

Quartz Valley Indian Reservation Tribal Loan Process

SECTION 1: Purpose

The Quartz Valley Indian Reservation (hereinafter “Tribe”) occasionally makes small loans to Tribal members (hereinafter “borrower”). Loans are given to Tribal members to help them meet a financial need that may otherwise go unmet. However, tribal loans are a privilege and not a right of being a member. The money loaned to Tribal members come from the Tribes own unrestricted fund account; therefore, it is important that the borrower repay the loan.

SECTION2: Borrower

The borrower requests to borrow money from the Tribe. In return the Tribe loans money to the borrower, the borrower is expected to demonstrate how he/she will repay the money loaned to him/her. The borrower is expected to pledge some type of security, or collateral, to guarantee to the Tribe that he/she fully intends to repay the money borrowed. If the borrower does not repay the money borrowed the Tribe may exercise legal action as per loans service agreement to recapture the funds borrowed, as outlined below in the Non-compliance with Loan Repayment section.

SECTION 3: Tribe

The Tribe expects that it is making a loan to the Borrower in good faith and that the Borrower is expected to repay the loan by the set date. The Tribe expects that the Borrower signing his/her name to a written request, agrees to all stipulations set forth herein and on any approved Loan form.

SECTION 4: Loan Request

A loan request must be made in writing and must have the following information, in order to be considered:

1. Amount of money to be borrowed.
2. A Statement stating how the loan will be paid back to the Tribe.
3. A repayment schedule, including dates and amounts of payments.
 - a. Ex. John Doe takes out a loan of \$300.00 with an expectant payback timeline of 6 months; John Doe will be responsible to payback at a rate of \$50.00 a month.
 - i. John Doe’s determined scheduled dates of payment and the amounts will be listed as followed:
 1. Received loan on: 1/1/2024
 2. 1st Payment: 2/1/2024 payment of \$50.00
 3. 2nd Payment: 3/1/2024 payment of \$50.00 Total \$100.00

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|----|--------------------------|----------|--------------------|----------------|
| 4. | 3 rd Payment: | 4/1/2024 | payment of \$50.00 | Total \$150.00 |
| 5. | 4 th Payment: | 5/1/2024 | payment of \$50.00 | Total \$200.00 |
| 6. | 5 th Payment: | 6/1/2024 | payment of \$50.00 | Total \$250.00 |
| 7. | 6 th Payment: | 7/1/2024 | payment of \$50.00 | Total \$300.00 |
4. A date indicating when the borrower expects to have the loan repaid, in full. (The Tribe does not allow over 6 months to payback a loan).
 5. List and description of collateral that will be used to secure the loan. (Collateral is used to insure that the Tribe will not lose the loaned money, if the borrower is unable to repay the loan. Collateral may be claimed and sold, by the Tribe, to repay the loan).
 6. Must have at least two Business Council Member Authorizing signatures agreeing to loan money to the borrower with an understanding that the Tribal Treasurer will be one of the authorizing signatures; however in the event the Tribal Treasurer is unavailable for more than 3 days another Executive Business Council Member has the authorization to sign.
 7. Applicant has an understanding that an interest rate of 4% will be added monthly until loan is repaid. Delinquent payments will have an interest rate of 8% for any missed payment.

SECTION 5: Total Amount of funds to be loaned

The Tribe has set a limit of five thousand dollars (\$5,000.00) as the maximum amount of Tribal funds that may be loaned, collectively. This includes outstanding loans. The Tribe has set a limit of five hundred dollars (\$500.00) as the maximum amount of the funds that may be loaned to an individual. All funds loaned shall have monthly interest of 4% added to the loaned amount; however in the event a loan should become delinquent an interest rate of 8% shall become effective immediately until payment is current. The Business Council shall establish the interest rate.

SECTION 6: Loan Repayment

The borrower is required to submit a schedule indicating the amount of and time when loan payments will be made to the Tribe. It is the policy of the Tribe to not allow the borrower to make arrangements for repayments that extend past 6 months. If while in the process of repaying the loan, the borrower somehow causes the repayment to appear it will be extended past 6 months, or if the borrower stops repayment completely, the Tribe must follow the Non-compliance with the Loan Repayment procedure.

SECTION 7: Non-Compliance with Loan Repayment

If the loan is not repaid to the Tribe, the Tribe will not loan money to the borrower along with doing one or all of the following.

1. Claim and sell collateral, listed on request from, to repay the loan. Send the borrower to a collection agency.
2. File a suit in small claims court to recover the money owed to the Tribe.
3. Garnish any future payment from the Tribe to the borrower, such as travel, tribal disbursement payments or any other type money owed to the borrower by the Tribe.
4. Any other means necessary.

It shall be the responsibility of the borrower to pay for any and all cost incurred by the Tribe in recapturing the loan.

SECTION 8: Collateral

Collateral is a requirement in order for a borrower to be approved for a loan. Collateral is defined as property (as security) pledged by a borrower to protect the interest and money of the Tribe and to insure that the Tribe's money is not lost by the loan. Items listed as collateral, on a loan form, may be claimed and sold by the Tribe to repay the loan.

By listing and describing any property used as collateral the borrower agrees and consents to the Tribe claiming and selling the collateral to repay the borrowers debt to the Tribe. The Tribe may claim and sell the collateral if the loan is not repaid by the date indicated on the loan request form.

SECTION 9: Business Council Members

Each and every loan requires approval, by signature, from no less than two (2) duly and currently elected Business Council members. It is the duty of each signing Business Council Member to determine that all the terms and conditions have been met, prior to approving the loan request. It shall be the duty of the Business Council to insure that all loan requests do not violate the Business Council motion that established this loan program. Business Council members who do not comply with this section may be held liable for any loan that is not repaid, as indicated on the loan form.

SECTION 10: Reports

The Business Council shall delegate to a Business Council Member or Finance Department delegate the responsibility of monitoring each loan agreement and the repayment of all loans. This person shall be responsible for reporting loan progress and delinquencies to the Tribal Treasurer.

This policy was duly adopted by the Business Council of Quartz Valley Indian Reservation on _____, _____. This policy may be amended, by a majority vote of the Business Council, in session with a quorum present.

SIGNED:

ATTEST:
