. All other refinance loan requests for lawful personal purposes.

SECTION 4.04. LOAN LIMITS AND REPAYMENT TERMS

A. Maximum Loan Amount. The maximum amount that may be loaned to any one borrower is $12,000, regardless of whether that amount is loaned as a Personal loan, an Education loan, or some combination thereof.

B. Personal Loans.
   1. The maximum amount that may be loaned to a tribal member living within Umatilla County (including the Umatilla Indian Reservation) is $12,000. The maximum amount that may be loaned to a tribal member living outside of Umatilla County for loans other than Education loans is $5000, unless the applicant has a qualified co-applicant living within Umatilla County or the applicant is employed by CTUIR or one of its entities and meets the eligibility requirements for the loan tier level for which they are applying. The applicant’s primary residence shall be the listed on the applicant’s current State driver’s license, utility billings and voter’s registration card. At least two of these forms of identification shall be provided to prove residency.
2. Tribal members are only eligible to have one Personal loan at a time, except that a Tribal member may receive an emergency loan separately if that borrower has an existing Personal loan with a co-borrower. If an individual already has a loan of any type with the Credit Program and needs additional funds, the loan request will be evaluated based on the current amount requested plus the payoff amount of the existing loan plus the loan processing fee. If approved, proceeds from the new loan shall payoff the balance owed on the existing loan of the same type (Educational or Personal).

3. Personal loans, including emergency loans, are required to be amortized to payoff within the following time frames:
   
i. Tier 1 and 2 loans must be amortized to payoff within 3 years or earlier as deemed appropriate by the Loan Officer.
   
ii. Tier 3 loans must be amortized to payoff within 4 years or earlier as deemed appropriate by the Loan Officer.
   
iii. Tier 4 loans must be amortized to payoff within 5 years or earlier as deemed appropriate by the Loan Officer.

4. Borrowers with tier 2-4 loans will be required to make a monthly payment sufficient to retire the loan within the required payoff periods listed above. However, if a borrower in good standing with a loan balance of less than $3500 becomes unemployed while their Credit Program loan remains outstanding, the borrower’s gaming distributions will be considered sufficient to secure repayment of the debt and the loan will be considered in good standing. It is the borrower’s responsibility to provide written notification to the Credit Program of their change in employment status prior to going into default on their Credit Program loan.

C. Education Loans.

1. The maximum amount that may be loaned for educational purposes to an applicant in an academic year is $2,500; the maximum aggregate amount that may be loaned to any one borrower is $12,000. These maximums are available to all otherwise eligible applicants for Education loans, regardless of whether they live within or outside of Umatilla County.

2. The minimum monthly payment on an Education loan shall be an amount sufficient to repay all principal and interest on such Education loan within 10 years. Monthly payments on Education loans shall be deferred until:
   
i. the first day of the month following one full year after the borrower successfully completes the education program for which they were enrolled, or
   
ii. 30 days after a student leaves school without completing coursework, or the student is no longer in school at least one-half time or has failed to maintain a cumulative GPA of 2.0 or higher, or
   
iii. 30 days after a graduate student working towards a post-baccalaureate degree who is working full time does not enroll in at least one class per term or has failed to maintain a minimum cumulative GPA of 2.0.

Education loans where monthly payments are deferred as provided in this subsection shall be considered to be in deferred status.

3. A borrower whose Education loan is no longer in deferred status may regain deferred status by making regular loan payments as scheduled and by completing:
i. one term of at least one-half time in school to attain an initial post-secondary school degree, an additional degree or vocational trade certificate, or

ii. one class if working full time and working towards a post bachelor’s degree.

4. Upon regaining deferred status, a borrower will remain on deferred status until one of the events in section 4.04(C)(2) occurs.

5. The Credit Program will not fund educational expenses beyond the unmet need per the Student Needs Assessment, unless an educational need arises that was not included in the needs assessment. Unmet need is defined as cost of school attendance, which may include tuition, fees, books and reasonable living expenses, less grants, scholarships and student loans.

6. Disbursement of Education loans shall be subject to the student meeting the terms and conditions of the loan. When reasonably possible the loan amount for the academic year will be split and distributed equally by the number of terms the student will attend in that academic year.

