



MEMBERSHIP LOAN POLICY

Resolution:
Effective Date: August 1, 2018

DESCRIPTION OF CHANGE:

<u>Revision</u>	<u>Description of Change</u>
8/6/16	Amendment 5, approved by Resolution 2016-357
6/2/18	Increase loan amount to \$6,000, eliminate emergency loan, assessment of late fees.

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PURPOSE:

The Membership Loan Program of the Tulalip Tribes of Washington exists to provide timely processed loans to tribal members secured by a portion of the member's tribal distribution, which may include per capita, elders, or senior distribution to insure repayment. The Membership Loan Program is a tribal hard dollar loan program available to qualifying Tribal Members and subject to the availability of funds. After initial funding and stabilization, the Membership Loan Program is intended to be a self-supporting program. This policy replaces, in its entirety, the Tribal Loan Policy, Amendment 5, approved by Resolution 2016-357 August 6, 2016.

ELIGIBILITY REQUIREMENTS:

1. Applicant must be an enrolled member of the Tulalip Tribes.
2. Applicant must be a minimum of 18 years of age.
3. Applicant does not exceed the aggregate loan limit of \$6,000 for all Membership Loans held.
4. Applicant must have sufficient tribal distribution available to service the monthly minimum loan payment, and any late payments, for the life of the loan.
5. Applicant must be willing to pledge, by automatic deduction, that portion of their monthly tribal distribution required to pay the minimum contracted loan payment, and any late fees, for the life of the loan.
6. Applicant must not have delinquent debt with any Tulalip Tribes agency, entity or program.
7. Applicants who have defaulted on any loan with the government are not eligible for a new loan until the defaulted loan is cured.
8. Applicant must not be under investigation of fraud involving the Tulalip Tribes.

POLICY:**General Information**

1. All loans are subject to availability of tribal hard dollar funds.
2. All Membership Loans are initiated by tribal members completing and submitting the Tribal Member Loan Application (and all required attachments) to the Finance Department Cashier Window for loan intake. Applications must be fully completed. Incomplete loan applications will be denied.
3. Loans will be processed on a first come, first serve basis pursuant to the date and time stamp provided by the Cashier Window at the Administration Building at the time of application submission. All Applicants will be provided with a date and time stamp receipt of their submission from the Cashier Window staff.

4. Membership Loans will be disbursed once per month on the second Friday of each month.
5. All loans are to be secured by a fully executed security instrument pledging the tribal member's monthly tribal distribution for the loan repayment. The completed Financing Statement will be timely recorded with the Tulalip Tribes Court and will be released once the loan debt is fully satisfied.
6. Powers of Attorney will not be accepted for Membership Loan Application or supporting loan documentation.
7. To qualify for a Membership Loan, the tribal applicant must have sufficient tribal distribution available to support the minimum loan payment for the life of the proposed loan. The Finance Department will calculate payment eligibility pursuant to the Tribal Distributions Debt Repayment Policy.

Loan Limits

1. The total aggregate dollar amount for Membership Loans per tribal member shall not exceed \$6,000 at any time.
2. The interest rate on each loan is 9% per annum.
3. The maturity on each loan is 22 months.
4. Tribal Members may obtain multiple Membership Loans, not exceeding \$6,000 in total, but they must meet the eligibility requirements for each loan as loan applications are processed.

Loan Increments & Minimum Monthly Payments

1. Membership Loans shall be issued in \$1,000 increments and the minimum monthly payment will be determined based off the threshold as indicated in the schedule below.
2. The minimum monthly payment will be applicable even if the total funds within that threshold are not taken (i.e., Tribal Members will be required to pay \$50 monthly whether they take a loan for \$500 or \$1,000).
3. Additional advances on Membership Loans are not permitted; each loan is required to be fully repaid in 22 months or less. Multiple loans cannot be combined into a single monthly payment. Each outstanding loan carried by a Tribal Member requires a separate monthly tribal distribution or payroll deduction until the loan is paid in full.

Threshold	Required Monthly Payment
\$.01 - \$1,000	\$50
\$1,001 - \$2,000	\$100
\$2,001 - \$3,000	\$150
\$3,001 - \$4,000	\$200
\$4,001 - \$5,000	\$250
\$5,001 - \$6,000	\$300

Loan Repayment

1. All loan payments are due the first day of each month.
2. The first monthly loan payment to be made by the borrower will be on the first day of the second month from the date of loan funding (i.e., loan issued on March 15th will be due on May 1st, and on the first day of each subsequent month until paid in full).
3. Loan payments will be made through either payroll or tribal distribution deductions.
4. Tribal Members are responsible for insuring their payments are deducted and notifying Finance for any found discrepancies. Failure to make the minimum monthly payment for any reason will place the Tribal member in default.
5. Tribal Members that have secured loan repayments via payroll deductions must agree to have loan repayments withheld from their tribal distribution in the event of separation from employment. The Tulalip Tribes Finance Department reserves the right to revert loan repayments from Tribal Members tribal distribution in the event of separation from employment. It is the responsibility of the Tribal Member to inform Finance of a departure from employment.

Loan Defaults/Delinquencies

1. Tribal Members whose loan is more than 30 days outstanding will be considered in default.
2. Tribal Members who are more than 60 days outstanding will receive a Notice of Default and be assessed late fees of \$20 per month until the default is cured.
3. Tribal Members with defaulted Membership Loans will not be eligible for an additional Membership Loan until the defaulted loan(s) is cured, including all late fees.
4. Tribal loans more than 120 days past due will be subject to monthly BOD Business Committee review and uniform enforcement under the Tribal Bad Debt Collection Policy.

