

Application #: _____ (issued sequentially)

Time Stamp: _____

HOUSING EMERGENCY REHABILITATION ASSISTANCE PROGRAM

As approved by Board Resolution 2018-295

LOAN APPLICATION

This application is for Housing Emergency Rehabilitation Assistance Program (“HERAP”) loans to be granted to qualifying tribal member(s) pursuant to the HERAP Loan Policy approved by Board Resolution #2018-295 on September 18, 2018. The HERAP loan program is subject to available hard dollar funding at any given time. Loans under this program will bear an interest rate of five percent (5%) simple interest and will be paid in full over sixty (60) monthly payments. Loans under this program are available in amounts equal to the approved Scope of Work but not to exceed \$25,000. Loan applications will be processed first come, first serve as determined by either the time stamp issued at application submission to the Cashier Window or the Membership Distribution email (*membershipdistribution@tulaliptribes-nsn.gov*). Additional loan policy and eligibility requirements are detailed in Exhibit C of this Application. Incomplete loan applications will not be processed rather returned to the applicant for further action.

REQUIRED ATTACHMENTS: See Loan Application Checklist, Exhibit A

APPLICANT INFORMATION

Name:

Address:

City/State/Zip:

Phone #: (authorize Finance to leave messages related to the loan)

Tribal ID:

DOB:

SSN: (last four digits)

Applicant Email:

LOAN REQUEST

Amount Requested (*):

(*) The project Scope of Work detail attached to this Application. The approved loan amount is subject to the approved Scope of Work and related costs.

Payment Options: Indicate below either Option a. or Option b.

Loan repayment is secured by the applicant pledging and authorizing deduction of that portion of his/her monthly Tribal Membership Distribution (Per capita/Elders/Disability). Loans are qualified based on the tribal member having sufficient Tribal Member Distribution available for deduction to service the monthly loan payment.

- a. Tribal Membership Distribution Withholding (check any that are applicable to your request)
- Per Capita (Payment amount to be determined based on approved Scope of Work and resulting Loan Amount).
 - Senior Support ((Payment amount to be determined based on approved Scope of Work and resulting Loan Amount).
 - Elder Disability Support (Payment amount to be determined based on approved Scope of Work and resulting Loan Amount).

Note: By checking Option A and then signing the subsequent final loan documents, with a loan payment based on a Loan Amount equal to the approved Scope of Work, you authorize the Finance Department to deduct the requested amount from your Tribal Member Distribution to service the monthly debt of the loan associated in the event this loan is funded.

b. Payroll Withholding

- Government (amount to be deducted per pay period):
Bi-weekly Withholding: Amount TBD, see above.
- TGO (amount to be deducted per pay period):
Bi-weekly Withholding: Amount TBD, see above.
- QCV (amount to be deducted per pay period):
Bi-weekly Withholding: Amount TBD, see above.

Note: Once the payment amount is approved both by Tulalip and the Applicant, Applicant will be required to complete a separate Payroll Withholding Form prior to loan funding.

By signing below, Applicant agrees that all information provided in this application is true and correct and that Applicant is presently a member of the Tulalip Tribes, a minimum of 18 years of age, and signing on his/her own behalf. Applicant also acknowledges that the repayment of this loan is secured by a portion of my Tribal Membership Distribution, and that I must complete both a Tulalip Tribes Financing Statement and Promissory Note to secure the repayment of the debt if the loan is approved and prior to funding.

Date

Tribal Member Signature

Date

Tribal Member Print Name

POWER OF ATTORNEY USE IS NOT AUTHORIZED AND WILL NOT BE ACCEPTED TO SECURE HERAP LOANS.

EXHIBIT A

TULALIP TRIBES OF WASHINGTON
HOUSING EMERGENCY REPAIR ASSISTANCE PROGRAM (“HERAP”)

LOAN APPLICATION CHECKLIST

NOTE: For an Application to be deemed complete, it must contain all required documentation pursuant to this checklist, complete with requested dates, signatures and exhibits. An incomplete application will be returned to the Applicant for re-submission.

- LOAN APPLICATION
- EVIDENCE OF PROPERTY OWNERSHIP – ie: BIA TSR, Deed, mortgage or other documentation
- PROPERTY EXISTING DEBT INFORMATION – ie: mortgage statement, Deed of Trust
- PROJECT COST AKA “SCOPE OF WORK”, INCLUDING 3RD PARTY BIDS OR CONTRACTS IN SUPPORT OF THE PROPOSED SCOPE OF WORK REQUESTED, Exhibit B of this Loan Application
- COPY OF EXISTING HOMEOWNERS INSURANCE POLICY
- COPY OF APPLICANT’S TRIBAL MEMBERSHIP ID AND LIST OF ALL TULALIP TRIBAL MEMBERS CURRENTLY OCCUPYING THE HOME

By signing below, Applicant agrees that that he/she must submit a complete Loan Application (see Loan Application Checklist) for the submission to be eligible for processing and also understands that an incomplete application submission will be returned to the Applicant for completion and resubmission.