7. The student shall provide to the Credit Program a copy of the student’s grade transcript upon the completion of each academic term. Students who fail to provide such transcripts in a timely manner shall be assumed to be no longer in school or have fallen below the required cumulative GPA. Consistent with the procedures identified above, the student’s account shall begin to accrue interest after 30 days and they shall be required to begin repayment within 30 days. Likewise, they shall receive no disbursement for the following terms until they can demonstrate they are enrolled in school and have a satisfactory cumulative GPA of 2.0 or higher.

8. Students needing loans for subsequent years will be required to reapply and requalify for each academic year.

D. Workout Loans. The Credit Board recognizes that from time to time a borrower’s financial situation may change making it more difficult to abide by the terms of their original Credit Program loan. Upon request by the borrower to renegotiate a Credit Program loan due to borrowers changed financial circumstances, or upon payment default by the borrower on a Credit Program loan, the Loan Officer may, but shall not be required, to negotiate new terms with a borrower. The new loan will be called a workout loan. Workout loans will be considered a refinance and subject to the applicable processing fee. Workout loans shall not include any additional loan amount. Loan terms available for reconsideration are limited to interest rate, payment amount and payment frequency. Workout loans must still amortize within a reasonable amount of time as set by the Loan Officer. When a borrower requests to renegotiate a loan the Loan Officer will work with the borrower to try to determine what terms will be best for both parties involved. The Loan Officer will report all workout loans to the Credit Board at their next regular meeting.

SECTION 4.05. SECURITY REQUIRED FOR LOANS

A. All Personal and Education loans from the Credit Program shall be secured by income of the borrower. Eligible security for loans shall include:

1. Assignment of payroll due from the CTUIR, its enterprises or other employment.

2. Assignment of gaming revenue distributions to be paid by the CTUIR.

3. Assignment of other guaranteed payments to which the borrower is entitled.
B. Applicants must demonstrate the ability to service the debt at the time of the loan and provide such security as necessary to ensure the repayment of the loan.

C. All loans shall contain language to the affect that the CTUIR shall have the right to attach, in addition to named security, any other amounts that are owed by the CTUIR to the borrower for any other purpose to satisfy a loan in the event of default.

D. Credit Program loans shall contain all appropriate covenants with the borrower to protect the assets of the Credit Fund in event of non-performance of the borrower.

SECTION 4.06. INTEREST RATES AND FEES FOR LOANS

A. The Credit Program offers three (3) different rate structures.

1. Reduced rate: Applicants who have not been in default within the last 2 years on a Credit Program loan and new applicants are eligible for a reduced fixed rate loan at an interest rate which is the same as the Prime Rate as published in the Wall Street Journal on the first business day of the month in which the loan is made (the “reduced rate”), except that the rate shall not be lower than 6.5% (Floor) nor higher than 14% (Ceiling), or 16% in the case of default. If a borrower receiving a reduced rate does not pay as agreed in the promissory note then the rate will be increased by 2% (i.e. 200 basis points) and shall remain at that rate until the loan is paid in full. Applicants wishing to refinance an existing Credit Program loan are not eligible for a reduced rate loan.

2. Standard rate: This rate shall apply to those borrowers and applicants that have previously not paid on Credit Program loans as agreed or are refinancing an existing loan. The standard rate is Prime Rate as published in the Wall Street Journal on the first business day of the month in which the loan is made, plus 2% with a minimum of 8.5% (Floor) and a maximum rate of 16% (Ceiling) or 18% in the case of default. If a borrower receiving a standard rate loan does not pay as agreed in the promissory note then the rate will be increased by 2% (i.e. 200 basis points) and shall remain at that rate until the loan is paid in full.

3. Educational Rate: All Education loans shall be issued at 5.0% interest. Interest shall not accrue on educational loans until payments are due as specified in section 4.04(C)(2). If a borrower receiving an Education loan does not pay as agreed in the promissory note then the interest rate will be increased to 7% and shall remain at that rate until the loan is paid in full.

4. Emergency loans will accrue interest at the standard rate as described above or if being combined with an outstanding Credit Program loan then the rate will be that of the loan being combined.

