

RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION

WHEREAS, the White Mountain Apache Tribe by Resolution No. 60-78 passed on Oct. 27, 1960, adopted a declaration of policy and plan of operation governing the Tribal Revolving Credit Program, and

WHEREAS, the Bureau of Indian Affairs, Central Office, suggested by letter of Dec. 16, 1960 that certain changes be made prior to approval, and

WHEREAS, all suggested changes have been included in the Declaration of Policy and Plan of Operation,

BE IT RESOLVED that the Declaration of Policies and Plan of Operation, Tribal Revolving Credit Program, be adopted in present form and that Resolution No. 60-78 be rescinded,

BE IT FURTHER RESOLVED that a copy of said Plan be forwarded through proper channels for Bureau approval.

The foregoing resolution was on January 4, 1961 duly adopted by a vote of 9 for and 0 against by the Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (s) of the Amended Constitution and By-Laws of the Tribe, ratified by the Tribe June 27, 1958 and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

Lester Oliver

Chairman of the Tribal Council

May L. Ensell

Secretary of the Tribal Council

DECLARATION OF POLICIES AND PLAN OF OPERATION
LOAN INVOLVING CREDIT PROGRAM
WHITE MOUNTAIN APACHE TRIBE

2. DEFINITIONS.

Whenever the following terms are used herein, they will have the meaning indicated:

- (1) "SECRETARY" means the Secretary of the Interior.
- (2) "COMMISSIONER" means the Commissioner of Indian Affairs.
- (3) "AREA OFFICER" means the officer in charge of the Area Office of the Bureau of Indian Affairs under which the Fort Apache Agency is placed for administrative purposes.
- (4) "SUPERINTENDENT" means the Superintendent or other officer in charge of the Fort Apache Agency.
- (5) "AGENCY" means the Fort Apache Indian Agency.
- (6) "TRIBE" means the White Mountain Apache Tribe.
- (7) "TRIBAL COUNCIL" means the governing body of the Tribe elected in accordance with the Tribe's constitution.
- (8) "DECLARATION" means this declaration of policies and plan of operation.
- (9) "CREDIT PROGRAM" means loans to individuals, which includes joint efforts and cooperatives by the Tribe, and financing of tribal enterprises.
- (10) "CONSUMER-CREDIT LOAN" means a loan to an individual to fit into an enterprise of a size large enough to produce an income sufficient to cover operating and living expenses on a reasonable basis, and to repay the loan over a reasonable period of time.

2. PURPOSE.

The purpose of this Declaration is to establish procedures to govern all future loans by the Tribe to members and cooperatives and financing of tribal enterprises. This Declaration shall be used by the Committee in day-to-day credit operations, and will make possible a minimum of reference to the Secretary's regulations and instructions of the Commissioner. In some instances the provisions hereof depart from the instructions of the Commissioner contained in the Manual of the Bureau of Indian Affairs. In all such instances the provisions of this Declaration shall govern.

3. POLICY.

It is the policy of the Tribe to consolidate its credit and financing operations under one system, and to make all loans and advances only under the procedures herein. Loans heretofore made by the Tribe will not be disturbed so long as the borrowers adhere to their loan agreements, but all future loans will be made only as provided herein.

Loans shall be made for the purpose of raising the social and economic status of members of the Tribe to a point where they can secure the same sources of financing as are available to non-Indians. Loans may be made only upon determination that repayments can be made, based upon accepted credit analyses. Except for short term, fully-secured loans as provided herein, loans for the purchase or construction of homes and other buildings, for the purchase or improvement of land, the Tribe will make only rehabilitation loans.

4. SCOPE.

This Declaration will apply to all tribal funds heretofore or hereafter advanced to the Tribe for credit purposes under authority of 25 CFR 91.12; to all other tribal funds used for credit purposes.

5. REGULATIONS AND INSTRUCTIONS.

All credit activities of the Tribe will be governed by the regulations in 25 CFR 91 and applicable amendments thereto, and, except as otherwise provided herein, in accordance with applicable instructions of the Commissioner contained in Volume 4, Part 7 of the Indian Affairs Manual, and applicable amendments thereto and revisions thereof, as they may be issued from time to time.

6. CREDIT COMMITTEE.

All credit activities of the Tribe will be administered by a committee of three members selected by the Tribal Council from outside the Council membership.

(a) TERMS OF OFFICE. The first three members will be appointed for terms of one, two, and three years respectively. At the end of the first year and each year thereafter, as each term of office expires, the term of office will be for three years. Members will continue to serve until their successors are appointed.

(b) MEMBERS OF THE COMMITTEE. The names, addresses, and terms of office of the first three members are:

<u>Name</u>	<u>Address</u>	<u>Term Expires</u>

(c) RECORD OF APPOINTMENTS. A record of all appointments to the Committee shall be furnished the Superintendent, Area Director and Commissioner.

(d) OFFICERS. After the appointment of the committeemen, and each year following the appointment of a member, the members will select a chairman from among themselves, and a secretary from within or without the committee membership. The chairman will preside at meetings of the committee. The chairman and secretary will perform duties customary to their offices. In the absence of the chairman the members present will select a temporary chairman from among themselves.

(e) RECORD OF MEETINGS. The secretary will keep, or cause to be kept, a full and complete record of all meetings, copies of which will be furnished the Superintendent, Area Director and Tribal Council.

(f) QUORUM. Two members will constitute a quorum at any meeting. A majority vote of at least two members will be required in order for any action to be effective.

(g) SUSPENSION AND REMOVAL. The Tribal Council may suspend a committee member for cause. Notice of such suspension, including a clear and concise statement of the charge resulting in the suspension, will be furnished to the suspended member by registered mail. Such notice will have thirty days from the date of the notice to request a hearing before the Tribal Council. If no request for hearing is made suspension will be automatic at the end of 30 day notice period. The hearing will be held at the next regular or special meeting of the Tribal Council, after receipt of request for hearing. The Tribal Council may remove such member from the committee. The decision of the Tribal Council will be final.

- (4) VACANCIES Vacancies in the membership shall be filled by appointment of the Tribal Council for the unexpired term.
- (1) QUALIFICATIONS OF MEMBERS. The members must have a reputation for integrity, responsibility, honesty and integrity; have had at least five years of successful experience in the operation of a farm, ranch, business or enterprise; be an enrolled member of the tribe; at least 21 years of age; and of at least one-quarter degree of Indian blood.
- (2) RESTRICTIONS ON MEMBERSHIP. No person will be eligible for membership who has a loan from the tribe that is delinquent or in default, and members will not be eligible to receive loans from the tribe during the time they are committee members, unless their applications are approved by a majority vote of the Tribal Council and by the Area Director.
- (3) COMPENSATION. Compensation of members and the rate of per diem and mileage to be paid to them will be determined by the Tribal Council, and be paid from "local" tribal funds; or if a budget is approved by the Committee and Area Director, this expense may be paid from credit funds.
- (4) MEETINGS. The committee will meet when business demands and requires its attention. Meetings may be called by the chairman. Meetings will be called by the chairman upon the request in writing of two members of the committee, or upon request of the Superintendent. In the event the chairman fails to call a meeting within five days after receipt of a written request, the other two members or the Superintendent may call a meeting. At least three days written notice will be given of all meetings, unless the members unanimously agree to waive such notice. The number of meetings held will be kept to the minimum necessary to conduct the Tribe's credit business.
- All meetings will be in executive session and, with the exception of employees of the Bureau of Indian Affairs, the secretary or a clerk to keep records in accordance with subsection (c) of this section. Attendance at meetings will be by invitation only. All voting on applications, requests for modification, declaring loans in default, disbursement authorizations, and other actions will be taken only at meetings, and the applicants or borrowers will not be permitted to be present at the time of voting.
- (5) SIGNATURE ON ACTIONS. The chairman, secretary, or such other of the members as may be authorized at meetings, will sign such papers as the committee may designate for and on its behalf. All such authorizations will be reflected in the records of the committee.

ARTICLE II. CREDIT PROGRAM.

The committee shall have full authority to act for and on behalf of the Tribe in all phases of its credit operations, including the financing of operations, except as provided in section 3 (j). Initial action on all applications, plans of operation, requests for modifications, etc., shall be taken by the committee, which will either recommend approval or requests for modifications for approval, in whole or in part, conditionally or unconditionally, or return the applications or requests to the applicants or borrowers, with reasons why cannot be recommended for approval.

