

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE ST. REGIS MOHAWK TRIBE

AND

THE DEPARTMENT OF VETERANS AFFAIRS

Whereas, the Secretary of the Department of Veterans Affairs (VA) is authorized to make, insure and/or guarantee loans to American Indian borrowers for the purchase of one-to-four family residences located on certain Indian lands (as defined in Veterans Affairs authorizing statute), and

Whereas the Department of Veterans Affairs require, as a condition of making, insuring or guaranteeing these mortgages, that the tribal organization which has jurisdiction over the borrower enter into a Memorandum of Understanding with the VA with respect to such loans, and

Now therefore, in consideration of the premises and other goods and valuable consideration, the parties hereto do agree and establish as follows:

1. DEFINITIONS

American Indian or Native American shall refer to the borrower/mortgagor or Lessee as defined within the VA's authorizing statute. This may mean a member of a federally recognized tribe (Native American, Indian, Alaska Native individual or family), the tribe, a Tribally Designated Housing Entity (TDHE) or Indian Housing Authority (IHA).

Borrower shall mean a federally recognized Tribe, Tribally Designated Housing Entity (TDHE), Indian Housing Authorities (IHA) or any American Indian, Native American(s), Indian or Alaska Native who has executed a Mortgage as defined in this document, or any heir(s) successor(s), executor(s), administrator(s) or assign(s) of the Tribe, TDHE, IHA or such Tribal Member, American Indian, Native American(s), Indian or Alaska Native as may be eligible to participate in a federally sponsored loan program as defined in each Federal Agency's authorizing statute.

Eviction is the legal process by which lessees in violation of their land assignment mortgage are removed from occupancy of a given residence.

Reservation Lands means the St. Regis Mohawk Reservation which shall include all lands held in restricted status and in trust by the United States of America for the benefit of the St. Regis Mohawk Tribe.

Assignment Interest is the name given to the interest conveyed by the tribe to the borrower under the assignment. It consists of the right to the quiet enjoyment of the assigned premises for the term of the assignment, subject to the definition and requirements of the St. Regis Mohawk Tribe Mortgage Land Assignment Ordinance.

Lender shall refer to any institution that the VA has approved to originate or service mortgages made, insured or guaranteed under its programs. The term "lender" also includes any of the lender's successors or assigns of the lender's right, title to, or interest in, the Assignment Mortgage, including any subsequent note holder and mortgagee and, without the consent from the tribe, any secondary mortgage market investor. In some cases, the lender may be the VA when it sponsors a direct loan program.

Mortgage shall mean an assignment mortgage loan made to an eligible borrower for the purchase or refinance of the borrower's real property interest (which may be an assignment interest) in the trust land, reservation, restricted land or fee simple land, as applicable, and made in accordance with a VA sponsored loan program and complying with the terms and conditions of the lender's mortgage program. The mortgage loan shall be either a first lien or a second lien, in accordance with the VA's loan program requirements.

Secretary shall mean the Secretary of the Department of Veterans Affairs (VA).

Tribe shall refer to any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975. For the purpose of this specific Memorandum of Understanding, Tribe refers to the St. Regis Mohawk Tribe, a federally recognized tribe.

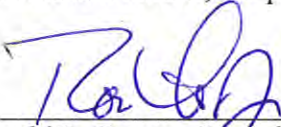

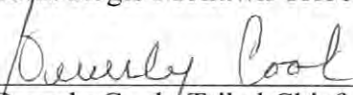
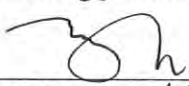
Tribal Member shall refer to an enrolled member of the Saint Regis Mohawk Tribe.

## AGREEMENT

- (a) That the Department of VA will make and/or guarantee assignment mortgages available to qualified Tribal Member borrowers for the purchase, construction or rehabilitation of homes on Reservation lands or refinances of such mortgages to the extent funds are available and subject to such terms and conditions as may be established by the Secretary.
- (b) That the St. Regis Mohawk Tribe has established standards and procedures that apply to the conveyance of an assignment interest in real property by an American Indian borrower/mortgagor to a lender, the VA or their assignee as security for the loan, including procedures for foreclosing the interest, eviction and procedures for resale of the lot or the dwelling (or both) purchased, constructed, rehabilitated or refinanced using the proceeds of the loan. It is agreed that for the purpose of foreclosure and eviction actions, the court of jurisdiction is the St. Regis Mohawk Tribal Court.
- (c) That each Tribal Member who is under the jurisdiction of the tribe and to whom a lender and/or the VA makes direct, insures or guarantees a loan, holds, possesses or will obtain an assignment or other acceptable interest in a lot that is located on Reservation lands and will purchase, construct, rehabilitate or refinance a dwelling on that lot with the proceeds of the loan.
- (d) That each such Tribal Member will convey the above described interest to the lender and its assignees as specified in the borrower/mortgagor's Loan documents, by an appropriate instrument, as security for the loan made pursuant to the VA's authorizing statute.

- (e) That the Tribe and each borrower/mortgagor who obtains a loan from a lender or the VA under this agreement will permit the lender and/or the VA, its agents and employees to enter upon the land of the tribe and the borrower/mortgagor for the purpose of carrying out such actions as the lender and/or Secretary determines are necessary to evaluate the advisability of the proposed uses of the proceeds of the loan and to service the mortgage according to the applicable VA's requirements.
- (f) With respect to any assignment estate financed by a loan, the tribe, as lessor, agrees that it shall not attempt to cancel, modify, amend, terminate, surrender or forfeit such an assignment estate without the prior written consent by the Lender and the Secretary, as long as such a loan remains outstanding. With regard to any loan submitted to the VA for guarantee or insurance, the VA shall have the same rights as the lender with regard to that loan and the security. No action with regard to the loan or security that requires consent of the lender shall be taken unless the VA also consents, so long as the guarantee or insurance remains in effect or the VA has an interest in the security.
- (g) The tribe will to the maximum extent possible, assist the lender and the VA in its efforts to manage this program in a prudent and cost-effective manner. This will include assisting the lender or the VA in finding qualified substitute purchasers if the initial borrower/mortgagor is unable to fulfill his or her obligations under the law. This may include carrying out evictions, assuring that mortgages and other legal instruments can be properly recorded and otherwise assuring that the program is operated in a responsible and prudent manner.

In witness whereof, the parties hereto have signed this agreement as follows:

 _____ Ronald LaFrance, Jr., Tribal Chief Saint Regis Mohawk Tribe	DATE: <u>11/12/13</u>
 _____ Paul O. Thompson, Tribal Chief Saint Regis Mohawk Tribe	DATE: <u>11/12/13</u>
 _____ Beverly Cook, Tribal Chief Saint Regis Mohawk Tribe	DATE: <u>11/14/13</u>
 _____ Print Name: <u>Michael J. Frueh</u> US Department of Veteran's Affairs	DATE: <u>12/7/13</u>