

SAMPLE Form Documents Below Include:

BIA CERTIFICATION OF APPROVAL

MORTGAGE CREDIT MEMORANDUM

BIA TRUST MORTGAGE DOCUMENTS CHECKLIST

MORTGAGE LANGUAGE FOR A TSR (Title Status Report)

INTER-AGENCY AND PROGRAM MORTGAGE PACKAGE ROUTING SLIP



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Northwest Regional Office
911 N.E. 11th Avenue
Portland, Oregon 97232-4169



CERTIFICATION OF APPROVAL

This Certificate of Approval shall be attached and recorded in the Official Records of the Bureau of Indian Affairs with that certain Leasehold Mortgage between lessee, _____ on Lot ___ on Allotment # _____ Lease No. _____ and _____ as mortgagee which is organized and existing under the laws of the State of _____ and whose address is: _____. Said Leasehold Mortgage pertains to a loan from said lender in the principal sum of _____ Dollars; \$_____.

In accordance with the Act of March 29, 1956, (70 Stat 62, 63), 25 UNITED STATES CODE (USC) 483a,

and authority of the Assistant Secretary – Indian Affairs as delegated to the Regional Director by 230 DM 3.1 dated March 16, 1988, and revised by the Assistant Secretary in releases 2863 dated July 1989, the foregoing Leasehold Mortgage is approved.

Approval of the Leasehold Mortgage shall not be construed to be an agreement or assurance that the lands covered by the Leasehold Mortgage will remain in a trust or restricted status during the period of the Leasehold Mortgage. Said lands shall be subject to foreclosure or sale as provided in 25 USC 483(a) and (b) as now existing or as the same may be hereafter amended.

Date: _____

**_____
Superintendent/Northwest Regional Director**

Mortgage Credit Memorandum- SAMPLE

IF MEMO IS DONE BY A BIA OFFICIAL, USE BIA LETTERHEAD OTHERWISE USE TRIBAL 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 Northwest Regional Office 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.

The Northwest Regional Director is authorized to approve this mortgage pursuant to authority delegated to him in 209 DM 8,

230 DM 1 3IAM 4, 4A. Trust patent/Treaty Act, Tribal Constitution.

3. 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.

4.

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: Mortgage Documents

BIA TRUST MORTGAGE DOCUMENTS CHECKLIST

	COMPLETE	INCOMPLETE
1. Mortgage <input type="checkbox"/> or Deed of Trust <input type="checkbox"/> Loan Type: Home Ownership/Equity <input type="checkbox"/> [Complete items 1-8] Non-Home Ownership/Equity <input type="checkbox"/> [Complete all items 1-12]	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
2. Promissory Note and Security Agreement	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
3. Property Value	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
4. Evidence of Title	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
5. Lenders Loan Application	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
6. Credit Bureau Report on Borrower(s)	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
7. Income Verification	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
8. Legal Description, Tract Number, Lease Documents	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
9. Other Information	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
10. Balance sheet	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
11. Business Plan	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		
12. Pro forma cash flow for one year	<input type="checkbox"/>	<input type="checkbox"/>
<hr/>		

Action Taken: _____ Approved _____

Reviewed By: _____

Date: _____

Remarks: _____

INTER-AGENCY AND PROGRAM MORTGAGE PACKAGE ROUTING SLIP

LENDER INSTRUCTIONS: (Complete all required sections)

DATE:

Please use the **BIA Contact Guide for Mortgage Lending** to complete this section and to obtain additional information, including direction related to mortgage approvals when working with a tribe that has leasing regulations approved under the HEARTH Act.

TO: _____

Bureau of Indian Affairs _____ Address _____ Contact _____

FROM: Lender: _____ Representative: _____ Title: _____

(Indicate with a checkmark Type) HUD: _____ USDA: _____ Veterans: _____
other: _____

Address: _____ Phone: _____ Email: _____

Fax: _____

Return Requested Documents To: _____ Title: _____

Address: _____ Phone: _____ Email: _____

Fax: _____

Tribal Member/Borrower Name(s): (Required)

Residential Lease No: (Required for Leasehold Mortgages) _____

Land Area Code: (Required)

Tract Number/ Legal description: (Required)

Physical Address (Optional):

DOCUMENTATION SECTION: (Indicate with a checkmark which documents are included in the package)

- | | |
|--|--|
| _____ Original Mortgage Deed of Trust with legal description | _____ Promissory Note |
| _____ Survey/Plat applicable | _____ Release of Mortgage (if applicable) |
| _____ Program Specific Rider (i.e. Section 184 Rider) Number | _____ Recorded Lease |
| _____ Mortgage satisfaction (if applicable) mortgage approval) | _____ Consents (request for mortgage approval) |

BIA REALTY INSTRUCTIONS: Within 20 days of receipt of the complete package from Lender BIA Realty will (Indicate with a checkmark):

- ___ Acknowledge Receipt of Package to Sender (Date): _____
- ___ Review Application and review for completeness if not return package to applicant
- ___ Review/approve mortgage documents with lease ___ Verify legal description ___ Review Survey/Plat
- ___ NEPA Compliance

- ___ Issue and attach Certificate of Mortgage Approval
- ___ Scan to TAAMS Image Repository and mail notification to LTRO request for Recordation. Submit Recording No. _____
- ___ Request Certified TSR and recorded mortgage or leasehold mortgage be sent to (Indicate with checkmark) _____ Realty _____ Lender _____ Tribe
- ___ Authorized Official Initials and Date