It will be the responsibility of the committee to see that loans are repaid when due and to do the necessary follow-up with each borrower to see that they make proper use of funds loaned to them. If it becomes apparent that a borrower will become delinquent, the committee will take steps necessary to prevent the delinquency, either by demanding payment, by extending the repayment terms, or by declaring the loan in default and placing it in liquidation. Advice of the Tribal Attorney may be requested when any legal action is contemplated.

SECTION 3. COLLATERAL ASSURANCE.

Loans made under this Act shall be secured, and those made under authority of section 3 (j) applicants shall be required to submit plans of collateral assurance which assurance is requested, in a form satisfactory to the committee and the approving official. Plans will be worked out with representatives of Federal or State Agencies, or such personnel of the Bureau of Indian Affairs as may be designated by the Superintendent, and approved by the committee of the applicant or applicants. The committee will determine the adequacy of the plan, and make a written report at least quarterly to the Tribal Council regarding adherence or nonadherence to the plan. Such report shall be filed in the borrower's loan folder.

SECTION 4. TRIBE'S OFFICER.

The Tribal Officer assigned to the Fort Apache Agency will work in close cooperation with the committee and assist applicants and borrowers in the preparation of loan application and other papers. He will advise the committee and applicants and borrowers of conformance or nonconformance to terms and conditions in applications and other papers, to the regulations of the Secretary, manual instructions of the Commissioner, and the provisions of this declaration. He shall attend all meetings of the committee insofar as practicable, and will advise it of action necessary. He shall be responsible in maintaining that the bookkeeping, clerical work, records, reports, issuance of required forms, filing, recording, and administrative work necessary for proper operation of the Tribe's credit program are handled properly. He shall check on the property purchased with or given as collateral for the loan from the Tribe in conjunction with the Credit Committee. He shall be responsible in seeing that minutes are kept of

meetings of the committee by the secretary or a clerk in accordance with section 6 (a) and that all actions and authorizations are adequately reflected in the minutes. He shall make such recommendations to the committee or the Tribal Council as he may be authorized by the Superintendent. The Credit Officer shall be responsible for prompt filing or recording of all documents given as security for loans. He shall see that borrowers are notified when payments are in arrears and that these notifications are properly made a matter of record. He shall keep Agency correspondence and receive separate from Tribal records.

10. LEGAL ASSISTANCE.

The Tribe's attorney shall handle such legal work as may be necessary in the enforcement of any credit obligations to the Tribe, and the committee must call upon him for legal advice and assistance.

11. FUNDING OF CREDIT EMPLOYEES.

Effective upon approval of this Declaration, and continuing thereafter while the Tribe is conducting a credit program, the Tribe will pay for the services of a Credit Officer (salary and expenses) from appropriated Tribal Funds. The Credit Officer position will be under Civil Service and the grade of the position will be determined in accordance with Civil Service rules and regulations. The Tribe also may pay for the services and expenses of additional credit employees from appropriated or 'local' tribal funds, as deemed necessary by the Tribal Council and the Superintendent. Necessary operating expenses of the Tribe's credit program will also be defrayed from appropriated or 'local' tribal funds. 'Local' tribal funds, as used herein, include all tribal funds deposited in the Tribe's revolving credit funds except those advanced from the 'local' treasury specifically for 'credit purposes.' The use of Tribal revolving credit funds for other than 'credit purposes' shall be subject to an annual budget adopted by the Credit Committee and approved by the Area Director. All employees paid from 'local' tribal funds to assist in the Tribe's credit operations shall work under and be responsible to the Superintendent or his authorized representative.

12. TRUSTEE DEPOSITARY.

The depository of the Tribe's credit funds will be an Indian Money account of the Fort Apache Agency. Any bonded Collection Officer for the Agency is hereby authorized by the Tribal Council to receipt for all credit funds for and on behalf of the Tribe.

At such time as the Area Director directs or approves the Tribe's credit funds shall be deposited in a National or State Bank or banks having membership in the Federal Deposit Insurance Corporation, and receipts and disbursements from such bank or banks shall be in accordance with the Tribe's Constitution and Bylaws.

12. ADVANCES OF FUNDS BY OTHERS.

All advances of revolving credit funds in accordance with the terms of loan agreements with the United States, and all advances of tribal funds to the Tribe from the United States Treasury for credit purposes, shall be made to the Treasurer, who shall be bonded in an amount and in a manner satisfactory to the Area Director. All funds advanced to the Treasurer will be deposited promptly in the Tribe's depository for credit funds in accordance with section 12 of this Declaration.

13. DISBURSEMENTS.

All disbursements from the Tribe's depository will be by check. Except as authorized in subsection (a) of this section, the Superintendent may make disbursement upon receipt of written commitment order or requests signed by the chairman, secretary, or such other committee member as may be authorized by the committee at meetings in accordance with section 6 (a) of this Declaration to sign such requests. Disbursements on loans will not be made until the loans have been approved in accordance with this Declaration, and until the loan agreements are complete and the accounting disbursements have been properly recorded in accordance with section 12.

(a) DISBURSEMENT OF EXPENSES. The Superintendent is authorized to disburse credit funds for the purpose of paying filing or recording fees on security documents, for payment of insurance premiums, and for other charges and other expenses necessary for protection of the Tribe's interests, and for the prudent operation of its credit program. Any such disbursements will be charged against the borrower, and the Tribe will be reimbursed either from his loan or other funds.

14. RECEIPTS.

Payments and other receipts on loans made prior to adoption of this Declaration will be made in accordance with the terms of the loan agreements. Those made subsequent to adoption of this Declaration will be made in accordance herewith. All repayments and other receipts on loans will be deposited promptly in the Tribe's depository. Copies of all receipts shall be furnished the Credit Officer.

15. RECORDS, REPORTS AND AUDITS.

Records and accounts will be maintained in a manner and in accordance with an accounting system satisfactory to the Area Director. Reports will be submitted in accordance with 47 IAC 11. An annual audit of the Tribe's credit operations will be made as of June 30 each year and contain such information as the Area Director may consider essential. Copies of audit reports shall be furnished the Tribal Council, Credit Officer, Superintendent, Area Director and Commissioner.

17. APPROVAL OF LOANS.

Applications of individuals and partnerships which have been recommended for approval by the committee require approval by the Superintendent if the amount is not more than \$3,000, except loans for the purchase of land and buildings, some portion of buildings of Government employees and in accordance with section 6 (5). All other loans will require approval of the Area Director or Commissioner pursuant to 47 TAC.

18. RESTRICTIONS ON APPROVAL OF LOANS.

Loans will not be approved during the period June 15 through July 1, each year, except in cases of emergency, nor will they be approved if they fall in any one of the following classes:

- (a) RESIDENCE OF APPLICANT. Where the applicant resides outside the boundaries of the State except Recreational, unless the loan is fully secured.
- (b) PURCHASE OF LIVESTOCK. Where the loan is for the purchase of livestock, unless the applicant has made adequate provisions for permanent care of the livestock and has been accepted by a local livestock association.
- (c) FINANCIAL OBLIGATIONS. If the applicant indicates his application of proceeds not disclosed.
- (d) ISSUANCE OF UNRESTRICTED TITLE INTEREST. Where the loan is for the purchase of unimproved land, unless the applicant furnishes to the lender a contract of sale showing clear and marketable title or furnishes a policy of title insurance or title report indicating to the approving authority.
- (e) UNRECORDED MORTGAGES. If the applicant is obligated in repayment of any amount with interest, or interest on unpaid principal of a revolving loan.

19. APPROVAL OF COPILOCATIONS.

Requests for copilocations which have been recommended for approval by the committee, may be approved by the Superintendent if the total indebtedness of the applicant to the State does not exceed \$3,000 except in loans to Federal employees and on loans for educational purposes. All other applications require approval of the Area Director or Commissioner.

10. ELIGIBILITY OF LOANS.

Any member of the Tribe is eligible to apply for a loan from the Tribe; however, loans to members who reside off the reservation, or for property to be located off the reservation, may be made only to applicants who cannot obtain necessary financing from the same credit institutions serving other citizens. Members of less than 1/4 degree of Indian blood are not eligible for loans.

