

IF MEMO IS DONE BY A BIA OFFICIAL, USE BIA LETTERHEAD OTHERWISE USE TRIBAL OR LENDER LETTERHEAD.

We are submitting for your review and consideration a Deed of Trust for (name of land owner), (Title land owner) enrolled with the _____ Tribe, for a (purpose of loan) with (name of bank/lender) in the amount of (amount of loan) using trust tract _____, acres as collateral. This case has been prepared in compliance with the BIA policy and Portland Area instructions by Memorandum dated February 26, 1997.

First, we will address the requirements of BIAM Supplement 47, 1.4 Mortgages of Trust or Restricted Land, as follows:

A. thru H.....if and when applicable

I. INFORMATION TO BE FURNISHED LENDER (BIA Approval)

1. General Information. The applicant's work habits, credit rating, farming, ranching, or business experience (if any), managerial ability, and any other information pertinent to consideration of the application.

A credit rating was obtained from (name of credit bureau) Credit Report which reflects the applicant debts as agreed. (Explain any derogatory information)

2. Health Information. Any known health problems of the applicant and his/her family. (per 47 BIAM Supplement No. 3, 1.4E(3)).

(Name of borrower(s)) has no known health problems.

3. Statute Authorizing Mortgage Approval. A reference to the statute under which the applicant holds title to his/her land.

Trust patent/Treaty Act, Tribal Constitution.

4. Statute Authorizing Mortgage Approval. A reference to the statute which authorizes the Secretary of the Interior to approve the mortgage of the land of the applicant.

Authorized by Public Law 450, 84th Congress, approved March 29, 1956 (70 Stat. 62, 63)

5. Legal Description of Land. Enter the legal description of the land to be mortgaged, obtain title status or abstract of title and then check/analyze, an appraisal of the land and improvements. A Title Status Report on trust or restricted individually owned land can be obtained from the Bureau's Titles and Records Section.

(Use TSR attachment 5-188a narrative legal description dated)

**The Title land owner is “ ” (take name from TSR).
Trust/Restricted Allotment**

Checked the Title status report, dated , indicates no encumbrances outstanding. (If there is a defect, Realty/owner needs to get this off)

6. Liens. From the Title Status Report determine the priority of the liens (1st, 2nd, etc. priority positions) and attach copies of the existing liens, and the amount of the outstanding balance of the liens. **(If there is a lien, explain what type of lien, if tribe has first lien, Assignment of Trust Income)**

None.

7. Taxability of Land. State whether or not the land is taxable.

Trust property, no taxes involved.

8. Compensation. State whether the applicant receives any compensation from the Bureau of Indian Affairs.

No compensation is received by the applicants from the Bureau of Indian Affairs.

9. Funds. State whether the applicant has exclusive control over his/her funds, or whether any of his/her funds are subject to control of the Bureau of Indian Affairs. If any of the applicant's funds are subject to control of the Bureau, the lender should be furnished a complete report on such funds, and a statement as to whether any funds may be released and used by the applicant for payment of the proposed loan.

No supervision of funds is received by the applicants from the Bureau of Indian Affairs. The funds that are credited to the IIM Accounts are deposited, credited and paid directly to the applicants.

10. Financial Condition. Obtain personal financial statement (this should indicate household income and expenses, personal assets and liabilities), business financial statement - if business income is a source of repayment, credit reports, verification of applicants income (tax returns, IIM statement and payroll stubs) and the lender's credit application. Utilize this information to complete the BIA required Credit memorandum, the second part of this memorandum.

Household expenses:

Electricity: \$

Phone: \$

Food: \$

Clothing/Misc.: \$

Liabilities: \$

Personal Assets: Land - \$; Home - \$; Vehicle - \$,

Checking/savings account - \$ - TOTAL: \$

Employment Verification: (where borrower works and how long/pay income stub).

Lender's Credit Application: (date of application)

Financial Statement: via Credit Application (has to be current)

Now, secondly, we will address the requirements of BIA Credit Memorandum, for mortgaging Trust or Restricted Land, as follows:

1. BORROWER: Enter the exact name of the applicant. This information should be presented in the same manner in which the name of the borrower is to be placed on the actual promissory note.

(Name of applicant, enrolled with Tribe)

(Name of co-applicant, enrolled with Tribe or non-member)

2. LOCATION: Enter street address, city, state, and zip code where borrower's residence is located.

(Address for applicant, enrolled with Tribe)

(Co-applicant, enrolled with Tribe or non-member)

3. BUSINESS: If applicable, enter the type of business the borrower is engaged in, e.g., manufacturing of pre-fabricated housing, wholesaler of automotive parts, retailer of novelty goods.