Date

Tribal Member Signature

Date

Tribal Member Print Name

EXHIBIT B, page 1 of 3

TULALIP TRIBES OF WASHINGTON
HOUSING EMERGENCY REPAIR ASSISTANCE PROGRAM (“HERAP”)

SCOPE OF WORK

Name:

Project Address (Applicant must own and reside in the home requiring repair):

Request Start Date:

Projected Completion Date:

Total Amount Requested:

Narrative Description of type of emergency repairs needed:

Detail of Repairs Requested:

DESCRIPTION OF REPAIRS

BID OR OTHER AMOUNT

EXHIBIT B, page 3 of 3

**TULALIP TRIBES OF WASHINGTON
HOUSING EMERGENCY REPAIR ASSISTANCE PROGRAM (“HERAP”)**

By signing below, the applicant represents to the best of his/her knowledge, the project bids are true and accurate quotes of the costs of goods and services, and that the bids are provided by third party vendors and are necessary to complete the rehab improvements requested in a professional manner according to the Scope of Work defined by the Applicant. Applicant understand that all requests for changes in the Scope of Work both during the application approval process and after loan closing, other than minor changes that involving no additional costs, must be presented in writing and approved by the Finance. Applicant agrees that no work will be performed with loan proceeds that are outside of the final approved Scope of Work approved by the Tribes.

Date _____ Tribal Member Signature _____

Date _____ Tribal Member Printed Name _____

FOR TULALIP USE ONLY

The Scope of Work is approved:

- As Presented with no change
- As amended: Total Dollar Amount Approved _____ (see attached detail)

SCOPE OF WORK REVIEW AND APPROVED AS DESCRIBED ABOVE BY:

_____, REO OFFICE PROJECT MANAGER

Dated: _____

TULALIP TRIBES OF WASHINGTON
HOUSING EMERGENCY REPAIR ASSISTANCE PROGRAM (“HERAP”)

LOAN POLICY& ELIGIBITIY REQUIREMENTS

The Housing Emergency Rehabilitation Assistance Program (“HERAP”) of the Tulalip Tribes (“Tulalip”) exists to provide loans to tribal members that fund the completion of time sensitive home repairs and/or rehabilitation(s) that eliminate housing hazards and insure safe, sound and sanitary housing conditions for tribal members. HERAP is a loan program available to all qualifying tribal members, secured by a portion of that tribal member’s available Tribal Member Distribution to insure repayment and is subject to available tribal hard dollar funding.

ELIGIBILITY REQUIREMENTS:

1. Applicant must be an enrolled member of the Tulalip Tribes
2. Applicant must be a minimum of 18 years of age
3. Applicant must own and reside (primary) at the home requiring the emergency repair or rehabilitation (fee title, trust title) and present written evidence of such ownership
4. Applicant must have sufficient Tribal Member Distribution (i.e.: Per Capita, Senior Support, Elder Support or Disability Support) available to service the monthly minimum HERAP loan payment for the life of the loan
5. Applicant must pledge for the purposes of repayment that portion of their monthly Tribal Member Distribution required to service the minimum monthly loan payment for the life of the loan, even if the Applicant elects to pay the monthly loan payment from sources other than his/her Tribal Member Distribution (i.e.: Payroll Deduction) . So long as the Applicant continues to make timely minimum monthly loan payments from cash sources other than his/her Tribal Member Distribution, no monthly HERAP payment will be deducted from the Tribal Members Distribution. In the event Applicant does not make a timely payment from cash sources other than his/her Tribal Member Disbursement then the Finance Department is authorized to deduct the minimum monthly payment due subject to the Hierarchy of Tribal Distribution Deduction Policy without prior notice to the Applicant.
6. Applicant must not be in default or have bad debt with any Tulalip Tribes agency, entity loan or program
7. Only one Applicant per household is eligible for a HERAP loan at any given time
8. If Applicant is eligible for insurance proceeds related to the approved scope of work being funded by a HERAP loan, those insurance proceeds will be assigned to the Tulalip Tribes of Washington and applied to the repayment of the applicable HERAP loan at time of receipt by Tulalip
9. Loan proceeds for approved repairs or rehabilitation cannot be paid to the Applicant, or any business, vendor, contractor or subcontractor business owned in part, or full, by the Applicant or any resident of the home being rehabilitated

10. Applicant must not be subject to any pending investigation of criminal wrongdoing against the Tulalip Tribes or its entities at the time of application, or have been convicted of such within three years (3) from the date of the application