(a) Loans shall not be made to members residing outside the State of Arizona or for property to be located outside Arizona. Loans shall be made to members residing outside the Fort Apache Reservation only if they cannot obtain reasonable financing from other sources and are bona fide veterans of Arizona.

11. OBJECTIVES OF LOANS.

The objectives of loans by the Tribe are:

(a) REHABILITATION OF BORROWERS. To rehabilitate and promote the economic development of the borrowers to the end that they may become self-sustaining and independent of assistance from the Tribal and Government Agencies.

(b) UTILIZATION OF RESOURCES. To enable tribal members to utilize and develop the reservation resources.

(c) IMPROVEMENT OF HOUSING.

12. MINIMUM AMOUNT.

No loan shall be made for less than \$100.00 (see Short-Term Loan Program for exception).

13. LOAN PROCEDURE.

(a) APPLICATIONS. Applications shall be in writing on forms provided. Applications must first be presented to the Agency Credit Officer and then to the Credit Committee or other officials. The Credit Officer will see that applications are in proper typewritten form before being acted upon by the Credit Committee.

(b) APPRAISAL. An actual physical inspection or appraisal showing the value of assets of the applicant will be made when such assets are taken as security. This appraisal will be made by an appraiser approved by the Credit Committee.

(1) AGRICULTURAL OPERATIONS. (A) Farm and Home Management Plans. Plans shall be required on all agricultural loans of \$2,000 or more which are not fully secured. The Plan of Farm and Home Management will be developed or supplied by the Branch of Land Operations--principal Branch offices, subject to the policies of the Bureau contained in §7 LHM 304.

(B) Plans of Conservation Operations. The Branch of Land Operations will prepare a Plan of Conservation Operations for the area or ranch of any prospective loan applicant at the request of the applicant or Credit Officer, if one has not already been prepared.

(C) Performance Inventory. Employees of the Branch of Land Operations will make periodic performance checks of all farms and ranches for which a Plan of Conservation Operations or a Plan of Farm and Home Management has been prepared, to see whether the operations have been complying therewith. If non-compliance with respect to the plans is observed, it will be reported to the Superintendent and Credit Officer.

(2) LAND PURCHASE DEAL PROGRAMS. Applications for the purchase of land (except in fee) will be accompanied by an up-to-date title report, an option or agreement to purchase and an appraisal report by a council approved appraiser. A down payment of at least five (5) per cent of the purchase price of the property shall be required. Applicants should be encouraged to raise larger down payments.

(3) WORKING LOANS. Applications for housing loans will be accompanied

by a plan showing the type, dimensions, floor plan of the house to be constructed, and an estimate of the cost of construction. If the house is to be built by a private contractor, the plan will be accompanied by specifications, covering the type, quantities, and amounts of materials to be used, signed by the contractor and the applicant. The contractor shall be required to furnish a suitable representative to inspect the construction from time to time; insure that payment therefor will be made on a percentage of completion basis; and that final payment only after the house has been approved by the borrower and an authorized suitable representative. Where applicant desires to contribute labor in construction or improvement of his home provision will be made in his individual application and will show labor rates and his particular skill.

- III. In the case of houses to be built on tribal trust land, the plans and all other documents appertaining to the loan shall be a part of the application. The same requirement will apply in the case of houses to be purchased which are located on trust land. This information should also be shown in the application.
- III. Financial statement, which shall include an itemized statement of all other buildings owned and the locations thereof, signed by the applicant.
- IV. In the case of houses to be built on unrestricted land, evidence of ownership of the land in the form of an up-to-date abstract of title showing a clear and marketable title, or a policy of title insurance, or an up-to-date title report and a downpayment of at least five per cent of the cost of the property will be required. On houses located on trust lands a down payment equal to three times the monthly payment will be required. Where payment is on annual basis from cattle income down payment in the amount of the annual payment will be required.
- V. Home loans for existing construction on property outside the boundaries of the reservation shall be fully secured. Loans for the purchase of homes already constructed will be handled through escrow and a policy of title insurance will be required.

(f) HOUSE REPAIR AND IMPROVEMENT LOANS. In the case of loans for house repairs and improvements, the committee or the approving officer may require information similar to that required by above section before taking action on the application. If the improvement is to be made on a house located on land (other than trust land) to which the applicant does not have a clear title, the loan must be fully secured. If the applicant will obtain clear title to the land on which the improvement is to be made before the loan may be approved. If the improvements are made on an applicant's unrestricted real property upon which there is a lien, the applicant must own satisfactory equity in the property to justify the loan. The Tribe may, in the discretion of the Committee or the approving officer, lend the applicant a sufficient amount to discharge the lien plus the amount of the cost of the proposed improvements.

(g) CREDIT RATING. Loans may not be made unless the applicants and/or their ~~collateral~~ have maintained good credit ratings and they must have good reputations for industry and dependability.

24. INSURANCE.

Fire and extended coverage insurance, with a loss payable clause in favor of the Tribe as its interest appears, will be required on buildings or appliances encumbered as securities for the loan.

25. INTEREST.

- (a) Interest will be charged individual borrowers at the rate of five (5) per cent per annum on loans for the purchase of land, for land improvements, for the purchase or construction of homes, and other buildings, and for major home repairs (over \$1,000); six (6) per cent per annum on loans for the purchase of livestock, farm equipment, or other productive items, and seven (7) per cent per annum on operating loans and loans for any other purposes, except that the interest rate on loans guaranteed or insured in accordance with the provisions of the Servicemen's Readjustment Act of 1944, as amended, will be in accordance with the requirement thereof. Interest rates on loans made prior to approval of this Declaration, the unpaid balances of which are refinanced or extended shall be at the rates set forth herein.
- (b) Interest will be charged cooperative associations at the above rates but not less than five (5) per cent per annum.
- (c) Interest on loans or advances to tribal enterprises will be handled in accordance with 47 IAM 9.

26. FEES.

- (a) Fees will be charged on all new loans for physical inspection of property and security offered for loans, for the preparation of applications, maintenance of the Tribe's accounting records, and to assist in meeting other expenses, in accordance with the following schedule. Wherever possible, fees will be collected in cash.

\$ 50.00 to \$ 250.00	--	3 5.00 Loan Fee
251.00 to 500.00	--	10.00 Loan Fee
501.00 to 1,000.00	--	17.50 Loan Fee
1,001.00 to 1,500.00	--	22.50 Loan Fee
1,501.00 to 2,000.00	--	25.00 Loan Fee
2,001.00 to 3,000.00	--	30.00 Loan Fee
3,001.00 and over,		one (1) per cent of the total dollars loaned to the nearest dollar not including the loan fee.

- (b) On refinanced loans, fees will be charged on the refinanced portion up to \$1,000 of the amount refinanced at the above rates.

27. SEIZURE OF PROPERTY.

When authorized by the committee, the chairman, secretary, or such member of the committee as may be authorized by the committee at meetings, may, with the written approval of the Superintendent, release property purchased with or given as security for loans under the following conditions:

- (a) **PLAN.** Where the borrower's plan calls for disposition, and the proceeds are to be applied as set forth therein.
- (b) **DISPOSITION OF COLLATERAL.** Where the property is sold and the proceeds are applied to the loan or are used to purchase other capital assets which are given as security for the loan.
- (c) **RECALL.** Where the disposition is justified, and the loan is voluntarily recalled without the property to be released.
- (d) **EXCHANGE.** Where the property is exchanged for other property which is given as security for the loan.

40. **ANNUAL INSPECTIONS.**

An authorized representative of the committee will make an annual inspection of each borrower's assets, except that in the case of fully secured loans which are not refinanced, the committee may waive this requirement. All such waivers shall be reflected in the record of meetings of the committee in accordance with section 5 (c). All future loan contracts will include a provision that the respective borrowers will pay fees for such inspections as determined by the committee, provided such fee shall be not less than \$1.00 nor more than \$20.00. Such borrower will be notified in writing by the committee of the date of inspection ten days in advance, unless other arrangements are made by the parties involved. No fee shall be charged for such inspection where loan is current.

41. **FEES TO BE PAID.**

All recording or filing costs, including costs of lien searches, will be at the expense of the borrower. Securing documents, except assignments of liens from trust land, will be filed or recorded in accordance with State laws. Assignments of liens from trust land may be filed in the Agent Office.

