

Standard Operating Procedures	SOP No. 05-001	Issued: 07/13/05 Revised: 03/01/06; 04/19/06, 12/26/06
	SECTION Leasing	
	SUBJECT Use of MEPA Funds	

PURPOSE

To establish procedures for Mutual Help Homebuyers to use their MEPA funds.

APPLICABLE POLICY

6.9 Structural Modifications

Homeownership Program only: A Homebuyer may not make any structural changes in or additions to the dwelling unit unless the Housing Department has determined that such change will not:

- a. impair the value of the home, the surrounding homes, or the project as a whole;
- b. affect the use of the home for residential purposes; or
- c. violate any Federal, State or local building code requirements as to construction and/or design.

6.9.1 Approvable alterations and additions

Additions which may be approved include, but are not limited to, energy conservation items such as solar panels, wood-burning stoves, flues and insulation.

6.9.2 Homebuyer expense

Any changes made in accordance with this section shall be at the Homebuyer's expense, and in the event of termination of the Agreement, the Homebuyer shall not be entitled to any compensation for such alterations, additions, or improvements, which automatically become the property of the Housing Department.

PROCEDURE

Families participating in the Mutual Help Homebuyer program are permitted to borrow funds from their Monthly Equity Payments Account (MEPA) under the following conditions:

1. The MEPA funds are only to be used for improvements and repairs on the home in which the family is residing. (MEPA funds may be used towards past due balances only when a family vacates the home.)
2. MEPA loan funds can only be paid as follows:
 - a. Direct payment by the Housing Department to a contractor or supplier for work done or materials supplied, upon receipt of an invoice from the contractor or supplier, after verification of the work completed or the materials received; or

- b. Direct payment to the family only as reimbursement for work done or materials purchased, upon receipt of verification of payment by the family to the contractor or supplier, after verification of the work completed or the materials received.
3. The minimum loan amount shall be \$1,000 and the maximum loan amount shall be \$10,000; however in no event shall the loan be more than 50% of the MEPA balance; AND in no event shall the loan reduce the balance in the MEPA account below \$5,000. For example, if the balance in a family's MEPA account is \$8,000, the maximum loan shall be \$3,000 (leaving a balance of \$5,000); if the balance in a family's MEPA account is \$18,000, the maximum loan shall be \$9,000 (50% of balance).
4. The family shall sign a Promissory Note with a term of the loan as follows:
 - a. \$0 - \$2,500 2 years
 - b. \$2,501 - \$5,000 3 years
 - c. \$5,001 - \$7,500 4 years
 - d. \$7,501 - \$10,000 5 years

The term of the loan may be extended to ensure that the family's total payment (monthly payment plus MEPA loan payment) does not exceed 30% of the family's Monthly Adjusted Income. In no event can the term exceed the Estimated Months to Payoff, according to the HDS Payoff Statement.

5. To be eligible for a MEPA Loan, the family must be current with all Tulalip tribal obligations, including housing payments. The Housing Department will verify the status of all outstanding debts the family has with the Tribes.
6. Before a MEPA loan is approved, the family must present, in writing, a Plan of how the funds will be used. This Plan will include a list of the work items, a description of how the work will be done (subcontractor or homeowner work), and a timetable for completion of the work.
7. An inspection of the home will be conducted prior to the loan to verify the work that is to be done. During subsequent annual inspections of the home, the progress of the work will be noted.
8. Upon the approval of the Plan and the completion of the inspection and the verification of tribal obligations, the family shall sign a Promissory Note after which a Check Order, in the amount of the MEPA loan made payable to the Family or Contractor, shall be processed. The family can only receive funds directly as a reimbursement of work already completed. The Check Order must be approved by the Executive Director, after which a check shall be issued to the family or contractor.
9. Families employed by the Tulalip Tribes shall be required to enter into a Payroll Deduction payable to the Housing Department for the full amount of their monthly MEPA loan payment. Any default of the Promissory Note shall result in assignment of all Per Capita payments to the Housing Department until the loan is repaid.
10. No family shall be allowed to have more than one MEPA loan outstanding at any given time.
11. Failure to repay the MEPA loan per the terms of the Promissory Note shall cause the family to be ineligible for any future MEPA loans.