POLICY

1. All loans are subject to availability of tribal hard dollar funds.
2. All loans are secured by a fully executed security instrument pledging the Applicant's Tribal Member Distribution for loan repayment. The completed Financing Statement will be timely filed with the Tulalip Tribal Court and released once the debt is fully satisfied.
3. Powers of Attorney will not be accepted for HERAP Loan Application or supporting loan documentation.
4. All loan proceeds will be delivered electronically to Tulalip approved vendors/service providers via direct deposit. All vendors or service providers must have a W-9 and current ACH form filed and approved by the Tulalip Finance Department (attn.: Accounts Payable) a minimum of five days prior to any payment being remitted.
5. To qualify, the tribal Applicant must have sufficient Tribal Member Distribution available to support the minimum loan payment for the life of the proposed HERAP loan. The Finance Department will calculate payment eligibility pursuant to the Tribal Member Distribution Deduction Policy.
6. Tribal Members that have secured loan repayments via payroll deductions must agree to have loan repayments withheld from their tribal distribution in the event of separation from employment. The Tulalip Tribes Finance Department reserves the right to revert loan repayments from payroll to Tribal Member Distribution in the event of separation from employment. It is the responsibility of the Tribal Member to inform Finance of a departure from employment.
7. Applicant must execute all program documents, including but not limited to the application, promissory note, financing statement securing the Tribal Member Distribution and a Payroll or Tribal Member Distribution Deduction Authorization Form.
8. Loan Amount: HERAP loans shall not exceed a maximum of \$25,000 at any time and are limited to the actual costs of repairs approved by Tulalip
9. Loan Term: A maximum of sixty months (60) or five (5) years
10. Loan Origination Fee: No loan origination or application fee is assessed in the HERAP program
11. Loan Disbursements: Loan proceeds will be disbursed directly to approved service providers and/or vendors for work complete or material provided onsite as represented to the Finance Department via invoices or draw schedules submitted by the Borrower. Under no circumstance will loan proceeds be disbursed directly to the Applicant/Borrower.
12. Interest Rate: Five Percent (5%) per annum
13. A maximum of one HERAP loan per eligible household
14. Down Payment: Not required from Applicant
15. Construction Completion Deadline: The approved repairs or rehabilitation assignments must be complete no later than 12 months from the date of the promissory note. No loan proceeds will be disbursed after the 13th month from the date of the promissory note.

16. Change Orders: Post loan closing change orders that increase the loan amount will be processed once per month and are only available if : 1) the tribal member has sufficient Tribal Member Distribution to service the larger monthly payment resulting from the increased debt obligation and 2) the amended loan amount does not exceed \$25,000 and 3) the loan amortization does not exceed 60 months total from the date of the promissory note 4) loan modification paperwork is processed and signed by the borrower to increase the repayment obligation due to Tulalip and 5) all work on the project is complete, including any change orders, within the time frame identified in Paragraph #8 located directly above.
17. Amortization: Loan repayment will be fully amortized over sixty (60).
18. Payment Due Date: All loan payments are due the first day of each month.
19. The first monthly loan payment to be made by the borrower will be on the first day of the second month from the date of loan funding (i.e., loan issued on March 15th will be due on May 1st, and on the first day of each subsequent month until paid in full).
20. Loan payments will be made through either Payroll or Tribal Member Distribution deductions.
21. Borrowers are responsible to confirm their payments are deducted and to notify the Finance Department of any discrepancies. Failure to make timely minimum monthly payments for any reason will place the Borrower in default.
22. Borrowers whose loan payment is more than 30 days outstanding will be considered in default.
23. Borrowers who are more than 60 days outstanding will receive a Notice of Default and be assessed late fees of \$20 per month until the default is cured.
24. Borrowers with defaulted Membership Loans will not be eligible for additional Membership loans until the defaulted loan(s) is cured, including all late fees.
25. Tribal Loans more than 120 days past due will be subject to monthly BOD Business Committee review and standardized collection efforts.

Applicant's Initials

EXHIBIT D

TULALIP TRIBES OF WASHINGTON

HOUSING EMERGENCY REPAIR ASSISTANCE PROGRAM (“HERAP”)

LOAN APPROVAL PROCESS

1. All HERAP loans are initiated by tribal members by submitting a signed HERAP loan application to the Finance Department Cashier Window at the Administration Building for loan intake.
 - a. Each application must be complete; incomplete loan applications will be denied.
2. Loans will be processed on a first come, first serve basis pursuant to the date and time stamp provided by the Cashier Window at the time of loan intake. All Applicants will be provided with a date and time stamp receipt of their application submission from the Cashier Window staff.
3. Finance will intake the application; verify that the submission is complete, the identified scope of work is accurate, and the expenses are properly supported and that the overall request complies with this policy.
 - a. Finance will confirm the maximum qualifying loan amount based on two calculation methods: 1) 100 percent (100%) of all Tribal Member Distributions available to service the monthly HERAP loan debt subject to the Hierarchy of Tribal Distribution Deduction Policy, 2) Fifty Percent (50%) of all Tribal Member Distributions available to service the monthly HERAP loan debt, after monthly tax, child support and Beda Chelh obligations are deducted and subject to the Hierarchy of Tribal Distribution Deductions Policy.
 - b. Finance will notify the Applicant of any missing items and of the two qualifying loan amounts described above complete with amortization schedules communicating to the Borrower the total projected interest expense over the life of the loan.
 - c. Assistance will be provided to tribal members as to vendor and service provider sourcing and other project scope of work/budget assignments as requested.
4. After the application is fully processed, Finance will notify Applicant in writing if the loan is approved or denied and at what dollar amount. If the loan is declined, Finance will provide the reason to the Applicant.
5. If approved, Finance will:
 - a. Prepare loan documents for signature, obtain signatures, including an estimated schedule of property inspections and vendor/contractor payments
 - b. Record the Financing Statement with the Tribal Court,
 - c. Book loan and process loan disbursements to the loan borrower,
 - d. Apply borrower authorized payroll and/or per capita deductions to the Member Loan per the terms defined in the loan promissory note,
 - e. Provide monthly loan statement(s) to the borrower,
 - f. Provide payoff requests to borrowers as needed,

- g.** Provide the Borrower with a Satisfaction of Mortgage and release the financing statement at tribal court when the loan is fully satisfied.

