



MEMBERSHIP LOAN POLICY

Resolution: 2021-081

Effective Date: March 5, 2021

DESCRIPTION OF CHANGE:

| Revision | Description of Change |
|-----------|---|
| 8/06/2016 | Amendment 5, approved by Resolution 2016-357 |
| 6/02/2018 | Increase loan amount to \$6,000, eliminate emergency loan, assessment of late fees. Resolution 2018-274 |
| 6/21/2018 | ORA Edits |
| 6/01/2019 | Amendment - Add emergency loan provisions; Resolution 2019-238 |
| 3/5/2021 | Amendment – adding General Welfare language, adding new default language, COVID default exceptions, lowering interest rate to 6% and allowing deductions from bonus distribution for defaulted loans. |
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PURPOSE:

The Membership Loan Program of the Tulalip Tribes exists to provide timely processed loans for General Welfare purposes to tribal members secured by a portion of the member's tribal distribution, which may include per capita, elders, disability, general welfare 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 7, approved by Resolution 2021-081.

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 has a current balance of \$3,000 or less. Does not apply to emergency loans.
5. Applicant must have sufficient tribal distribution available to service the monthly minimum loan payment, and any late payments, for the life of the loan.
6. 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.
7. Applicant must not have delinquent debt with any Tulalip Tribes agency, entity or program.
8. Applicants who have defaulted on any loan with the government are not eligible for a new loan until the defaulted loan is cured. There will be a short time COVID exception, outlined below.
9. Applicant must not been convicted within prior three years or be under investigation of theft or fraud involving the Tulalip Tribes.
10. Loans will be issued only for General Welfare purposes, i.e. rent, mortgage, utilities, car repairs (for work purposes), medical needs and other allowed costs per the Tulalip General Welfare Assistance Program – Adults Program Description and Eligibility Guidelines.

POLICY:

General Information

1. There will be two types of loan applications:
 - a) Non-emergency loans (also known as "Regular Loan")

- b) Emergency loan application (which requires supporting documentation to be submitted).
2. All loans are subject to availability of tribal hard dollar funds, designated for the Membership Loan Program.

All Membership Loans are initiated by tribal members completing and submitting the Tribal Member Loan Application (and all required attachments) to the Finance CSR Membership Station 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 CSR Membership Station 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 CSR Membership Station staff.
4. Membership Loans will be disbursed at least weekly and may be more frequent as determined by Membership
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.
6. Powers of Attorney and guardianship will not be accepted for Membership Loan Application or supporting loan documentation, unless accompanied by a Court Order.
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 Member Distribution Deduction Policy.
8. Upon death of Tribal member with a loan, finance will take steps to write off the debt after verification of the members passing or within 30 days of notice.

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 6% per annum
3. The maturity on each loan is 24 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 thousand dollar increments and the minimum monthly payment will be \$50 per each \$1,000 loaned, with a maximum of 24 months repayment.. Any

membership loan not picked up in 60 days will be voided and credited back to the member's loan account.

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). Additional advances on Membership Loans are permitted; when the outstanding loan balance is less than \$3,000. The minimum loan payment is based on a 24 month repayment schedule. New advances will be combined with the existing loan balance to determine the new minimum single loan payment. Existing members with multiple loans can combine their loan payments into a single monthly payment, by completing a new promissory note. However, by reducing the monthly payment, the payment period will increase.

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 next month from the date of loan funding (i.e., loan issued on March 15th will be due on April 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 payroll to Tribal Member 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 loans more than 90 days past due will receive a Final Notice of Default, Tribal member will be sent for collections and deduction will be made from bonus distribution (if one is made).
4. Tribal loans more than 120 days past due will be subject to quarterly BOD Business Committee review.
5. 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.
 - COVID Policy Variances, due to the membership distribution being changed to General Welfare and membership loans being placed on hold due to COVID. Members with current loans that have been defaulted, will not have to wait for defaulted loan to be cured they will need to:
 - Make monthly payments for 3 months and complete a new promissory note.

Application / Processing / Loan Servicing Process:

1. Applicant will complete and present a signed Tribal Member Loan Application form, including all required attachments, to the CSR Membership Station 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. Tribal members with loan balances, which pledge per capita only, need to complete a new promissory note on the balance due on their loans, before they can be placed on a waiting list for loans (should a waiting list be needed).
4. Finance will notify the Applicant of missing items if application submission is not complete.
5. At time the application submission is deemed complete, Finance will confirm availability of adequate tribal distribution to serve the minimum loan payments called for in the promissory note.
6. 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. Book the loan and process loan disbursements to the loan borrower,
 - c. Apply borrower authorized payroll and/or tribal distribution deductions to the

Member Loan per the terms defined in the loan promissory note,

- d. Provide monthly loan statement(s) to the borrower,
- e. Provide payoff requests to borrowers as needed,
- f. Notify Tribal Member when the loan is fully paid off.

Emergency Loans

Emergency loans are limited to two per Tribal member in a calendar year. All requests for emergency loans must have independent third-party documentation indicating the nature of the emergency. Documentation is needed at the time of the loan application. All Emergency loan requests must be approved by an Authorized Representative of the Finance Department. Emergency Loans for **Essential Services Shut off- Public Utilities** and **Evictions** will be payable to the Vendor and **NOT** the named applicant. All vendors are required to complete (before issuance of a check) form W-9 'Request for Taxpayer Identification Number and Certification'. Emergency loan requests are limited to the amount owed and/or damages sustained.

The following is the qualifying criteria to obtain an Emergency Loan:

- a. **Fire, Flood or other natural disaster** - Tribal member must provide documentation of fire, flood or other natural disaster.
- b. **Loss of a family member** - Loans of up to \$1,000 can be requested, if all other loan requirements are met, i.e. Loan eligibility, available balance. Loans are available to immediate family members, which is defined as: spouse, children, parents, siblings. A note from the Tribal Funeral Director can be used as proof of loss. Applications must be received prior to the funeral.
- c. **Essential Services Shut off- Public Utilities**
 - i. Applicant must provide an official disconnect notice from the Public Utility. Shutoff Notice must indicate the name and address of the account to be disconnected.
 - ii. Applicant seeking an emergency loan for Public utilities must have:
 - Public Utilities bill must be in the name of the person(s) /Applicant requesting such loan, and must reside at the property address.
- d. **Evictions** –Emergency loans for evictions are intended to prevent homelessness.

Applicants seeking an emergency loan for an eviction must:

- i. Provide an official Eviction notice served on the applicant by the Landlord. Landlord cannot be an immediate family member as defined in the Definition section.
- ii. Must provide a copy of a fully executed lease (signed by lease and landlord). Applicant must be legally bound on the lease.
- iii. Tribal Members representing themselves as Landlords (Tenant-Landlord relationship). Persons renting a house, room, etc., to another person and collecting rent are deemed to be acting in a Landlord capacity. In accordance with the Internal Revenue Service 1099 reporting requirements for '*Rents*', the Landlord will receive IRS Form 1099 Misc. at the conclusion of each calendar year for the amount of rents paid to the landlord from The Tulalip Tribes. Rents collected are considered taxable income.