42. **TITLE TO PROPERTY.**

Land to be purchased with loans shall be taken in the name of the borrower, except land, title to which was in a trust or restricted status prior to purchase, which may, with the approval of the Area Director, be taken in the name of the United States in trust for the borrower.

43. **SECURITY.**

Borrowers with security to offer will be required to assign or mortgage same in an amount adequate to protect the loan. Unless other adequate security is available, property purchased with the loan will be mortgaged to the lender as security. Lack of security will not prevent approval of a loan provided the borrower's plan shows reasonable assurance that it can be repaid, and if the applicant's managerial ability, reputation for industry and financial responsibility are satisfactory.

12. MATURITY.

The maturity of loans to cooperatives will be determined by the purpose for which the loan is requested, but will not extend more than five years from the date of approval of the loan, unless specifically authorized by the committee and the Commissioner. The maturity of loans to individuals for the purchase of land, for the purchase or construction of homes or other buildings, for land improvement, and for other items customarily requiring long-term financing, will be scheduled for repayment at the earliest date consistent with the borrower's ability to repay, but will extend not more than twenty-five years from the date of approval of the loan. Usually real estate mortgage loans should be amortized with uniform payments. The maturity of loans guaranteed or insured under any State's Loan Guarantee Act will be in accordance with regulations of the Federal Administration. The maturity of all livestock loans will not extend beyond six (6) years. The maturity of all other loans will not extend beyond one year. In no event may a loan by the Tribe extend beyond the maturity of the loan from the United States, until the Tribe has obtained the permit to make the loan without jeopardizing its ability to make prompt repayment of its obligations to the United States, if any.

13. ARRANGEMENT CATTLE PROGRAM.

No further loans of cattle repayable "in kind" will be made by the Tribe. Outstanding agreements between the Tribe and its members which are repayable "in kind" will not be disturbed. The Tribe will make such loans to members in accordance with this Declaration to enable them to purchase cattle from the Tribe.

14. DELINQUENCIES.

Loans will not be permitted to remain delinquent for more than ninety days at any particular time, except loans which have been assigned to the United States for collection, loans which are in process of liquidation, and loans on which there are unpaid balances but which have been charged off on the Tribe's active accounting records. The Tribe also agrees that upon written request of the Area Director, the chairman or secretary of the Credit Committee is authorized and instructed to execute for and on behalf of the Tribe, a specific assignment of any agreement, note, right, or security heretofore or hereafter acquired in the Tribe's credit operations, in favor of the United States. In the event of failure to comply with the provisions of this section at any time, it is agreed that no further loans will be made until there is compliance, except that the Area Director may authorize the approval of specific loans in order that borrowers who have demonstrated industry and good faith may not be penalized because of failure on the part of other borrowers.

35. RESERVATION BANK PROGRAM.

The amount of \$20,000 will be deposited in a bank meeting the requirements for a depository in accordance with section 12 hereof, in a special account designated Fort Apache Tribal Short Term Loan Program. The amount deposited will be shown on the credit account and balance sheet of the tribe as an advance to the Short Term Loan Program which will be reported as a tribal enterprise. Separate accounting records will be maintained on the Short Term Loan Program, in which the amount will be shown as a liability item owing to the tribe. Loans may be made from this fund under the conditions set forth below, where the provisions of this section conflict with the provisions of other sections of this Declaration, the provisions of this section shall govern.

- (a) FORM. Applications will be submitted on the form attached hereto as Exhibit III.
- (b) PROCEDURE. Applications will be presented to the Committee or to its chairman or secretary for action.
- (c) MAXIMUM AMOUNT. The maximum amount which may be loaned to any one borrower or combination of borrowers under this short-term program is \$500. The minimum amount is \$50.
- (d) SECURITY. All loans made under this program will be secured to the extent practicable and assignments of income which are not due and payable within twelve months of the date of approval of the application will not be considered in determining whether or not a loan is fully secured.
- (e) APPROVAL. Applications recommended for approval by the committee or by its chairman or secretary shall be finally approved or rejected by the Superintendent, or his delegated representative and subject to his approving authority, provided the borrower's total cash indebtedness to the tribe does not then exceed \$2,000.
- (f) FINAL REVIEW. The committee will review all applications approved by its chairman or secretary and may issue instructions for their guidance. The committee may at any time withdraw the authority of its chairman or secretary in accordance with sub-section (b) and (c) of this section, and require that all applications be acted upon by the committee.
- (g) UNCONDITIONAL APPROVAL. Applications will not be acted upon conditionally by either the committee or its officers. Those which cannot be recommended for approval or disapproval as unconditional, will be returned to the applicants, where applicable, with instructions for revising.
- (h) TERMINAL. The maturity of loans will not exceed one year.
- (i) PURPOSES. Loans may be made for support, emergency, or any other legitimate purpose.

- (j) EXTENSIONS. Extensions of the repayment terms of "short term" loans will not be approved. Failure of any borrower to repay his "short term" loan in accordance with the terms thereof, will automatically make such borrower ineligible for further loans under the Short Term Loan Program, unless the Area Director specifically authorizes in writing an exception in the case of a particular borrower where circumstances beyond his control make it impossible for him to meet his repayments.
- (k) REGISTER OF INELIGIBLE MEMBERS. A register of members of the Tribe who are ineligible to receive loans under the Short Term Loan Program without specific authorization from the Area Director, will be maintained by the Tribe and Agency.
- (l) REFINANCING. "Short Term" loans may be refinanced by another "short term" loan; provided that the repayment terms of the refinanced portion of the loan are not extended.
- (m) INTEREST. The interest rate on "short term" loans will be two per cent per month on the unpaid balance. Borrowers also shall be required to pay fees on such loans in accordance with the provisions of section 26.
- (n) FILING. Securing documents on short term loans will be filed or recorded in accordance with section 29.
- (o) AUDITS. Audits of the Tribe's credit operations in accordance with section 16 will include a special section on the status and collectibility of loans made under the Short Term Loan Program.
- (p) ANNUAL REPORTS. For the purpose of annual credit reports, the Short Term Loan Program will be considered a tribal enterprise. A separate Table B for the amount invested in the program will be submitted in accordance with 47 IAM 10. A Table C is not required. Attached to each Table B will be a Balance Sheet and Operating Statement of the Short Term Loan Program, and a list of all delinquent loans, with reasons for the delinquencies and a statement of the collectibility of each loan. As of December 31 of each year, similar Balance Sheets and statements will be submitted.
- (q) REPAYMENTS. Repayments on loans will be made in accordance with Section 15. Interest and other earnings on short term loans will be credited to the Short Term Loan Program bank account, and may be used only for the purpose of making further short term loans, unless the financial conditions of the Short Term Loan Program is such that earnings can be used for other purposes without endangering the soundness of the program, in which event, upon request of the committee, the Area Director may authorize the withdrawal of earnings to be used for other purposes in specific amounts.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Indian Affairs
White Mountain Apache Tribe

The undersigned, hereinafter called the applicant, applies for a loan in the amount of \$_____ For the purposes indicated on the reverse side hereof, the amount of which shall be advanced to him by check. The applicant agrees to pay a fee of \$_____, the amount of which may be deducted from the amount of the check. The applicant will repay the loan on or before the dates shown on the reverse side, with interest at the rate of two per cent per month, and will execute a promissory note as evidence of the indebtedness. Applicant will give security for the loan as shown on the reverse side, which shall be filed or recorded at applicants expense in accordance with the laws of the State of Arizona. If requested by the Tribe or by the Superintendent, the applicant will give crop mortgages during the time any portion of this loan is unpaid, which shall be filed at applicants expense in accordance with the laws of the State of Arizona. As further security for the loan, the applicant hereby assigns to The White Mountain Apache Tribe all income from trust land in which applicant now has or may in the future acquire an interest, and any income from any source and funds from any source accruing to his Indian Money Account at the Fort Apache Indian Agency. The applicant hereby grants to the Superintendent of the Fort Apache Indian Agency, full right, power, and authority to demand, collect, sue, or receive for any of his income from trust land, and to apply such income, or any of the funds in his Indian Money Account at the Fort Apache Indian Agency, on his indebtedness to the White Mountain Apache Tribe. The applicant hereby appoints the Superintendent as his attorney in fact to execute such leases on any trust land in which applicant now has or may in the future acquire an interest as the attorney may find necessary to distribute payments of this loan. The applicant hereby gives the attorney power to do everything necessary in the making of such leases as fully as he could do, and to hereby certify all that the attorney shall lawfully do or cause to be done under this authority. I understand and agree that in the case of my death, the assignment of income and power to lease given herewith shall constitute a claim against trust funds and income applicable to that of my heirs.