Applicant's Initials



TULALIP TRIBES FINANCING STATEMENT

A. NAME AND PHONE OF CONTACT OF FILER (optional)
B. E-MAIL CONTACT OF FILER (optional)
C. SEND ACKNOWLEDGEMENT TO: Government Accounting 6406 Marine Drive, Tulalip, WA 98271

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. BORROWER'S NAME: Use exact, full name; do not omit, modify, or abbreviate any part of the Borrower's name:

1a. TRIBAL ID				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTY

2. BORROWER'S NAME: Use exact, full name; do not omit, modify, or abbreviate any part of the Borrower's name:

2a. TRIBAL ID				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTY

3. SECURED PARTY:

3a. ORGANIZATION TULALIP TRIBES 6406 MARINE DRIVE TULALIP WA 98271	3b. PURPOSE/DEPARTMENT <input type="checkbox"/> HOUSING <input type="checkbox"/> MEMBERSHIP LOAN <input type="checkbox"/> UTILITIES <input type="checkbox"/> OTHER _____
---	--

4. COLLATERAL: This financing statement covers the following collateral: Tribal Member Distribution (Per Capita / Elders-Seniors Support / Disability) (HERAP Loan # _____) Personal Property (specify) (if house attach legal description of underlying trust property)
 _____ Other _____

TULALIP TRIBES
Housing Emergency Rehabilitation Assistance Loan (HERAP)
PROMISSORY NOTE

Principal Amount: _____
Date of Note Documentation: _____

Interest Rate: Five Percent (5%)

INTRODUCTION

For value received, I _____ also known as Tulalip Tribal Member T- _____ (“Borrower”), located at _____ (provide physical and mailing address, if different) promises to pay to the Tulalip Tribes (“Holder”) located at 6406 Marine Drive, Tulalip, WA 98271, the sum of _____ (\$ _____ .00) (“Loan Amount”) from the date hereon for a loan term of sixty months (60 months), with simple interest thereon at the rate of Five Percent (5%) until the loan principal, interest and any applicable fees identified in the note are paid in full.

SECURITY

- [] I acknowledge that this note is secured by my monthly Tribal Member Distribution (see Payments). I hereby pledge my distribution to secure the debt owed by me to the Holder under this Promissory Note, which Holder may execute without further notice to me in the event of my default (_____ Borrower Initial).
- [] I acknowledge that along with this note I am executing a Financing Statement pledging the security interest in the my Tribal Member Distribution defined above and that the Financing Statement will be recorded at the Tulalip Tribes Court until the debt associated with the promissory note is paid in full. (_____ Borrower Initial)

PAYMENTS

I acknowledge a minimum monthly payment of \$_____ per month which I authorize to be deducted monthly from my Tribal Member Distribution. I also acknowledge that I may elect to pay more than the minimum monthly payment required by this note without prepayment penalty and that any payment overages will be applied in the following priority: interest due at the time of payment, applicable fees identified in this promissory note (i.e.: late / legal), and then principal reduction until the loan is paid in full.

(CHOOSE ONE: SELECT ONE OF TWO OPTIONS PAYMENT OPTIONS - TRIBAL MEMBER DEDUCTION OR PAYROLL DEDUCTION). Check and initial at end of option selected.

TRIBAL MEMBER DEDUCTION: I authorize the Finance Department of the Tulalip government to deduct \$_____ per month from my _____ Tribal Member Distribution account (INSERT ONE: Per Capita / Senior Support / Elder Support or Disability Support) until the loan is paid in full and that this amount meets or exceeds the minimum monthly payment due under this note.

I understand the requested monthly deduction will continue even in the event that my Tribal Member Distribution status changes (i.e.: from “Disability Support” to “Senior Support”) until the balance of my loan is paid in full. I understand that at any time, with 30 days’ notice to Finance but no more than two times per year, I can amend the amount of my Per Capita deductions as long as it does not go below the amount of the monthly minimum payment due under this note and that the loan is paid in full within sixty months (60) from initial disbursement. (_____, **Borrower Initials, this is deduction option is selected**).

PAYROLL DEDUCTIONS: I authorize the following payroll deduction: \$_____ per month until the loan is paid in full. I understand and authorize Finance, in the event of employment separation, to automatically deduct the monthly payments due on this note from my Tribal Member Distribution until the loan is paid in full. (_____, **Borrower Initials, this is deduction option is selected**).

Borrower to indicate employer by checking applicable entity below:

- Tulalip Tribes Government
- TGO
- QCV

I acknowledge that payments on this note are due on the 1st day of each month, with the first payment due the second month from the date of loan disbursement.

I acknowledge that it is my responsibility to confirm that the correct monthly payments are being deducted from my Tribal Member Distribution (or payroll, as applicable) and applied to my loan balance each month. I will notify the Finance Department immediately, no more than three business days upon discovery, if payments are not correctly deducted as instructed in this promissory note and any other related loan documentation.

