BEAR RIVER BAND of ROHNERVILLE RANCHERIA
266 KEISNER RD LOLETA, CA 95551-9707 PHONE 707-733-1900 FAX 707-733-7972

BEAR RIVER BAND SHORT TERM LOAN POLICY

I. Introduction

The Bear River Band of Rohnerville Rancheria recognizes the occasional need of its Tribal members and Tribal employees for emergency funds in cases of grave personal/financial crisis. This Policy defines the authority of the Tribal Council and Director of Finance to create a program to issue short-term personal loans to eligible Tribal members and Tribal employees.

II. Legal Obligation

The Tribal Member who is issued a personal loan must sign a loan agreement. The loan agreement shall be a legal obligation of the Tribal Member.

Tribal employees who are issued a personal loan must sign a loan agreement and authorize mandatory payroll deduction. The loan agreement shall be the legal obligation of the Tribal employee. If separation of employment occurs prior to repayment of the note, the balance of the loan must be paid immediately.

No Paid Time Off (PTO) buyouts will be permitted until outstanding loans are paid in full.

III. Limits

An eligible Tribal Member may borrow a minimum of $500 up to a maximum of $15,000. Tribal Members may not add or receive new monies until the prior loan has been paid in full. Failure to repay a loan as agreed may result in the denial of future loan requests and/or higher interest rate on future loans.

An eligible Tribal employee may borrow a minimum of $500.00 up to a maximum of $2,000. 00.

Loans will be evaluated on a first come-first serve basis in terms of order or priority for review.

The Tribe will obligate a maximum of $250,000.00 per year for all Tribal Member and Tribal Employee loans.

IV. Interest Rates and Payment Schedules

Rates and terms vary depending on the loan amount requested.

BRB Tribal Council
MAR 11 2014
Motion # 9
Approved Denied

Tribal Members in Good Standing

Level 1 - Loan Amounts from **$500.00 to $1,999.00** are calculated at **5.0% APR** with up to twelve (**12**) months for repayment. A loan term of six (6) months or less will be subject to an interest rate of 4.0% APR.

Level 2 - Loan Amounts from **$2,000.00 to $7,999.00** are calculated at **4.5% APR** with up to twenty –four (**24**) months for repayment. A loan term of twelve (12) months or less will be subject to an interest rate of 3.5% APR.

Level 3 - Loan Amounts from **$8,000.00 to $15,000.00** are calculated at **4.0% APR** with up to thirty-six (**36**) months for repayment. A loan term of eighteen (18) months or less will be subject to an interest rate of 3.0% APR.

Members not in good standing will be subject to interest rates up to double the scheduled rates enumerated herein.

Tribal Employees

Loan Amounts from **$500 to $2,000** are calculated at **10%** APR with no more than **6** months for repayment. Interest rate terms for employees may be reduced to 7% APR if the term is three (3) months or less.

V. Fees

Level 1 loans will be subject to a $50.00 document/origination fee.

Level 2 and Level 3 loans will be subject to a $125.00 document/origination fee.

An monthly administrative fee of $7.50 will be applied to all loans until satisfied . There is no prepayment penalty. Tribal Members will have the option of pledging per capita payments toward the loan balance.

All payments are due on the due date. Payments must be received by the Tribe within five (5) business days of the due date. Any payments received later than five (5) business days from the due date will be deemed late. Late payments will be subject to a $25.00 late fee.

Returned checks will be subject to a $25.00 returned check fee.

VI. Qualifications

This policy applies to all eligible adult Tribal members who have met the requirements for per capita payments (21 years of age or 18 years of age and High School Diploma or equivalent). All Tribal employees may receive short-term personal loans after one (1) year of employment. All applicants must submit an income and expense declaration, and provide proof of income in the form of wage statements for the last three (3) consecutive months. Incomplete applications will not be considered.

Tribal Members requesting a loan in the **Level 1** ($500.00-$1,999.00) range must have a debt to income ratio that does not exceed **75%.**

Tribal Members requesting a loan in the **Level 2** ($2,000.00-$7,999.00) range must have a debt to income ratio that does not exceed **50%**.

Tribal Members requesting a loan in the **Level 3** ($8000.00 - $15,000.00) range must have a debt to income ratio that does not exceed **40%**.

All Tribal employee loan requests require a debt to income ratio **below 50%**.

VII. Default

There is one (1) 15 day grace period for late payments for each year of the loan term. If a Tribal Member fails to make a scheduled payment within 15 days of the due date for more than one month per year of the loan, the interest rate will default to 12% APR, and assignment of per cap/RSTF will be applied until the debt has been satisfied. In addition, any borrower that fails to fulfill their obligation under the loan agreement may be considered ineligible for a period of one (1) year from the date the loan is paid in full and will be classified as a high risk borrower, not in good standing. If a member satisfies a subsequent loan on time after the one year suspension period, the borrower may be removed from the high risk borrower category and reinstated as a borrower in good standing.

A Bear River Band Employee that defaults will be permanently ineligible for a loan under from this program. A Tribal Member that defaults a second time will be permanently ineligible for a loan from this program.

VIII. Signatures

Loans must be signed and executed by the borrower before loan distribution. All loans must have signatures notarized regardless of the amount of the loan.

IX. PER CAPITA GARNISHMENT

In the event that a loan is in default or in arrears, all per capita distributions may be garnished by the Tribe until the loan is paid in full, not just the payment amounts in arrears.

APPROVED BY TRIBAL COUNCIL ON JULY 1, 2013. EFFECTIVE DATE JULY 1, 2013.

AMENDED March 3, 2014. AMENDED March 11, 2014.

William Sand, Chairman Date

3/14/14

Dakota McGinnis, Loan Officer Date