Signature(s) and address(es) of witness(es): _____ Signature(s) and address(es) of applicant(s): _____

Date _____

APPROVAL OF CREDIT COMMITTEE AND COMMITMENT ORDER

The foregoing grants by the applicant and the application are approved, and disbursement of the amount thereof from the depository for "Short Term Loans" of the White Mountain Apache Tribe by check to the applicant is authorized.

CREDIT COMMITTEE, White Mtn. Apache Tribe

By: _____
(Signature of Authorized Officer)

DATE _____

(Title)

APPROVAL OF SUPERINTENDENT

I hereby certify that the applicant is eligible for a loan from the White Mountain Apache Tribe, that the loan conforms to the regulations of the Secretary, instructions of the Commissioner, and the approved "Declaration of Policies and Plan of Operation, Tribal Credit Program, White Mountain Apache Indian Tribe".

Date _____

Superintendent, Fort Apache Indian Agency

Amount of loan and purposes:

Dates of repayment of loan:

Security offered for loan and value thereof:

Age and degree of blood of applicants, and number of children (boys and girls) in the family:

Other information to enable sound appraisal of application, including assets and liabilities, and nature thereof. Any indebtedness to the White Mountain Apache Tribe will be shown together with purposes for which such indebtedness was incurred.

JAN 17 1961

Mr. F. M. Haverland

Area Director, Phoenix, Arizona

Dear Mr. Haverland:

Attached is tribal Resolution No. 61-5 passed on January 4, 1961 by the White Mountain Apache Tribal Council pursuant to authority vested in it by Article V, Section 1 (s) of the Amended Constitution.

This Resolution adopts a Declaration of Policy and Plan of Operation governing the tribal Revolving Credit Program. It also rescinded tribal Resolution No. 60-78 as suggested in the last paragraph of your letter of December 22, 1960.

Your letter transmitted a copy of the Commissioner's letter dated December 16, 1960 wherein the Commissioner suggested certain changes in verbage of the original Declaration of Policy and Plan of Operation as adopted by tribal Resolution No. 60-78. The Plan as adopted by tribal Resolution No. 61-5 contains all changes suggested in the Commissioner's letter and your letter of December 22, 1960.

As indicated in paragraph 18 of the Commissioner's letter, one time authority to approve was delegated to the Area Director and I recommend that the attached Declaration of Policy and Plan of Operation as revised be approved.

Under the provisions of Article V, Section 1 (s) of the Tribe's Amended Constitution the Resolution is not subject to rescission.

Sincerely yours,

(SIGNED) ALBERT M. HAWLEY

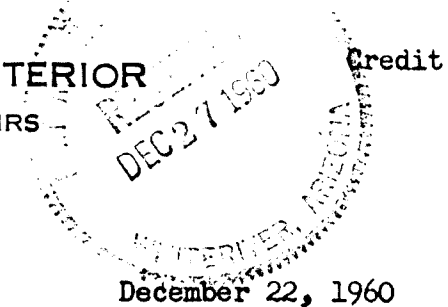
Superintendent



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS
PHOENIX AREA OFFICE
P. O. BOX 7007
PHOENIX, ARIZONA



December 22, 1960

Mr. Albert M. Hawley

Superintendent, Fort Apache Agency

Attention: Credit

Dear Mr. Hawley:

Enclosed is a copy of Commissioner Emmons' letter of December 16, returning without action the proposed "Declaration of Policies and Plan of Operation, Tribal Revolving Credit Program, White Mountain Apache Tribe, 1960." The Commissioner lists a number of reasons why the proposed "Declaration" is not satisfactory and authorizes us to approve it when it is satisfactory.

We have analyzed the comments contained in the enclosure and offer the following supplemental comments:

1. We suggest the Tribe delete the phrase "to all revolving credit funds borrowed from the United States" for the reason stated and because we know loans for home construction, for example, cannot be obtained from non-Bureau lenders. It would be simpler, and less irritating to applicants and lenders alike, to not obtain certificates of non-availability of loan funds from customary sources.
2. Concur.
3. The Bureau's policy with respect to Plans of Conservation Operations and Farm and Home Management Plans is outlined in 47 IAM 3. The former is prepared by the Branch of Land Operations. In Arizona, where Extension Work has not been transferred to the State, the responsibility for preparing Farm and Home Management Plans also rests with the Branch of Land Operations. At the same time, care must be taken not to obligate the Bureau to prepare such plans unnecessarily or inflexibly. Proposed Section 8 follows Illustration 6 almost exactly; however, both conflict with 47 IAM 8.3L which requires plans only on "loans of \$1,000 or more which are not fully-secured."

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Section 24(c), Illustration 6, might be construed to mean that "A complete farm and conservation practice plan" is one plan; however, this is not the intention expressed in 47 IAM 3.4 and a distinction should be made between a Plan of Conservation Operations and a Farm and Home Management Plan. Section 24(c) in the illustration is intended to apply only to agricultural operations, whereas Section 8 applies to all applications. We suggest Section 24(c) be revised to read as follows:

"AGRICULTURAL ENTERPRISES. (1) Farm and Home Management Plans. These plans are required on all agricultural loans of \$1,000 or more which are not fully secured. The Plan of Farm and Home Management will be developed by employees of the Branch of Land Operations—primarily Extension workers, subject to the policies of the Bureau contained in 47 IAM 3.4.

"(2) Plans of Conservation Operations. The Branch of Land Operations will prepare a Plan of Conservation Operations for the farm or ranch of any prospective loan client at the request of the applicant or Credit Officer, if one has not already been prepared.

"(3) Performance Inventory. Employees of the Branch of Land Operations will make periodic performance checks of all farms and ranches for which a Plan of Conservation Operations or a Plan of Farm and Home Management has been prepared, to see whether the operation has been complying therewith. If noncompliance with any part of the plans is observed, it will be reported to the Superintendent and Credit Officer."

4. The Tribe is presently paying the salary and expenses of a Credit Officer, GS-9, and a Credit Clerk, GS-3. By Resolution 60-82, the Tribal Council authorized an additional Loan Examiner, GS-7, position to be paid from appropriated tribal funds. Resolution 82 further requested that the Bureau program gratuity funds for payment of the Agency Credit Officer's salary. By Resolution 60-83, the Tribal Council authorized a tribal position of bonded Bookkeeper-Stenographer, equivalent to Grade GS-3, to handle the small loan program workload, to be paid from "local" tribal funds (Tribal Revolving Credit Funds).

Thus, the Tribal Council has already gone further in funding the positions required in its Credit program than contemplated in Section 11, Illustration 6, and the differences appear to

be merely a matter of terminology. Resolution 82 was not included in our submittal of November 16 to the Central Office as the staffing authorized by the Tribal Council was considered adequate and the matter of the Bureau programming gratuity funds for payment of the Agency Credit Officer's salary was considered a matter to be handled separately. As pointed out in Central Office letter of April 12, 47 IAM 1.2 requires Tribes that have funds available to pay the salaries and expenses of reservation employees working on credit matters if they wish to conduct credit programs. The Tribe has done this, but is looking ahead to the day when its ability to do so may be considerably restricted. We are not unaware of the possibility of the Tribe's financial situation changing to where its ability to fund all the positions presently authorized might be affected. In summary, however, we believe the Tribe's actions in funding the salaries and expenses of employees working on credit matters have been commendable and satisfactory and suggest that the request contained in the last resolve of Resolution 60-82 be handled separately as time permits. The program should not, however, be reactivated on the assumption that the Bureau will program gratuity funds for payment of the Agency Credit Officer's salary. We suggest Section 11 be revised to read as follows:

"Effective upon approval of this Declaration, and continuing thereafter while the Tribe is conducting a credit program, the Tribe will pay for the services of a Credit Officer (salary and expenses) from appropriated tribal funds. The Credit Officer position will be under Civil Service and the grade of the position will be determined in accordance with Civil Service rules and regulations. The Tribe also may pay for the services and expenses of additional credit employees from appropriated or 'local' tribal funds, as deemed necessary by the Tribal Council and the Superintendent. Necessary operating expenses of the Tribe's credit program will also be defrayed from appropriated or 'local' tribal funds. 'Local' tribal funds, as used herein, include all tribal funds deposited in the Tribe's Revolving Credit Fund except those advanced from the U. S. Treasury specifically for 'credit purposes.' The use of Tribal Revolving Credit Funds for other than 'credit purposes' shall be subject to an annual budget adopted by the Credit Committee and approved by the Area Director. All employees paid from 'local' tribal funds to assist in the Tribe's credit operations shall work under and be responsible to the Superintendent, or his authorized representative."