I understand that this note is due upon my death, or can be assumed by my surviving tribal spouse, and obligate my estate to the repayment of this debt prior to any distributions to heirs (_____ **Borrower Initials**).

INTEREST

The interest rate of this note hereunder shall be a rate of five percent (5%) simple interest, calculated from the loan funding date through loan payoff.

DEFAULT

- 1) If any installment is not paid, when the installment becomes due, the whole sum of the loan including both principal and interest with any applicable fees, are due and payable at once without further notice.
- 2) A Notice of Default will be issued at such time that payments are 60 days outstanding per this promissory note and the Borrower will have 30 days to cure the default.
- 3) Upon issuance of a Notice of Default, late fees of \$20 per month will be assessed to the loan until the default is cured.
- 4) In the event of default, Holder has no further obligations to Borrower and may take action without further notice.
- 5) If this loan is defaulted in accordance to the terms specified above, the Tulalip Tribes of Washington shall be entitled to the Borrowers' Tribal Member Distribution, consistent with approved law and policies, and applicable limits until all outstanding principal, fees and interest are paid in full.

GOVERNING LAW

All disputes shall be resolved exclusively according to Tulalip Tribal Law and heard by the Tulalip Tribal Court. Nothing in this agreement shall constitute a waiver of sovereign immunity of the Tulalip Tribes.

Borrower shall pay all costs incurred by Holder in collecting sums due under this Note after a default, including reasonable attorneys' fees, costs, and related late fees, whether or not suit is brought. If Borrower or Holder sues to enforce this Note or to obtain a declaration of its rights, the prevailing party in any such proceeding shall be entitled to recover its reasonable attorneys' fees and costs incurred in the proceeding (including those incurred in any bankruptcy proceeding or appeal) from the non-prevailing party.

ENTIRE AGREEMENT

The parties agree that this note and identified Exhibits represent the entire agreement between the parties.

NO IMPLIED WAIVER

If Holder allows the borrower to break or ignore an obligation the Holder does not waive any future right to require those or any other obligations to be fulfilled.

SEVERABILITY

If any part, or parts, or the application of any part of this note is held invalid, such holding shall not affect the validity of the remaining parts of this note.

POWER OF ATTORNEY IS NOT AUTHORIZED

The party executing this promissory note is the Tulalip Tribes member obligated to repay the debt, the use of a Power of Attorney is not allowed by the HERAP Loan Program.

Prior to signing this Promissory Note, I have read and agree to all the conditions and terms mentioned above, and I understand that the Tulalip Tribes reserves the right to garnish the full allowable amount to pay off the outstanding debt including but not limited to all principal, and interest.

I acknowledge that I have received a completed copy of this Promissory Note.

Borrower's Signature

Date

Tribal Identification Number: _____

State of Washington
County of Snohomish

Signed or attested before me on _____, 2018 by

_____ Tribal Identification Number.

(Seal or stamp)

Print Notary Name _____

My appointment expires _____

.....
For Official use only:
BOD Approval date and Resolution or Directive #
Loan ID #:
Customer Number
Address:

Mailing Address if different:

Beginning Balance
Interest Rate:
Loan Type: Fixed
Period type: Month
Number of Periods: 60
Payment Amount:
AR Code:
Start Date:



HOME EMERGENCY REPAIR ASSISTANCE PROGRAM (HERAP LOAN)

FAQ'S

- Up to \$25,000 loan funds available (5% interest over 5 year term) for home emergency repairs
- Automatic payments made through your tribal distribution funds or through payroll deduction
- Applicants must own & reside (as primary residence) at the home being repaired
- No down payment, loan fees or credit check required
- Must not be in default with any other Tulalip Tribal entity
- Funds are paid directly to contractor or service provider
- Applicant must not be subject to any pending investigation of criminal wrongdoing against the Tribe or have been convicted of such within three (3) years from the date of application
- Applicant will fully execute security instruments to fund the loan, including a) Application, b) Promissory Note, c) Finance Statement, d) Tribal Member Distribution pledge

QUESTIONS & ANSWERS

- ✓ **WHAT IS THE PURPOSE OF THIS LOAN?**
To provide loans to Tulalip tribal members to fund the completion of time sensitive home repairs and/or rehabilitation that eliminate housing hazards and insure safe, sound and sanitary housing conditions for tribal members.

- ✓ **WHAT ARE HOUSING HAZARDS?**
Primary source heating that is inoperable; inadequate plumbing flow including broken pipes; compromised storm and/or sewage systems; unsound home foundation or structural issues (including sinking floors, cracked beams, broken doors & windows and leaking roofs); compromised electrical systems; inadequate lighting or security (including fencing); irregular sidewalks or driveway pavement increasing fall risks; no workable receptacles; fire hazards; insufficient ADA improvements, and other conditions deemed to be hazardous and jeopardize the health, safety and welfare of the occupants.