B. When a borrower dies before the payoff of a Credit Program loan, interest on the loan shall not accrue from the date of death.

C. The Credit Board shall require the borrower to pay a $50 loan processing fee for new loans or a $100 loan processing fee if the loan includes the refinance of a previous Credit Program loan. The loan processing fee for emergency loans shall be $25. The processing fee shall be included in the approved loan amount. The loan processing fee will be waived for:

1. Education loans; and

2. Any loan refinancing required due to the prohibition on the assignment, pledge or encumbrance of Tribal government benefits (which does not include gaming dividends) set forth in Section 3.06 of the General Welfare Code.
SECTION 4.07. LOAN APPROVAL PROCEDURES

A. Applications will be processed in the order they are received. The only exceptions will be for emergency loans or when the Credit Fund lacks sufficient funds to satisfy all eligible applications for loans in which case loans will be processed according to the priorities outlined in section 4.03.

B. Loan Qualification Worksheet. Finance staff shall develop and use loan qualification worksheets to evaluate loan applications and determine eligibility for loans based on the criteria set forth in this Code. Finance staff shall complete the worksheet and verify its contents. The use of the worksheet will ensure loan decisions are consistent with Federal lending laws and this Code. The Finance Office is authorized to evaluate and approve or deny all loans based on the criteria set forth in this Credit Code. All loans approved or declined by the Finance Office will be reported to the Credit Board at their next regular meeting.

C. Loan applicants meeting all requirements of this code will have an appointment scheduled with the Loan Officer or Clerk and loan documents prepared for execution and to disburse the loan at the scheduled appointment.

D. All loan proceeds will be paid directly to the vendors, whenever reasonably possible.

E. Loans not finalized and closed by the borrower within 30 days after approval shall be cancelled and approval shall be null and void.

F. Applicants whose loan requests do not meet the minimum requirements of this Code and are therefore denied shall be notified in writing of the reason for the denial.

SECTION 4.08. APPEAL PROCESS

A. Review of Loan Officer Denial of Loan Application or Workout Loan Application Request. If an applicant feels that Finance staff or Loan Officer did not follow the requirements outlined in this Code properly when reviewing their application resulting in the denial of the application, the applicant may request in writing that the Credit Board review the decision to deny the loan application. The request for the Credit board review shall be filed with the Credit Board or the Loan Officer within (30) days of the letter denying the loan application. The applicant must include in their written request for review the Code provisions which they believe were not followed or improperly interpreted. Upon receipt of such a request the Credit Board will add the appeal to their agenda for the next regularly scheduled Credit Board meeting.

B. In their review of a denied loan application, the Credit Board shall have no authority to waive any requirements established in this Code. Because of the limited amount of loan funds available in the Credit Fund and out of fairness to those applicants who meet the requirements of this Code, the requirements of this Code shall not be waived or changed for any particular loan applicant.

C. The decision by the Credit Board on a review of a denied loan application shall be final.

SECTION 4.09. INTERNAL CONTROLS FOR THE USE OF FACSIMILE SIGNATURES

Facsimile signature stamps will be held and secured by the Loan Officer’s supervisor or a Finance Office manager of similar rank, who may delegate responsibility to secure the stamps to a subordinate other than the Loan Officer or Loan Clerk. The person who is securing the facsimile signature stamps shall not prepare loan documents or loan checks. The Loan Officer or Loan Clerk who will be completing the approved loan documents and preparing proceed checks shall not have direct access to the facsimile signature stamps. The Loan Officer will prepare the checks in accordance with the approved loans and will present said documents and supporting material to the holder of the facsimile signature stamps for signature. The facsimile signature stamp shall be used only for signing checks.
SECTION 4.10. COLLECTION OF DELINQUENT LOANS

In order to ensure timely action regarding collection of delinquent loans, and preservation of the assets of the Credit Fund:

A. The Loan Officer shall notify the debtor of delinquency by letter within a month of the account becoming past due, and

B. If the delinquency is not corrected or arrangements made within 30 days of the first notice a second notice will be sent, and

C. If the delinquency is not corrected or arrangements are not made within 30 days of the second notice and current payment sources are not sufficient to retire the debt in a reasonable amount of time then the loan shall be turned over to an attorney who will attempt to resolve the situation prior to filing a complaint in the appropriate court.