APPLICATION / PROCESSING / LOAN SERVICING PROCESS:

1. Applicant will complete and present a signed Tribal Member Loan Application form, including all required attachments, to the Cashier Window at the Administration Building.
2. Finance will intake the application and verify application submission is complete and, as required, that information provided is accurate.
3. Finance will notify the Applicant of missing items if application submission is not complete.
4. At time the application submission is deemed complete, Finance will confirm availability of adequate tribal distribution to serve the minimum monthly loan payments called for in the promissory note.
5. Finance will notify applicant in writing that the application is approved or not approved, include reasons for non-approval in the notice to applicant. If approved Finance will:
 - a. Prepare loan documents for signature, obtain signatures,
 - b. Record the Financing Statement with the Tribal Court,
 - c. Book the loan and process loan disbursements to the loan borrower,
 - d. Apply borrower authorized payroll and/or tribal distribution deductions to the Member Loan per the terms defined in the loan promissory note,
 - e. Provide monthly loan statement(s) to the borrower,
 - f. Provide payoff requests to borrowers as needed,
 - g. Process Satisfaction of Loan and release of Financing Statement at Tribal Court when the loan is fully satisfied.



TRIBAL MEMBER DISTRIBUTIONS DEDUCTION POLICY

Resolution:
Effective Date: August 1, 2018

DESCRIPTION OF CHANGE:

<u>Revision</u>	<u>Description of Change</u>
6/2/18	Initial Draft

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PURPOSE:

To establish standards for processing deductions from Tribal Member Distributions available to repay debt demanded by court order or by tribal member request. To establish a debt repayment deduction hierarchy to be applied uniformly to all tribal members to insure equitable treatment and for departments to utilize in qualifying members for available programming based on repayment capacity.

Note: For the purpose of this Policy, Tribal Member Distributions are defined as monthly distributions known as "Per Capita", "Senior Support", "Elder Support" and "Disability Support" to qualified tribal members, and excludes "Bonus Per Capita" which is exempt to deductions other than court orders identified in the Tribal Code.

RESPONSIBILITIES:

1. All tribal owned entities and departments are required to maintain a current, policy compliant program or loan application for each service and/or loan program offered by the department and requires monthly payments. Each application must include a section providing opportunity for tribal members to select Tribal Member Disbursement deductions as a payment option.
2. Tribal members are required to complete a program application for each program/loan for which they are applying. The tribal member is required to complete the section of the application addressing Tribal Member Distribution deduction authorization if the program they are applying for requires such or if they request such a deduction voluntarily.
3. Finance is required to qualify (for the departments), process and account for Tribal Member Distribution deductions per this policy.
4. The recipient Tribal Entity or Department shall bear responsibility of invoicing for the collecting debt's owed and maintaining accurate Tribal Member balances. Discrepancies in deductions (under or over withholding) shall be resolved at the Tribal Entity and/or Department level where the debt originated.
5. Tribal members are responsible to notify Finance if requested Tribal Member Deductions are not being properly processed per the approved agreement.

POLICY:**Tribal Member Distribution Deductions**

1. Deductions to tribal member distributions shall be limited to 50% after child support deductions are taken. The tribal member can elect to waive the 50% limitation if they desire to expedite repayment by completing the Deduction Authorization form (Exhibit 1).

2. All deductions to monthly Tribal Member Distributions are subject to enforcement based on the priority identified in this policy (1st Priority being the highest priority).
3. Deductions to monthly Tribal Member Distribution shall at no time exceed the monthly Tribal Member Disbursement available.
4. A Tribal member whose deductions exceed the available monthly Tribal Member Distribution will be required to complete a Tribal Member Distribution Deduction Variance Form, meet with a tribal credit counselor to assist in developing a workout plan (to be Board approved) and complete credit counseling requirements. Until such time that a Board approved workout plan is provided to Finance, deductions will be processed per this policy.
5. Tribal Annual Per Capita Bonus is exempt from this policy.

Hierarchy of Deductions

Finance will allocate Tribal Member Distribution deductions based upon the hierarchy outline below.

1. **1st Priority Deductions (highest hierarchy):**
 - a. **Child Support Court Orders:** Child Support Court Orders, including both Tribal and State, are deemed first priority over all deductions (other court orders, defaults, voluntary, etc.). Finance will implement a deduction of up to 100% of each Tribal Member Distribution until the court order is considered satisfied, unless otherwise specified in the court order.
2. **2nd Priority**
 - a. **Other Tribal Court Orders:** These court orders include legal judgments in favor of a Tribal Entity or Department to seek collection of debt from a specific Tribal Member Distribution and will be enforced according to the deductions repayment hierarchy established in this policy.
3. **3rd Priority**
 - a. **Beda?Chelh Program Fees.**
4. **4th Priority**
 - a. **Membership Loans to include the current balance due with any assessed fees.**
5. **5th Priority**

- a. **Housing Emergency Rehabilitation Assistance Program (HERAP) loans to include the current balance due with any assessed fees.**

6. 6th Priority

- a. **Tulalip Tribes Housing Assistance Program (TTHAP) loans to include the current balance due with any assessed fees.**

7. 7th Priority

- a. **Defaults including all other debts owing (after priorities 1 thru 6 have been satisfied) to Tribal Entities or Departments shall be deducted before any voluntary deductions presented by the Tribal Member according to the hierarchy as stated:**
 - i. **Housing**
 - ii. **Utilities**
 - iii. **Leasing**
 - iv. **Child Care**
 - v. **Marina**
 - vi. **Broadband**
 - vii. **Salish Networks**
 - viii. **Snohomish County PUD**