- ✓ **WHAT ARE NON-ALLOWED REPAIRS?**
 1. Upgrades of damaged furniture, fixtures and equipment (for example, if an item needs to be replaced such as a toilet, the replacement will be of comparable value to the damaged toilet).
 2. Replacement of standard appliances and other household furnishings
 3. Cosmetic improvements such as exterior painting
 4. New deck or patio (unless it is determined to be unsafe or unsound)
 5. New windows (unless determined to be unsafe or unsound)
 6. New counter tops or cabinets
 7. New carpet
 8. Garage repairs including roof (unless the garage is attached to the home)
 9. Fencing (unless an immediate safety issue is identified)
 10. Tools used to complete repairs or rehab work
 11. Non-permanent items such as lawn mowers, furniture, or vegetation

- ✓ **WHAT IS THE COMPLETION DEADLINE FOR THE CONSTRUCTION WORK?**

12 months from the date of the promissory note. No loan proceeds will be disbursed after the 13th month from the date of the promissory note.

- ✓ **WHEN ARE LOAN PAYMENTS DUE?**

The first monthly loan payment is due on the first day of the second month from the date of loan funding (i.e. loan issued on March 15th, will be due on May 1st) with subsequent loan payments due on the first day of each month.

- ✓ **WHO IS RESPONSIBLE TO ENSURE LOAN PAYMENTS ARE BEING MADE?**

The Borrower. This should be confirmed monthly with notification to the Finance Department of any discrepancies or missed payments.

- ✓ **WHAT IS CONSIDERED A DEFAULT ON THIS LOAN AND WHAT ARE THE PENALTIES?**

Any loan payment more than 30 days late will be considered in default. After 60 days of non-payment, the borrower will receive a Notice of Default and be assessed late fees of \$20 per month until cured. Loans more than 120 days past due will be referred to the monthly BOD Business Committee Review.

- ✓ **WHERE CAN I GET AN APPLICATION?**

Applications are available at the Cashier's Window in the Administration Building or online at TulalipHousing.org on the Documents tab.

- ✓ **HOW ARE THE LOANS PRIORITIZED & HOW DO I GET STARTED?**

Loans will be processed on a first come, first served basis. Completed applications should be submitted to the Cashier's Window where they will be time/date stamped as the loan intake process. If it is determined that the application or accompanying documentation are missing or incomplete, the applicant will be notified, whereupon the completed documents will again be time/date stamped as they are submitted to the Cashier's Window. This new time/date stamp will determine the priority going forward.

DISCLAIMER

I, _____ (borrower's name), fully understand that the funds I am borrowing from the Tulalip Tribes under the Home Emergency Repair Assistance Program (HERAP Loan) are for the express purpose of mitigating an emergency situation in my home. The Scope of Work to make these repairs is an arrangement between myself and the contractor I have selected who has given me a bid based on an examination of my home and the needed repairs. I understand that the Tribes' involvement is to ensure the Scope of Work qualifies for the HERAP loan program and to finance the project based on the Promissory Note. The Tribes makes no representation or warranty that the funds loaned will entirely cure the emergent situation. I also understand that the maximum loan funds available are limited to \$25,000 and that any costs in excess of those funds will be my responsibility and must be procured by other means.

Tribal Member # _____

Date: _____



HOUSING EMERGENCY REHABILITATION ASSISTANCE PROGRAM (“HERAP”) LOAN POLICY

Resolution: 2018-295
Effective Date: October 1, 2018

DESCRIPTION OF CHANGE:

<u>Revision</u>	<u>Description of Change</u>
4/1/2018	Housing Emergency Rehabilitation Assistance Program Policy
6/8/2018	Replace Policy dated 4/1/2018 in its entirety

Table of Contents

- Description of Change:..... 1
- Purpose:..... 3
- Definitions:..... 3
- Eligibility Requirements: 4
- Policy: 5
 - General Information..... 5
 - Loan Terms 5
 - Loan Repayment / Amortization..... 6
 - Loan Defaults/Delinquencies 6
- Application / Processing / Loan Servicing Process:..... 7

PURPOSE:

The Housing Emergency Rehabilitation Assistance Program (“HERAP”) of the Tulalip Tribes (“Tulalip”) exists to provide loans to tribal members that fund the completion of time sensitive home repairs and/or rehabilitation(s) that eliminate housing hazards and insure safe, sound and sanitary housing conditions for tribal members. HERAP is a loan program available to all qualifying tribal members, secured by a portion of that tribal member’s available Tribal Member Distribution to insure repayment and is subject to available tribal hard dollar funding. This policy replaces, in its entirety, the Housing Emergency Rehabilitation Assistance Program Requirements and Policy dated April 1, 2016 and approved by the Board of Directors of the Tulalip Tribes of Washington under Resolution Number 2016-150.

DEFINITIONS:

1. **Tribal Member Distribution:** Monthly cash distributions to tribal members based on enrollment status or program criteria, which includes Per Capita, Senior Support, Elder Support and Disability Support.
2. **Housing Hazards:** Primary source heating (i.e., central furnace - oil, gas, electric, woodstove etc.) that is inoperable; inadequate plumbing flow and/or water temperature (including broken pipes); compromised storm and/or sewage system(s); unsound home foundation or structural issues (including floor sinking, beams cracking; broken windows; broken doors, roof leaking); compromised electrical systems; inadequate lighting or security (including fencing); irregular sidewalk or driveway pavement or concrete increasing fall risks; no workable receptacles; fire hazards; insufficient ADA improvements and other conditions deemed by Tulalip Tribes to be hazardous and jeopardize the health, safety and welfare of the occupants.
3. **Non-allowed Repairs:** Below is the list of items that are not eligible for funding by HERAP loans, the list is not deemed to be a comprehensive list, any items considered an amenity will not be allowed:
 - a. Upgrades of damaged improvements. If an item needs to be replaced such as a toilet, the replacement will be of comparable value to the damaged toilet
 - b. Replacement of standard appliances (refrigerators, stoves, freezers, washers and dryers) and other household furnishings
 - c. Cosmetic improvements such as exterior painting
 - d. New deck or patio (repaired only if it is determined to be unsafe or unsound)
 - e. New windows unless deemed unsafe or unsound
 - f. New counter tops or cabinets