BIA LTRO INSTRUCTIONS: Within 30 days of receipt of the documents from realty (scanned or originals)

- ___ LTRO in receipt of mortgage or leasehold mortgage; logs into recordation log (Date): _____
- ___ Review mortgage or leasehold mortgage and associated documents / Return to Realty if incomplete
- ___ Record (Date): _____ and Encode mortgage or leasehold mortgage and associated documents (Use standard Encumbrance Coded Remarks)
- ___ Examine TSR (remove any expired documents)
- ___ Issue Certified TSR with the recorded mortgage or leasehold mortgage on title, **Date Certified TSR Issued:** _____
- ___ LTRO will email Realty when the certified TSR and recorded mortgage or leasehold mortgage is available in TAAMS to print
- ___ LTRO will FAX certified TSR to lender and /or Tribe if requested in the above BIA Realty Instruction for distribution
- ___ Authorized Official Initials and Date

BIA REALTY INSTRUCTIONS: Within 3 business days of receipt of notification from LTRO that the certified TSR is available:

- ___ **Distribute Certified TSR and Return to Lender** the final Certified TSR with recorded lease and mortgage AND the original mortgage documents that were sent by the requesting lender (see documentation section above). **Follow these instructions when BIA Realty didn't select the option for LTRO to return certified TSR and recorded mortgage or leasehold mortgage to lender.**

PURPOSE OF INTRA-AGENCY AND PROGRAM MORTGAGE ROUTING SLIP

The use of the Inter-Agency Routing Slip is voluntary but recommended. Using the routing slip, understanding how the mortgage business process operates between agencies and programs, and using the important key information from the guide will expedite the lending process in Indian Country. Many mortgage packages are often addressed and routed to the wrong office or are sent without the necessary Land Area Code (LAC) or Tract number. This can lead to unnecessary delays or packages never arriving at their intended destinations. The BIA's Realty and Title computer systems are designed using Land Area Code and Tract number to identify a specific tract of trust or restricted land, an address is not a substitute for this information but rather is optional. If the requesting Agency, Lender, or Borrower does not provide the LAC and Tract number, a mortgage package cannot be handled efficiently.

LENDER INSTRUCTIONS:

Before the application process begins on property held in trust or restricted status for a Tribe or an individual, either inside or outside the boundaries of an Indian Reservation, lending officers taking applications from prospective borrowers should consider using the Inter-Agency Routing Slip. The routing slip should be completed using the information available in the BIA Contact Guide for Mortgage Lending to ensure the appropriate office of the Bureau of Indian Affairs (BIA) is involved and the correct processing codes are included on all mortgage applications and in all phases of the process. *Note: Mortgage satisfactions can be sent directly to LTRO since they do not require a line official's signature.* I wouldn't want to cause a delay but sending them to the agency unnecessarily.

Please complete all sections in the Lender section of the routing slip and ensure all required sections are filled-in.

Depending on the stage of the application and type of transaction, the following is a listing of the kind's documents that may be in a mortgage package request.

1. Original or Certified true copy of the Mortgage Deed of Trust with Legal Description
2. Copy of the Survey/ Plat
3. Program Specific Rider (i.e. Section 184 Rider)
4. Original or Certified true copy of Satisfaction of Mortgage/Deed of full reconveyance
5. Original or Certified true copy of the Promissory Note
6. Release or Conveyance of Mortgage lien (notarized)
7. Copy of the initial certified TSR that was requested at the time of the application to determine status of the property
8. Copy of the executed Residential Lease with the Lease Number / BIA Recording Lease Number
9. Consents (Request for Mortgage Approval)

BIA REALTY INSTRUCTIONS:

In general, BIA Realty reviews and approves requests for review and approval of mortgage documents related to lands held in trust or restricted status by the United States for an Indian tribe or Indian allottee(s). Within 20 days of receipt of a request for mortgage approval, the package is reviewed to ensure it is complete, including proof of required consents and any other required documentation for residential mortgages per 25 CFR § 162.357(a). If the request is incomplete, the package is returned to the requestor and must be re-submitted to before it can be considered again. However, if the package is complete, within the initial 20-day timeframe, the BIA will either approve or disapprove the mortgage. The documents will then be scanned into the TAAMS Image Repository thus notifying LTRO of a request for recording and issuance of a certified TSR. Realty will check all of the entities on the routing slip that are to receive a copy of the TSR and recorded mortgage or leasehold mortgage from the LTRO.

Distribution of Documents by Realty:

Within three business days of notification that the certified TSR is available from LTRO, Realty will distribute the mortgage package, consisting of a certified TSR, recorded mortgage or leasehold mortgage and the original mortgage documents, all of which will be sent to the individual at the address indicated by the requesting Lender on the routing slip.

BIA LTRO INSTRUCTIONS:

Recordation and the issuance of TSR's requested for Certification/Verification of Title Status for Mortgage Purposes are given process priority over other non-mortgage recording and TSR requests. The TSR is to be issued within 30 days of receipt of the documents from realty (scanned or originals). LTRO will FAX the certified TSR and recorded mortgage or leasehold mortgage to the lender and /or Tribe if requested in the above BIA Realty Instruction for distribution. If the request is incomplete, the package is returned to the originating office and must be re-submitted to be considered again. The issuance of a subsequent TSR to report the existence of the completed and recorded mortgage on title is verification of title status.