

NORTHERN CIRCLE INDIAN HOUSING AUTHORITY

MUTUAL HELP PROGRAM

CONVEYANCE POLICIES

INTRODUCTION

The Mutual Help Homeownership Program (“MH Program”) administered by Northern Circle Indian Housing Authority (“NCIHA”) provides participants in the program with the opportunity to own their own home but not the tribal trust land on which the home is constructed.

NCIHA has leased that property (the “Homesite”) from the Tribe under a land lease approved by the Bureau of Indian Affairs with an initial term of twenty-five (25) years (“Initial Term”) and an option to renew the lease for an additional term of 25 years (“Renewal Option”). Generally, there is approximately 10 years remaining on the Initial Term when the Home Buyer is entitled to receive title to the Home.

The Mutual Help and Occupancy Agreement (“MH Agreement”) between the participant (“Home Buyer”) and NCIHA requires NCIHA to convey the home to the Home Buyer fifteen (15) years after the parties first enter the agreement (“Conveyance Date”), if the Home Buyer has complied with his or her obligations under the Agreement.

NCIHA has adopted these policies and procedures to govern the conveyance of homes under the MH Agreements.

NOTICE OF RIGHT TO CONVEYANCE

Not less than ninety (90) days prior to the Conveyance Date, **unless a shorter time is agreeable to the homebuyer**, the NCIHA Executive Director or his or her designee (“Executive Director”) shall provide the Home Buyer with a notice containing the following information.

1. The date on which the Home Buyer is entitled to a conveyance of the home.
2. The amortization schedule and purchase of the home.
3. Any account balances maintained by NCIHA on behalf of the Home Buyer, such as the Monthly Equity Payment Account (“MEPA”) and a description of any permitted uses to which those balances may be put.
4. Any actions the Home Buyer must take to perfect his or her right to the conveyance, including any existing violations of the MH Agreement and of the steps or payments required to cure any such breaches. The notice should inform the Home Buyer that NCIHA will not convey the unit to the Home Buyer until the Home Buyer has satisfied all of the conditions in the MH Agreement to the conveyance of the home.
5. A statement that upon conveyance of the home:
 - a. The MH Agreement will end and as a result the Home Buyer will not have to make monthly payments to NCIHA anymore and NCIHA will not have any more obligations to the Home Buyer under the agreement; and
 - b. A description of any tribal requirements such as a requirement to procure fire or extended coverage insurance for the home, if applicable.
6. How the Home Buyer can get permission from the Tribe to occupy the tribal trust land on which the home is constructed.
7. How the Home Buyer can get title to the home from NCIHA.

CONVEYANCE OF HOME

On or within sixty (60) days of the Conveyance Date, the Executive Director shall take the following steps to convey the home to the Home Buyer.

1. Determine whether the Home Buyer has complied with the MH Agreement. If the Home Buyer has breached the agreement or must do something to fully comply with the Agreement, the Executive Director shall include that information in the Notice to the Home Buyer.

2. Collect all of the information required for and prepare the Notice required by this policy.

3. If the Home Buyer has satisfied all of the conditions in the MH Agreement for conveyance of the home, prepare duplicate originals of the Conveyance of Improvements to Real Property - Mutual Help Home ("Conveyance") in the form attached hereto as Exhibit A, including all exhibits referenced in the Conveyance, get the approval of NCIHA legal counsel for the Conveyance and get notarized signatures from NCIHA, the Home Buyer and the Tribe, **if necessary**.

4. Upon completion of item 3 above, but not sooner than the Settlement Date, deliver an original Conveyance to the Home Buyer and retain the duplicate original in NCIHA's files.

5. If the Conveyance provides for an assignment of the land lease to the Home Buyer, an assignment and assumption agreement shall be prepared by NCIHA legal counsel and executed by NCIHA, the Tribe and the Home Buyer and submitted to the BIA for approval.