- g. New carpet
- h. Garage repairs including roof (unless the garage is attached to the home)
- i. Fencing (unless an immediate safety issue is identified)
- j. Tools use to complete rehabilitation work, or other non-permanent items such as lawn movers, furniture or seasonal vegetation
- k. Any scope of work previously repaired by proceeds of a HERAP loan within the past five years from the date of loan application

4. **Applicant /Borrower:** These two terms mean the same and refer to the same in this document.

ELIGIBILITY REQUIREMENTS:

1. Applicant must be an enrolled member of the Tulalip Tribes
2. Applicant must be a minimum of 18 years of age
3. Applicant must own and reside (primary) at the home requiring the emergency repair or rehabilitation (fee title, trust title) and present written evidence of such ownership
4. Applicant must have sufficient Tribal Member Distribution (i.e.: Per Capita, Senior Support, Elder Support or Disability Support) available to service the monthly minimum HERAP loan payment for the life of the loan
5. Applicant must pledge for the purposes of repayment that portion of their monthly Tribal Member Distribution required to service the minimum monthly loan payment for the life of the loan, even if the Applicant elects to pay the monthly loan payment from sources other than his/her Tribal Member Distribution (i.e.: Payroll Deduction) . So long as the Applicant continues to make timely minimum monthly loan payments from cash sources other than his/her Tribal Member Distribution, no monthly HERAP payment will be deducted from the Tribal Members Distribution. In the event Applicant does not make a timely payment from cash sources other than his/her Tribal Member Disbursement then the Finance Department is authorized to deduct the minimum monthly payment due subject to the Hierarchy of Tribal Distribution Deduction Policy without prior notice to the Applicant.
6. Applicant must not be in default or have bad debt with any Tulalip Tribes agency, entity loan or program
7. Only one Applicant per household is eligible for a HERAP loan at any given time
8. If Applicant is eligible for insurance proceeds related to the approved scope of work being funded by a HERAP loan, those insurance proceeds will be assigned to the Tulalip Tribes of Washington and applied to the repayment of the applicable HERAP loan at time of receipt by Tulalip
9. Loan proceeds for approved repairs or rehabilitation cannot be paid to the Applicant, or any business, vendor, contractor or subcontractor business owned in part, or full, by the Applicant or any resident of the home being rehabilitated

10. Applicant must not be subject to any pending investigation of criminal wrongdoing against the Tulalip Tribes or its entities at the time of application, or have been convicted of such within three years (3) from the date of the application

POLICY:

General Information

1. All loans are subject to availability of tribal hard dollar funds.
2. All loans are secured by a fully executed security instrument pledging the Applicant's Tribal Member Distribution for loan repayment. The completed Financing Statement will be timely filed with the Tulalip Tribal Court and released once the debt is fully satisfied.
3. Powers of Attorney will not be accepted for HERAP Loan Application or supporting loan documentation.
4. All loan proceeds will be delivered electronically to Tulalip approved vendors/service providers via direct deposit. All vendors or service providers must have a W-9 and current ACH form filed and approved by the Tulalip Finance Department (attn.: Accounts Payable) a minimum of five days prior to any payment being remitted.
5. To qualify, the tribal Applicant must have sufficient Tribal Member Distribution available to support the minimum loan payment for the life of the proposed HERAP loan. The Finance Department will calculate payment eligibility pursuant to the Tribal Member Distribution Deduction Policy.
6. Tribal Members that have secured loan repayments via payroll deductions must agree to have loan repayments withheld from their tribal distribution in the event of separation from employment. The Tulalip Tribes Finance Department reserves the right to revert loan repayments from payroll to Tribal Member Distribution in the event of separation from employment. It is the responsibility of the Tribal Member to inform Finance of a departure from employment.
7. Applicant must execute all program documents, including but not limited to the application, promissory note, financing statement securing the Tribal Member Distribution and a Payroll or Tribal Member Distribution Deduction Authorization Form.