D. A loan will be considered delinquent after 10 days have passed from the payment due date and the full payment due has not been received.

E. The loan will be considered in default if 30 days have passed from the payment due date and the full payment due has not been received.

F. If all past due payments have been brought current then the loan will be considered to have been delinquent or in default but is now current.

G. The Credit Board reserves the right to report poor payment history to the credit bureau.

H. In the event of the borrower or co-borrower’s death any outstanding loans will be considered immediately due and payable unless there is a borrower or co-borrower available to continue paying the loan as agreed. The Finance Department shall file a claim against the estate of the deceased borrower or co-borrower (as appropriate) to insure repayment of the Credit Program loan. When the probate process is complete and all other possible sources of repayment have been exhausted, the Finance Department will notify the Credit Board and charge any unpaid balance to bad debt expense.
APPENDIX A

LEGISLATIVE HISTORY
CREDIT PROGRAM CODE

LEGISLATIVE HISTORY

In Resolution No. 05-070 (July 11, 2005), the Board of Trustees of the Confederated Tribes of the Umatilla Indian Reservation enacted the Credit Program Code. The Board amended the Code in Resolution No. 06-119 (December 18, 2006).

In Resolution No. 07-092 (September 10, 2007), the Board of Trustees amended the Credit Program Code to clarify the process for using a co-signer to assist with loan qualification and to establish a reserve in the Credit Fund to insure the availability of emergency loans.

In Resolution No. 08-098 (October 6, 2008), the Board of Trustees amended the Credit Program Code to clarify the duties and responsibilities of the Credit Board, streamline the loan approval process, and allow for the renegotiation of problem loans.

In Resolution No. 09-137 (November 23, 2009), the Board of Trustees amended the Credit Program Code to clarify ambiguous provisions and to reorganize the Code. Resolution 09-137 also added a process to the Code whereby applicants whose loans are denied may appeal the denial before the Credit Board and added a provision requiring a 24 hour delay in closing a loan if the borrower appears visibly intoxicated at the time set for closing. Finally, Resolution 09-137 amended the Code to streamline the process for determining an applicant’s eligibility for emergency and education loans, added a 2% penalty to the interest rate for standard and education loans in the event of default and reduced the loan processing fee for emergency loans to $25.

In Resolution No. 10-106 (December 27, 2010), the Board of Trustees amended the Credit Program Code to clarify ambiguous provisions of the Code, to simplify the evaluation and approval of emergency loans, and to extend the maximum repayment term for an education loan to 10 years.

In Resolution No. 12-014 (February 13, 2012), the Board of Trustees amended the Credit Program Code to clarify ambiguous provisions of the Code, to clarify the criteria for emergency and workout loans, and to include the denial of a workout loan within the appeal process before the Credit Board.

In Resolution No. 13-009 (February 25, 2013), The Board of Trustees amended the Credit Program Code to clarify ambiguous provisions of the Code, to deny Credit Program loan eligibility to persons who have committed or attempted to commit criminal acts against the Credit Program, to establish income requirements for co-applicants and to extend eligibility for Tier 3 & 4 loans to Tribal member employees living outside of Umatilla County.

In Resolution 13-028, (August 12, 2013), the Board of Trustees amended the Credit Program Code to add a definitions section and to make various other technical revisions to the Code. In Resolution 14-025 (May 12, 2014), the Board of Trustees amended the Credit Program Code to make minor modifications to loan eligibility requirements, including standards for repaying previously written off loans when securing new loans, employment requirements for Tier 3 and 4 loans, as well as adding a requirement for borrowers to notify the Credit Program in writing of changes in employment status.

In Resolution 14-069 (December 22, 2014), the Board of Trustees amended section 4.06(C) of the Credit Program Code for consistency with the anti-alienation provisions in section 3.06 of the General Welfare Code.

In Resolution 20-011 (February 24, 2020), the Board of Trustees raised the loan limits in sections 4.02(A), 4.02(E), and 4.04(A) – (C) in order to provide greater tribal member access to credit to respond to damage from the February 2020 Umatilla River flooding.