Under the above wording, the Tribe is only obligated to fund one credit officer and additional positions would be subject to its need and financial condition. It is expected that the earnings from interest and fees will substantially offset or defray the salaries and expenses of the two clerical employees presently authorized.

5. This discrepancy was noted in our letter of November 16. Taking into consideration Amendment 5 to Phoenix Area Redelegation Order 1, copy enclosed, we suggest Section 19 be changed to read as follows:

"Requests for modifications of loan contracts, which have been recommended by the Credit Committee, may be approved by the Superintendent where the total indebtedness of the applicant to the Tribe does not exceed \$3,000, except on loans to Federal employees and loans for educational purposes. All other modifications require approval of the Area Director or Commissioner."

6. See Item No. 3.
7. This question pertains to the financing of construction, purchase or major improvement of homes located on tribal trust land. You will be in a better position to answer this question than we. The fact that such improvements will be on tribally owned land, in our opinion, would partially offset the lack of a down payment. We assume a 5% down payment, which would amount to \$500 on a \$10,000 home, would preclude some members from qualifying. Also, a borrower generally will have other costs, such as for furniture, to defray from personal funds after the home is built. At the same time, 100% financing is rare in home mortgages and a reasonable down payment would give the borrower some equity and the Tribe additional protection.
8. Concur; however, a possible \$30 annual fee for inspecting a home on the reservation seems excessive. We know of no home mortgage lenders locally who make such annual inspections or charges where a loan is current.
9. Concur; however, no change in the one-year maturity requirement was requested on loans for purposes not mentioned in this section. We suggest the two offending sentences be deleted and the following inserted after the sentence

specifying a six-year maturity for livestock loans: "The maturity of all other loans will not extend beyond one year."

Also, in the first sentence we suggest the maximum maturity of loans to cooperatives be changed from "six" to "five" years, to conform to 47 IAM 8.8 and Illustration 6 of 47 IAM 7.

10. As pointed out in our letter of November 16, and in the enclosed letter, Section 33 needs to be clarified.

11. Concur.

With reference to comment 4, page 3, of our letter of November 16, you also may wish to clarify Section 24, Insurance. The Tribe may want to omit or change the year "1960" on page 1 of the "Declaration."

We believe the corrections suggested will result in a better credit program and be worth the short delay involved. This office has been delegated one-time authority to approve the "Declaration" when it has been revised in a manner satisfactory to us. We suggest Resolution 60-78 be rescinded and a completely revised "Declaration" adopted. If we can be of further assistance in this matter, please call on us. We are returning seven signed copies of Resolution 60-78 and seven copies of the "Declaration."

Sincerely yours,



Area Director

Enclosures

Copy to: Central Office, Credit

DEC 16 1968

Mr. Fredrick M. Haverland
Area Director, Phoenix, Arizona

Dear Mr. Haverland:

Your letter of November 16 forwarded two signed copies of Resolution No. 60-78, adopted October 27, by the Tribal Council of the White Mountain Apache Tribe, approving a Declaration of Policy and Plan of Operation, together with three copies of the "Declaration".

The proposed "Declaration of Policy and Plan of Operation" was discussed with the tribal delegates on March 30. Generally, the Declaration has been well prepared and the Tribe has followed most of the suggestions made in Office letter of April 12, which summarized our discussion with the tribal delegates. Before final approval, however, consideration should be given to the following comments and recommendations:

1. Section 4, page 2. The phrase, "to all revolving credit funds borrowed from the United States", should be stricken, since Section 20 on "Eligibility for Loans" contains no general restriction against loans to members who can receive their financing from the same credit institutions serving other citizens on reasonable terms and conditions.
2. Section 6 (g), page 3. No doubt the intent was to end the third sentence with the word "Council" in the sixth line.
3. Section 8, page 5. As indicated in our letter of April 12 to the Chairman, the first sentence of this section appears to be inconsistent with Section 23 (c). According to Section 8, in effect, loans which are fully secured will not require plans. On the other hand, Section 23 (c) provides, "Agricultural loans shall be fully secured and will require a complete farm and conservation practice plan ***".
4. Section 11, page 6. We asked the Tribe in our letter of April 12 to reconsider herein the wordage in Section 11 of Illustration 6 in 47 IAM 7. Apparently the Tribe did not see fit to change the wordage from that in the draft furnished to us by the delegates on March 30.

*Copy retained
in book
1972*

We have no objection to the use of the verb "may" instead of "will" in that portion of the first sentence which reads, "the Tribe may pay for the services of a Credit Officer (salary and expenses) from appropriated tribal funds or other funds." However, if the Tribe wishes to hold to the use of the word "may", we think it would be in order for the Tribe to include a provision that, if at any time it is not going to continue to pay for such services, it will notify the Bureau in writing at least 90 days before the close of the fiscal year.

Referring to the above quote, it is noted that the phrase, "or other funds", is retained. Possibly the thought here is to cover the eventuality of gratuity funds being made available to cover this service. However, the use of this phrase is considered inadvisable, since the Tribe could not pay for such services from gratuity funds. Further, if the intended reference is to tribal funds other than those disbursed through Treasury Disbursing Offices, it is our view that a Civil Service employee could not be paid from such tribal funds.

5. Section 19, page 8. The Tribe may wish to consider making the amount herein consistent with that in Section 17.
6. Section 23(c), page 9. See item No. 3.
7. Section 23(e) and (f), pages 9 and 10. Was any consideration given, when drafting these sections, to requiring a down-payment in connection with house construction or purchase loans (where other than unrestricted real estate is involved) and major home improvement loans?
8. Section 28, page 12. Consideration should be given to requiring an annual security check whether or not the loan is delinquent. Such a provision would be consistent with recognized good business practices.
9. Section 32, page 13. As stated in our April 12 letter, we have no objection to permitting an exception to the policy of one-year maturity on livestock loans. Since provision is made in this section for intermediate term maturity on livestock loans, the next to the last two sentences do not seem appropriate. These sentences were taken evidently from the illustration in the Manual and apply to the one-year maturity procedure.
10. Section 33, page 13. Based on the second sentence in this section, we would interpret the designation, "such receipts", in the third (last) sentence as referring to moneys received by the Tribe from the sale of its cattle to a member by means of a cash loan under the Declaration. However, your letter comments that the words "such receipts" refer "to repayments on cash loans for cattle." Consideration should be

given to clarifying the intent of the last sentence of this section.

11. Section 35, page 14. We feel it would be better administrative procedure for the first sentence hereof to provide for a specific amount to be invested in the short-term loan program. It is suggested the Tribe proceed with the program on a conservative basis, say \$20,000, at the outset until the program's effectiveness and soundness can be supported by at least a year and a half of operating experience.

Regarding procedural aspects in connection with assignments of trust income under the short-term loan program, the instructions on page 3 of Budget and Finance memorandum of July 23, 1959, should be kept in mind. In other words, the Tribe should not request action under the assignment nor should the Superintendent honor such request "until he has first ascertained (1) that the Indian borrower has defaulted, and (2) that the lender has exhausted all other means of effecting collection from the borrower in accordance with terms of the agreement before resorting to demands against the assignment." In this connection, it would be well for the short-term loan application form to contain the conditions that must prevail before the rights and authority granted under the assignment can be exercised.

Further, regarding the short-term loan form, it is noted that both the terms "Borrower" and "I" are used throughout the form. This seems to us to be confusing. As for the Superintendent's approval section on the form, it would be well to include therein his approval of the preceding grant by the applicant (borrower) of assignment of trust income and power to lease.