4. TYPE OF REQUEST: Indicate for a trust or restricted land mortgage or deed of trust.

Deed of Trust with (name of bank/lender)

5. S.S. #: Enter the social security number of the applicant.

6. THIS COMMITMENT: Indicate the total dollar amount the applicant is requesting.

(Amount of loan)

7. COMMITTED GRANTS: Indicate all grant awards to the applicant. Make sure it is for this project, FmHa 184 (guaranty), 248 etc.

Not applicable

8. COMMITTED DIRECT LOANS: Detail all other loans outstanding to borrower related directly to the property being mortgaged. Note if any direct loans are in delinquent status. Also note any loan cancellations, Satisfaction of Mortgages, partial releases or early pay-offs.

Not applicable

9. COMMITTED GUARANTEED LOANS: If applicable, provide same information as in number 8 above.

Not applicable

10. TOTAL COMMITMENTS: Enter the total amount of this commitment, Committed Grants, Direct Loans and Guaranteed Loans.

Not applicable

11. DESCRIPTION OF REQUEST: This section of the credit memo basically consists of one sentence (key sentence of the memo) which

should explain the entire proposed commitment. Additional sentences may be used to expand areas of the key sentence if needed. The key sentence uses a highly stylized structure. The first part of the sentence is designed to inform the reader immediately as to what is being presented or recorded as far as the type and amount are concerned. The initial words of every key sentence should always be one of the following: **1) NEW, 2) RENEWAL, INCREASE, 3) RENEWAL, DECREASE, 4) ANNUAL REVIEW OF, or 5) MODIFICATION. These words should always be capitalized.** The initial words are always followed by the dollar amount of the proposed commitment and then by the type of commitment, the type of request, the maturity date (to be followed by the annual review date, if any, in parentheses), the interest rate of the loan, the servicing fee (if any), and the principal and interest payment schedules, whether the commitment is secured and finally whether the commitment is guaranteed.

New: (amount of loan), Deed of Trust, for (purpose of loan) with a maturity date of at (interest rate) interest, interest and principal payments of \$ payable monthly secured, no guarantee.

12. PURPOSE: Enter the purpose for which the borrowing is to be used.

If borrower is going to re-model/refinance and pay off debts, please indicate which debts will be paid off.

13. REPAYMENT: 1) primary source: indicate the primary source of repayment.

Primary source of repayment will be from , total monthly income \$

REPAYMENT: 2) secondary source: indicate the secondary source of repayment. Mostly this will be from liquidation of the collateral.

REPAYMENT: 2) secondary source: secondary source of repayment is liquidation of the collateral via Foreclosure.

14. COLLATERAL: Provide description of the collateral and position of this lender, (1st, 2nd, etc.), and values of the collateral (detail the valuation method).

1st deed of trust on acre, BIA Tract and improvements located at rural reservation area. Valued at \$

15. GUARANTORS: Entity type: person, corporation, or federal agency etc. Give type of insurance or guarantee (e.g., limited, unlimited).

Not applicable.

16. Financial Statement Summary:

Entity: (name of borrower)

Type Statement: Personal

Date:

Assets: \$

Liabilities & Net Worth: Enter Total Liabilities from the Financial Statement. Subtract the Total Liabilities \$ from the Total Assets \$ and enter Net Worth \$.

Income & Expenses: Total monthly, income \$ and household expenses \$.

17. Financial Analysis Comments: Provide a description and an analysis of the recent financial status of the applicant. Describe and comment on the applicant's income, expenses, assets, liabilities, credit history and total debt. Comment on adequacy of income, stability of income, and ability to repay the requested debt.

The loan to asset ratio value \$ loan amount divided by \$ appraisal value asset value equals ratio value is %. This indicates the loan is not over securing the collateral.

Credit History: Describe applicant's repayment history from credit reports and other references. Indicate highest level of credit activity.

18. Management/Organization/Background Comments: Discuss the background and summarize applicable experience of the applicant in managing financial affairs. Discuss Background, length of employment, full-time, part-time or seasonal, and reliability/stability of income.

Example: The applicant has been successful in obtaining consumer credit, and keeps his debts in good standing. He depends solely on himself to make his money decisions.

The applicant is from the (name of tribe) and has lived his/her life on the (reservation) Applicant is (employed with) and has been employed there for # years.

19. Officer's Recommendation and Comments: This has to be completed by the Superintendent, Tribe, or lender.

If Tribe or Bank does the Credit Memorandum, there should be a space for the recommendation of the Superintendent of that Service Area (only if the mortgage goes thru the Superintendent).

20. Expiration of Commitment: Indicate if there is a lender's date of expiration for the loan commitment. If there is a deadline please indicate in letter/memo. If no deadline, ask borrower not to sign commitment/promissory note or Deed of Trust otherwise send a "draft" Deed of Trust, Mortgage, and Promissory Note. All information should be on the draft but not signed. This will let the BIA know that it is a "conditional approval".

If you have any questions contact (tribe/lender).

Attachments: Deed of Trust Application