

BEAR RIVER BAND of the ROHNERVILLE RANCHERIA

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BEAR RIVER SHORT TERM LOAN POLICY

I. INTRODUCTION:

The Bear River Band of the Rohnerville Rancheria recognizes the occasional need of Tribal members for additional funds in cases of discretionary spending or emergency funds in cases of personal financial crisis. The 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.

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.

III. LIMITS:

An eligible Tribal Member may borrow a minimum of \$500.00 up to a maximum of \$15,000.00. 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 \$750,000.00.

IV. Interest Rates, Debt to Income Ratio and Payment Schedules

Terms vary depending on the loan amount requested.

Level 1 - Loan Amounts from \$500.00 to \$1,999.00

- 5% interest rate.
- With up to twelve (12) months for repayment. Elders are eligible for an additional 12 months for repayment. Loan is not eligible for financial hardship.
- Will be subject to a \$50 documentation/origination fee.
- Must have an expense to income ratio that does not exceed 80

Level 2 - Loan Amounts from \$2,000.00 to \$7,999.00

- 5% interest rate.

- With up to twenty-four (24) months for repayment. Elders are eligible for an additional 12 months for repayment. Loan is eligible for an additional 6 months for repayment if the loan has declared a financial hardship.
- Will be subject to a \$125 documentation/origination fee.
- Must have an expense to income ratio that does not exceed 50%

Level 3 - Loan Amounts from \$8,000.00 to \$15,000.00

- 5% interest rate.
- With up to thirty-six (36) months for repayment. Elders are eligible for an additional 12 months for repayment. Loan is eligible for an additional 6 months for repayment if the loan has declared a financial hardship.
- Will be subject to a \$125 documentation/origination fee.
- Must have an expense to income ratio that does not exceed 30%.

The Tribe will automatically assess all debts owed to the Tribe in the computation of the Debt to income ratio, in addition to the debts declared in the Loan Application.

A 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 late fee.

Returned checks will be subject to a \$25 returned check fee.

V. 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 applicants must submit an income and expense declaration, and provide proof of income in the form of wage statements for the three (3) months prior to the application date. Incomplete applications will not be considered.

PER CAPITA DISTRIBUTION INCOME WILL BE CALCULATED AS INCOME FOR THE PURPOSES OF CALCULATING EXPENSE TO INCOME RATIOS. TRIBAL MEMBERS THAT ONLY HAVE PER CAPITA INCOME MAY ONLY A ACCESS LEVEL 1 LOAN, AND ARE REQUIRED TO SET UP PER CAPITA PAYMENTS TO PAY FORWARD 3 MONTHLY LOAN PAYMENTS EACH QUARTER.

VI. Financial Hardship

Must be in good standing and not behind or at risk of default on loan to be eligible for hardship.

At risk will be defined as missing a monthly payment.

A Tribal Member who has an existing loan that declares a financial hardship will be provided financial relief one time during the life of the loan in the following way.

Tribal Member must submit an agenda submission form to Tribal Council requesting relief due to financial hardship.

Provide as much information as you can to justify the financial hardship. Loan adjustments that are approved by Tribal Council will be approved under the following limits.

Loan payment will be reduced to 50% of the original monthly loan payment agreement for 12 months. In the 13th month it will return to the original monthly loan payment agreement.

Loan will be required to set up per-capita payments to pay forward 3 monthly loan payments each quarter until loan is paid in full.

VII. Financial Hardship Refinance- Life Threatening Situations

A Tribal Member who has been diagnosed with a life threatening illness or an immediate member of the Tribal Member's family (i.e. legal spouse, child (biological, step-child, adopted or grandchild residing within the tribal household)) will be eligible to refinance their short term loan one (1) time during the life of the loan in the following way:

- Tribal Member must submit an agenda submission form to the Tribal Council requesting relief due to financial hardship-life threatening situation(s).

Life Threatening, for the purposes of this policy, is defined as *any disease or condition from which the likelihood of death is probable unless the course of the disease or condition is interrupted.*

VIII. 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.

If a borrower defaults on a loan, that borrower becomes a high risk borrower that will only be eligible to apply for a Level 1 loan.

High risk borrowers are required to set up per capita payments to pay forward 3 monthly loan payments each quarter.

A Tribal Member that defaults a second time will be considered an extreme high risk borrower and will only be eligible for a maximum \$500.00 loan after the suspension period from the last defaulted loan. Extreme high risk borrowers will be considered in good standing after waiting a period of 3 years from the date the last defaulted loan was paid in full.

Tribal Members that are in default that are also employees of the Tribal Government, Bear River Casino Resort or other Tribal Enterprises will have \$50 per paycheck garnished until the loan is paid in full. The wage garnishment is a mechanism in addition to other mechanisms for pursuing recovery of defaulted debt.

IX. Signatures

Loans must be signed and executed by the borrower before loan distribution. All loan agreements must be notarized, regardless of the amount of the loan.

X. 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.

C*E*R*T*I*F*I*C*A*T*I*O*N

This is to certify that the Bear River Band of the Rohnerville Rancheria Tribal Council duly assembled in Loleta, CA and adopted the foregoing document on November 5, 2024 by a vote of 5 For, 0 Against, 0 Abstentions and 2 Absent.

Josefina Frank, Chairperson

Aileen Meyer, Vice-Chairperson

Dakota McGinnis, Jr., Secretary

Maggie Wortmon, Treasurer

John D. McGinnis, Member-at-Large 1

Edward Bowie, Member-at-Large 2

Derek Bowman, Member at Large 3