We are returning a signed copy of Resolution No. 60-78 and a copy of the Declaration. We have retained copies for our records. When the Declaration is revised in a manner satisfactory to you, you are authorized to approve it, citing this letter as your authority. Copies should then be furnished for our records.

In regard to item 2, page 2, of your letter we refer you to Phoenix Area Office Redlegation Order 1, Amendment 5, approved July 6 and published in the Federal Register, Volume 25, Number 134, July 12.

Sincerely yours,

(SGD) GLENN L. EMMONS
Commissioner

Enclosures

Copy to: ✓ Fort Apache Agency
Thru: Area Director, Phoenix

PLAN OF OPERATION
OF THE
WHITE MOUNTAIN APACHE HOUSING ENTERPRISE

SECTION A--IDENTITY

1. Name. Official name of this Enterprise of the White Mountain Apache Indian Tribe is to be "White Mountain Apache Housing Enterprise," hereinafter referred to as the Enterprise.
2. Place of Business. The place of business of this Enterprise shall be on Fort Apache Indian Reservation with mailing address of Whitewater, Arizona.
3. Definition. Wherever used in the plan of operation the following definition shall be applicable:
 - (a) Secretary--Secretary of the Interior
 - (b) Commissioner--Commissioner of Indian Affairs
 - (c) Area Director--Officer in Charge, Phoenix Area Office, Bureau of Indian Affairs
 - (d) Superintendent--Officer in Charge, Fort Apache Indian Agency
 - (e) Tribe--White Mountain Apache Tribe
 - (f) Council--White Mountain Apache Tribal Council
 - (g) Board--The Board of Directors White Mountain Apache Housing Enterprise
 - (h) Enterprise--White Mountain Apache Housing Enterprise
 - (i) Manager--The Manager of White Mountain Apache Housing Enterprise

SECTION C--MANAGER

1. Board of Directors. The general policies, plans and procedures for the Enterprise shall be determined by the Tribal Council upon recommendation of the Enterprise Advisory Board. The Manager of the Enterprise shall be responsible for the operation of the Enterprise in accordance with the policies, plans and procedures as established by the Council and subject to the plan of operation and the Manager's contract.
2. Advisory Board. The Housing Enterprise Advisory Board shall consist of three members of the Tribe. The Board members shall be appointed by the Council and may or may not be members of the Council. At the first appointment of the members of the Board, one member shall be appointed for 3 years; one member for 2 years and one for 1 year. Thereafter, one member shall be appointed annually for a 3-year term at the first regular January meeting of the Council. If a vacancy on the Board should occur for any reason, the Council, at its next regular meeting, after such vacancy may occur, shall appoint a member to complete the unexpired term of the vacancy. The Board shall select one member thereof as chairman. The Board shall report directly to the Tribal Council. Authority for this section may be found in the Article V, Section I (c) of the Constitution and By-Laws approved May 29, 1950.

- (a) Duties of the Board. The Board shall act in an advisory capacity to the Council concerning Enterprise operations. All policy decisions and actions, consistent with the plan of operation, involving the Enterprise shall be made by the Council. The Board shall work in close cooperation with the Manager of the Enterprise.
- (b) Board Meetings. The Board shall meet with the Superintendent or his authorized representative and the Manager on the day following the regular Council meeting each November to discuss and review the budget as prepared by the Manager for the Enterprise for the following Fiscal Year beginning January 1 for the purpose of formulating recommendations to the Council pertaining to the Budget. The Board shall hold meetings at least every 3 months to discuss in general the operation of the Enterprise and shall record its proceedings. Other meetings shall be called whenever necessary by the Manager. Two members of the Board shall constitute a quorum.

10. Compensation. Members of the Board shall be compensated for time spent and expenses incurred in connection with the Enterprise. Compensation and rate established by the Council and authorized by the annual budget of the Enterprise. Total amount of all Board compensation and expenses shall be considered an operating expense of the Enterprise.
11. Selection of Manager. A full-time manager for the Enterprise shall be employed by the Tribe under written contract subject to approval of the Tribal Council and the Commissioner or his authorized representative. The Manager shall be responsible to the Advisory Board for the operation of the Enterprise in accordance with the plan of operation. Specific conditions of the Manager's employment including the term, amount of salary, surety bond, leave, compliance with this plan and amount of liquidated damages, if any, will be included in the written contract. Premiums on the Manager's bond will be paid by the Enterprise and will be considered an operating expense. All surety bonds in favor of the Tribe shall be satisfactory to the Council and the Commissioner or his authorized representative and shall be filed with the Tribe for safe keeping. The Council shall not permit the Manager to have control of Enterprise cash unless he is currently bonded. The Superintendent is authorized to take possession of the Enterprise cash from any unbonded or unauthorized person in possession thereof.

In the event of the absence of the Manager or the Acting Manager, as well as the Supervisors, the Board of Directors, in the event of the absence of the Board of Directors, either the Manager or the Advisory Board shall serve as the Acting Manager.

Selection of Other Employees. The Manager shall be authorized for employing, directing, training, and discharging all business employees. In hiring he shall give preference to qualified members of the Tribe. His decision shall be final as to whether or not any persons are qualified. He may employ and utilize members of the Tribe in connection with the work being done, as the conditions require the type of labor performed, and apply the proceeds of the work on the individual account. All activities of the employees in the interest of the Enterprise. The Manager may require any employee to be bonded and no employee shall handle business funds unless bonded in an amount satisfactory to the Board. The Manager and bonds shall be considered in operating matters of the Enterprise.

SECTION D--CAPITAL

Control of Funds. The assets of the Enterprise shall be controlled by the Board of Directors and shall consist of all funds available in use by the Tribe and not expended in connection with other Enterprises, all funds in the Tribal enterprise account, and any funds previously expended for tribal utility construction remaining unused at the time the Enterprise is established. It shall not include contributions or funds approved for other Enterprises. The Manager shall have and property as may be advanced or loaned by the Tribe.

... of Tribal Funds as referred to above shall be shown up in the accounting records of the Enterprise as capital investment. This investment shall not bear interest or provide for a repayment schedule by the Enterprise to the general fund of the tribe. Further advances of Tribal Funds to the Enterprise may be made through the revolving credit fund on a loan basis with repayment schedule and bearing interest, or be on a basis of additional capital investment in the Enterprise. If additional capital investment is made in the Enterprise after Fiscal Year, 1960, provisions, transfer, shall be made in the annual Tribal Budget, and shall require approval of the Secretary or his authorized representative as required by the Tribes Constitution and By-Laws. Any loans made by the Tribe to the Enterprise shall be from Tribal Funds authorized for credit purposes in the Tribes approved budget and shall be subject to the provisions of 25 C.F.R. Technical advice and administrative supervision may be furnished by the Bureau of Indian Affairs and the Commissioner or his authorized representative may inspect the operation and accounts of the Enterprise at any time.

4. Distribution of Net Profits. Net profits of the Enterprise shall be distributed as follows:

- (a) Twenty-five percent of annual net profits of the Enterprise shall be transferred to a "reserve for contingency" until such reserve equals \$25,000.00. This reserve will be funded as rapidly as practicable by provision in the annual budget.

(1) no volume of the net profits, or fund of surplus, shall be transferred to the personal account of any individual in the Enterprise, except as authorized in Section 1, hereof. The Manager of the Enterprise shall conduct the operation in such a manner that sufficient cash will be retained to meet operating expenses of the Enterprise. Gradually the cash position will be developed to the point where the "reserve for contingencies" will be represented by cash.

g. Individual Payment. No per capita payments will be made by the Enterprise.

h. Transfer of Surplus Funds. It is not anticipated that the Enterprise will have funds available for transfer to the individual funds for some time to come. When the Enterprise does find itself with its cash position in excess of operating needs, and its cash reserves for contingencies, funds will be transferred to the individual general funds to replace the cashal interest of the individual. If this is accomplished, by payment of cash dividends to the individual from the Enterprise instead of crediting them to the individual cash fund account in accordance with Section 1, hereof, any such cash dividend by the Enterprise to the general fund of the individual shall be done so, and authorized by annual budget approved in accordance with Section 1, hereof.