NCIHA LAND LEASE ASSIGNMENT POLICY

Introduction and Statement of Intent. NCIHA strongly encourages its member Tribes to provide Home Buyers with a secure, long-term right to use the Homesite. The tribal ordinance establishing NCIHA as each member Tribe's Housing Authority requires the Tribe to ". . . do any and all things, within its lawful powers, necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of projects." (Art. VIII, Sec. 1(d).) From its inception the mutual help home ownership program held out the promise of home ownership to tribal members who fulfilled their obligations under the MH Agreement for the 15 year term of the Agreement.

One of the most important goals of Indian tribal government is to provide a safe and secure home within the Tribe's reservation or rancheria for its members. Establishing NCIHA as its housing authority and the promise of home ownership inherent in the mutual help program are important steps in achieving that goal. Providing a secure, long-term right to use the Homesite after NCIHA conveys to the Home Buyer title to the home itself is an additional essential step.

Statement of Policy. Accordingly, it is the policy of the Board of Commissioners of NCIHA to take all measures within its power to provide the Home Buyer with a secure, long-term right to use his or her Homesite after NCIHA conveys title of the home to the Home Buyer.

Procedures for Securing a Right of Use. To implement this policy, **unless otherwise agreed by the homebuyer**, the Executive Director shall take the following steps, commencing 90 days prior to the Conveyance Date:

1. Notify the Tribe of the Conveyance Date and of the need on that date for an assignment of the existing land lease or a land assignment, if the Tribe has adopted a land assignment ordinance and prefers to make assignments under the ordinance rather than continue to use the existing land lease. The notice shall offer NCIHA's services in preparing the necessary legal documents for the Tribe's review and approval.

2. Follow-up the notice under number 1 above with telephone calls, fax transmittals and letters, not less

frequently than every two weeks, until the Tribe has taken the necessary steps to approve and execute the necessary legal documents for delivery on the Settlement Date.

3. If by the 30th day prior to the Conveyance Date, the Tribe has not taken the necessary steps to provide the Home Buyer with a secure, long-term right to use the Homesite on and after the conveyance of the home, NCIHA shall enter a new sublease agreement with the Home Buyer for the use of the Homesite for the balance of the Initial Term and the Renewal Option. The sublease shall allow the Home Buyer to sublease the Homesite for one dollar on condition the Home Buyer and his or her successors or assigns agree to release and hold NCIHA harmless from any expense, claim or liability associated with the sublease of the property to the Home Buyer or NCIHA's lease of the Homesite from the Tribe. The sublease shall be prepared by NCIHA's legal counsel and approved by the Board of Commissioners.

TRIBAL RESPONSIBILITIES

The Tribe must notify NCIHA how it wants to permit Home Buyers to continue using Homesite. The Tribe either can approve an assignment of the existing land lease from NCIHA to the Home Buyer or terminate the lease with NCIHA's approval and grant the Home Buyer a land assignment under a tribal land assignment ordinance.

An assignment of the land lease requires approval from the Tribe and the BIA. The Home Buyer will succeed to NCIHA's rights under the land lease for the remaining term of the lease and for the Renewal Option. When the Option Renewal is about to expire, the Home Buyer and the Tribe need to determine whether continued use of the land will be permitted by a further extension of the lease term, a new lease or a land assignment under a tribal land assignment ordinance.

If the Tribe elects to replace the land lease with a land assignment, prior to signing the Conveyance, the Tribe must provide NCIHA with a copy of the land assignment ordinance and the land assignment to the Home Buyer. Upon receipt of those documents, NCIHA shall prepare a termination of land lease for its and the Tribe's signature.

If the Tribe elects to approve NCIHA's assigning the land lease to the Home Buyer, prior to signing the Conveyance, NCIHA shall prepare for its signature and the signatures of the Tribe and the Home Buyer a Land Lease Assignment and Assumption Agreement.

Prior to signing the Conveyance and related documents, NCIHA and the Tribe shall exchange resolutions by the Board of Commissioners and the Tribe's governing body designating the official for each party authorized to sign these documents and approving the documents.

NOTIFICATION TO HUD

Upon delivery of the signed Conveyance to the Home Buyer, NCIHA shall notify the Office of Native American Programs at the United States Department of Housing and Urban Development that the unit has been conveyed and should no longer be counted as currently assisted housing stock.