Loan Terms

1. **Loan Amount:** HERAP loans shall not exceed a maximum of \$25,000 at any time and are limited to the actual costs of repairs approved by Tulalip
2. **Loan Term:** A maximum of sixty months (60) or five (5) years
3. **Loan Origination Fee:** No loan origination or application fee is assessed in the HERAP program
4. **Loan Disbursements:** Loan proceeds will be disbursed directly to approved service providers and/or vendors for work complete or material provided onsite as represented to the Finance Department via invoices or draw schedules submitted by the Borrower. Under no circumstance will loan proceeds be disbursed directly to the Applicant/Borrower.
5. **Interest Rate:** Five Percent (5%) per annum
6. A maximum of one HERAP loan per eligible household
7. **Down Payment:** Not required from Applicant
8. **Construction Completion Deadline:** The approved repairs or rehabilitation assignments must be complete no later than 12 months from the date of the promissory note. No loan proceeds will be disbursed after the 13th month from the date of the promissory note.
9. **Change Orders:** Post loan closing change orders that increase the loan amount will be processed once per month and are only available if : 1) the tribal member has sufficient Tribal Member Distribution to service the larger monthly payment resulting from the increased debt obligation and 2) the amended loan amount does not exceed \$25,000 and 3) the loan amortization does not exceed 60 months total from the date of the promissory note 4) loan modification paperwork is processed and signed by the borrower to increase the repayment obligation due to Tulalip and 5) all work on the project is complete, including any change orders, within the time frame identified in Paragraph #8 located directly above.

Loan Repayment / Amortization


8. **Amortization:** Loan repayment will be fully amortized over sixty (60).
9. **Payment Due Date:** All loan payments are due the first day of each month.
10. The first monthly loan payment to be made by the borrower will be on the first day of the second month from the date of loan funding (i.e., loan issued on March 15th will be due on May 1st, and on the first day of each subsequent month until paid in full).
11. Loan payments will be made through either Payroll or Tribal Member Distribution deductions.
12. Borrowers are responsible to confirm their payments are deducted and to notify the Finance Department of any discrepancies. Failure to make timely minimum monthly payments for any reason will place the Borrower in default.

Loan Defaults/Delinquencies

1. Borrowers whose loan payment is more than 30 days outstanding will be considered in default.

2. Borrowers who are more than 60 days outstanding will receive a Notice of Default and be assessed late fees of \$20 per month until the default is cured.
3. Borrowers with defaulted Membership Loans will not be eligible for additional Membership loans until the defaulted loan(s) is cured, including all late fees.
4. Tribal Loans more than 120 days past due will be subject to monthly BOD Business Committee review and standardized collection efforts.

APPLICATION / PROCESSING / LOAN SERVICING PROCESS:

1. All HERAP loans are initiated by tribal members by submitting a signed HERAP loan application to the Finance Department Cashier Window at the Administration Building for loan intake. 
 - a. Each application must be complete; incomplete loan applications will be denied.
2. Loans will be processed on a first come, first serve basis pursuant to the date and time stamp provided by the Cashier Window at the time of loan intake. All Applicants will be provided with a date and time stamp receipt of their application submission from the Cashier Window staff.
3. The HERAP Application must contain, at a minimum, the following documentation and may require additional documentation on a case by case basis:
 - a. Copy of Applicant's current tribal identification card
 - b. Copy of ownership deed or other proof of home ownership for the home requiring repairs or rehabilitation
 - c. Copy of any mortgage document (s) or promissory note(s) encumbering the home, including evidence of any applicable mortgage or note balance(s) in a priority lien position of the HERAP loan at the time of application
 - d. Project scope and costs of work not to exceed \$25,000, including all third party contracts or bids from approved vendors or service providers and other support of proposed expenses as necessary
 - e. Copy of any existing homeowner's insurance policy for the home and written evidence that the insurer is not obligated to cover the costs of the repairs identified in the Scope of Work provided with the loan application. (Examples include exceptions for groundwater intrusion, wind and flood.)
 - f. A list of all Tulalip Tribes members living in the home, including full name and age.
2. Finance will intake the application; verify that the submission is complete, the identified scope of work is accurate, and the expenses are properly supported and that the overall request complies with this policy.
 - a. Finance will confirm the maximum qualifying loan amount based on two calculation methods: 1) 100 percent (100%) of all Tribal Member Distributions

available to service the monthly HERAP loan debt subject to the Hierarchy of Tribal Distribution Deduction Policy, 2) Fifty Percent (50%) of all Tribal Member Distributions available to service the monthly HERAP loan debt, after monthly tax, child support and Beda Chelh obligations are deducted are applied and subject to the Hierarchy of Tribal Distribution Deductions Policy.

- b. Finance will notify the Applicant of any missing items and of the two qualifying loan amounts described above complete with amortization schedules communicating to the Borrower the total projected interest expense over the life of the loan.
 - c. Assistance will be provided to tribal members as to vendor and service provider sourcing and other project scope of work/budget assignments as requested.
3. After the application is fully processed, Finance will notify Applicant in writing if the loan is approved or denied and at what dollar amount. If the loan is declined, Finance will provide the reason to the Applicant.
4. If approved, Finance will:
- a. Prepare loan documents for signature, obtain signatures, including an estimated schedule of property inspections and vendor/contractor payments
 - b. Record the Financing Statement with the Tribal Court, ✓
 - c. Book loan and process loan disbursements to the loan borrower,
 - d. Apply borrower authorized payroll and/or per capita deductions to the Member Loan per the terms defined in the loan promissory note,
 - e. Provide monthly loan statement(s) to the borrower,
 - f. Provide payoff requests to borrowers as needed,
 - g. Provide the Borrower with a Satisfaction of Mortgage and release the financing statement at tribal court when the loan is fully satisfied.