WHITE MOUNTAIN APACHE TRIBE

2. Banking. All funds of the Enterprise shall be deposited in an Indian money account of the Post Office Agency within such State as the Tribe has a bonded treasurer at which time they may be transferred to a commercial depository. The Manager shall be responsible for the collection of rentals, contract payments and other income and will issue pre-numbered receipts for all items of cash or checks. All check payments shall be made payable to the White Mountain Apache Tribe. The Manager shall be responsible for the Enterprise funds or deposits held in any bank and must verify or otherwise certify to any amount paid.
3. Disbursements. All disbursements except as authorized under contract shall be made by check on the depository and only with the authorization of the Manager. All check disbursements from the official depository shall be supported by receipts and disbursements signed by the proper bearing and verified by the signature of the Manager for payment.
4. Policy Cash Funds. An interest on cash held in authorized banks established for the Enterprise for the purpose of accumulating funds for the Enterprise, subject to approval of the Executive Committee, shall be paid weekly when received, quarterly, semi-annually, or annually when it is not available for payment. The Manager shall be responsible for the payment of such interest on the Enterprise in the amount of and upon the submission of receipts, vouchers, and statements signed by the proper or other proper officer of the Enterprise. Policy cash disbursements shall be made by the Manager.

Manuals and Accounts. The accounting system used by the Enterprise shall be installed and prescribed in writing by an accounting firm employed by the Council. The system shall be subject to the approval of the Area Director and shall be maintained by the Manager. Copies of the Accounting system manual shall be furnished the Council, the Manager, Superintendent, Area Director, and Commissioner. Trial balances shall be prepared as of the last day of each month. Annual financial statements will be made as of December 31, and distributed within 30 days. Copies of such statements shall be furnished the Council, Superintendent, Area Director, and Commissioner. The financial statement contained in the annual audit may be substituted for the annual financial statement if the audit report is submitted by January 31. All Enterprise records and accounts shall be the responsibility of the Manager.

Inventories. A physical inventory of all buildings, equipment, and property turned over to the Enterprise shall be made as of the date of the establishment of the Enterprise. Thereafter, physical inventory shall be made as of the last day of business of the Fiscal Year of the Enterprise and at such other times as may be directed by the Superintendent, Council, or Area Director. Inventories shall be dated, signed and retained in the files of the Enterprise for at least 3 years.

6. Audit. Unless ordered in writing by the Council and Area Director, an audit on the operation and condition of the Enterprise shall be made by an Independent Certified Public Accountant at the close of each Fiscal Year at the expense of the Enterprise. The Manager shall arrange for the audit. If such arrangements have not been made before December 1, the Superintendent is authorized and directed to arrange for the audit on behalf of the Enterprise. Audits of accounts and inventories shall also be required by the Council, or Superintendent upon changing managers, and such audit reports will be furnished the Council, Superintendent, Area Director and Commissioner through channels not less than 10 days after receipt.
7. Fiscal Year. The Fiscal Year of the Enterprise shall be from January 1 thru December 31 inclusive.
8. Annual Budget of Enterprise. Budget of the Enterprise for the ensuing Fiscal Year January 1 to December 31, shall be prepared by the Manager prior to November 1, supported by operating statements, balance sheet and accounting for expenditures under the budget approved for the current Fiscal Year. The Board shall discuss the budget with the Superintendent or his authorized representative and the Board at the November meeting of the Board. The Board shall present the budget with its recommendations to the Council. The budget shall require the approval of the Council, Superintendent, and the Area Director before it shall become effective, and upon approval shall govern expenditures for the particular Fiscal Year. Ordinary routine, maintenance and repair of buildings will be included in the budget as a one-line entry. Major repairs and

Expenditures for specific Tribal buildings will be designated by building or project number. Construction of residences for sale or conditional sales contract to individuals will be indicated as individual items and will indicate the individual's name and the Council's land assignment or lease number. Approval of any items included in Enterprise budget on the basis of loans being made by the Enterprise shall be contingent upon approval of such loans in accordance with 25 CFR 91. Copies of approved budget shall be furnished the Council, Superintendent, the Area Director and the Comptroller.

9. Purchases. The Manager shall be responsible for all planning, estimating, and purchasing of building materials, fixtures, equipment, and maintenance supplies. He shall secure the lowest possible prices through competitive quotations on quantity lots to meet immediate needs. Needs shall be determined through advance planning and the necessary inventories shall be restricted to such needs.
10. Sales, Materials and Services. Sales of materials and/or labor on repairs and improvements to existing homes of individual Tribal members and other may be made for cash by the Enterprise. Individual members who are unable to pay cash or to secure financing from the bank or other customary lending organizations for repairs and improvements may be furnished such services under provisions of an installment contract. Applications for services under installment contracts must be filed with the Tribal Credit Committee. The Committee, assisted by the Agency Branch of Credit, shall thoroughly examine the applicant's statement, assets, his income and financial status to determine his ability to meet payments.

Decisions made by the Credit Committee on applications based on provisions of the Credit Plan of the Agency shall be final. Applications rejected by the Committee shall be returned to the individual indicating the Committee's reason for unfavorable action. The Enterprise Manager will not perform any services or advance any materials on installment contract until approved application has been received from the Credit Committee. Applications, contract and all documents related thereto, shall bear evidence of long-term lease covering the land area involved together with legal description of the land and name of the individual member holding lease. When all conditions of the installment contract have been met by the individual member, the cancelled contract and chattel mortgage shall be delivered to the individual or to his heirs if deceased.

12. Sales of Residences. The Enterprise may construct residences for sale to individual tribal members on a conditional sales contract. The Enterprise may also construct residences for rental to non-member Tribal Employees and others who are ineligible to purchase. All new construction will be accomplished in accordance with approved plans and approved annual operating and construction budget of the Enterprise. Applications of individual members desiring to purchase homes on contract will be submitted to the Tribal Credit Committee on a form developed for that purpose. The Credit Committee assisted by the Agency Branch of Credit will act upon applications in the same manner as indicated in paragraph 10 above. Land lease will be completed and legal description of the land area involved will be indicated on the application and on allied papers. When conditions

of contracts have been fulfilled the Enterprise will deliver complete contracts, note and bill of sale of the improvements to the individual purchaser. Contracts on newly constructed residences shall be voidable for a period of not more than 25 years. All improvements constructed and sold on a conditional sales contract shall remain property of the Enterprise until terms of the contract have been fulfilled. All contracts shall provide for payment in advance on either a monthly or annual basis as determined by the source of the individual's income. If payments are to be from salaries, wages, or other monthly income on a monthly basis, the initial payment prior to possession shall be not less than 3 times the amount of the established monthly payment with payment, thereafter, in advance on a monthly basis. If the purchaser's income is on an annual basis from cattle, etc., then the initial payment prior to possession shall be not less than 15 times the amount of the established monthly payment with annual payments, thereafter, in advance in the amount of 12 times the amount of the established monthly payment. The monthly payment shall be determined by construction cost and shall include interest at the rate of 5% of the unpaid balance and fire and extended insurance with a leasehold clause to the Enterprise as its interests appear.

12. Insurance. The Manager shall arrange for fire and extended insurance on all buildings not otherwise covered. The Manager shall also arrange for insurance protection for Enterprise property, equipment, and other assets and for public liabilities and workman compensation through policies which provide coverage satisfactory to the Tribal Council.

All Enterprise insurance premiums, with the exception of those covered in insurance or conditional sales contract, shall be operating expenses of the Enterprise. The manager shall keep all insurance policies current and on file with the Tribal Council. Employees shall be covered by F.I.C.A. and F.O.B.A.

13. Law and Regulation. The Enterprise shall comply with all Federal laws and regulations as are applicable to it, in addition to the provisions of the Tribal Constitution and By-Laws and all other applicable ordinances and regulations of the Tribe. Vehicles shall comply with State laws and State license requirements.

14. Title to Property. Hereafter, title to all property purchased or received by or for the Enterprise shall be taken unrestricted in the name of the White Mountain Apache Tribe, except that title to property which is to become a part of the land, i.e., building material, then the title shall be taken in the name of United States Trust for the Tribe. Request can and may be made to release the restriction on any or all property now in possession of the Enterprise, except that property which becomes part of the land. The removal of this restriction is subject to approval of the Superintendent and Area Director.

15. Approval. This plan of operation shall become effective upon approval of the Tribal Council and the Secretary or his authorized representative. Modification of this plan may be made as conditions warrant and all such modification shall require approval as outlined in this section of the original plan.