



**United Keetoowah Band of Cherokee Indians in Oklahoma**

P.O. Box 746 • Tahlequah, OK 74465

18263 W. Keetoowah Circle • Tahlequah, OK 74464

Phone: (918) 871-2800 • Fax: (918) 414-4000

**RESOLUTION**

**COUNCIL**

Joe Bunch  
Chief

Jeff Wacoche  
Assistant Chief

Joyce Hawk  
Secretary

Sonja Gourd  
Treasurer

Eddie Sacks  
Canadian District

Cliff Wofford  
Cooweescoowee District

Elmer Panther  
Delaware District

Frankie Still  
Flint District

Willie Christie  
Goingsnake District

Peggy Girty  
Illinois District

Charles Smoke  
Saline District

Junior Catron  
Sequoyah District

Terry Kingfisher  
Tahlequah District

April 6, 2024

24-UKB-35

**APPROVE THE TRIBAL LENDING CODES**

**WHEREAS,** THE UNITED KEETOOWAH BAND OF CHEROKEE INDIANS IN OKLAHOMA [hereafter, UKB or Band] is a federally recognized Band of Indians, organized and incorporated pursuant to the Oklahoma Indian Welfare Act (49 Stat. 1967), the Act of August 10, 1946 (60 Stat. 976), and the Indian Reorganization Act (48 Stat. 984), insofar as that Act applies to Oklahoma Indians and is a Self-Governance tribe; and,

**WHEREAS,** Article III, Section 1 of the Constitution of the UKB provides that the objective of said Band shall be to secure the benefits, rights, privileges, and powers as provided for by the above cited laws of the United States of America; and,

**WHEREAS,** Article III, Section 2 of the Constitution of the UKB provides further that the objective of the Band shall be to secure the benefits, rights, privileges and powers as provided for by any laws of the United States now existing or that may hereafter be enacted for the benefit of Indians or other citizens of the United States and administered by various government agencies; and,

**WHEREAS,** The UKB, in pursuit of these goals, desires to improve and advance the economic status of its members; and,

**WHEREAS,** Article V, Section 1 of said Constitution provides that the supreme governing body of the Band shall be the Council of the UKB; and,

**WHEREAS,** Sections 3(a) through 3(v) of the UKB Corporate Charter (approved by the Commissioner of Indian Affairs and the Assistant Secretary of the Interior) provides that the UKB Council is charged with conducting business and finance and preserving the property, natural resources and traditions of the Band;

**United Keetoowah Band of Cherokee Indians in Oklahoma**

Resolution #24-UKB-35

April 6, 2024

Page 2

**WHEREAS:** that the Council of the United Keetoowah Band of Cherokee Indians in Oklahoma does approve the Tribal Lending Codes; and,

**BE IT FINALLY RESOLVED:** That Resolution #24-UKB-35 hereby rescinds any and all preceding resolutions that may be inconsistent with the matter.

**CERTIFICATION**

I hereby certify that the foregoing Resolution #24-UKB-35 was approved by the Council of the United Keetoowah Band of Cherokee Indians in Oklahoma (UKB) during a Regular meeting convened for business on the 6<sup>th</sup> day of April, 2024, with 9 members present to constitute a quorum by a vote of 9 Yes, 0 No, and 0 Abstentions.

  
\_\_\_\_\_  
Joe Bunch, Chief

Attest:  
  
\_\_\_\_\_  
Joyce Hawk, Tribal Secretary

UKB  
TRIBAL LENDING AND DEBT COLLECTION CODE

Table of Contents

<b>SECTION 1. FINDINGS, INTENT AND POLICY .....</b>	<b>5</b>
1.1 Findings.....	5
1.2 Intent.....	5
1.3 Policy.....	6
<b>SECTION 2. GENERAL PROVISIONS.....</b>	<b>7</b>
2.1 Authority.....	7
2.2 Applicability.....	7
2.3 Construction .....	7
2.4 Severability and Savings Clause .....	8
2.5 Effective Date .....	8
2.6 Repeal of Prior Acts.....	8
<b>SECTION 3. DEFINITIONS .....</b>	<b>9</b>
3.1 “Agent” .....	9
3.2 “Annual Percentage Rate” .....	9
3.3 “Applicant” .....	9
3.4 “Application” .....	9
3.5 “Borrower” .....	9
3.6 “Code” .....	9
3.7 “Conspicuously displayed” .....	9
3.8 “Council” .....	9
3.9 “Creditor” .....	9
3.10 “Debt Collection Activities” or “Debt Collection Business” .....	9
3.11 “Deposit Account” .....	9
3.12 “Employee Licensee” .....	10
3.13 “Finance Charge” .....	10
3.14 “License” .....	10

3.15 “Licensing Commission” .....	10
3.16 “Lender” .....	10
3.17 “Loan” or “Loans” .....	10
3.18 “Licensee” .....	10
3.19 “Outstanding Unpaid Indebtedness” or “Indebtedness” .....	10
3.20 “Person” .....	10
3.21 “Receivable” or “Receivables” .....	11
3.22 “Right of Recission” .....	11
3.23 “Rollover” .....	11
3.24 “Short-Term Consumer Loan” .....	11
3.25 “Small Dollar Consumer Loan” .....	11
3.26 “Tribal Court” or “UKB Tribal Court” .....	11
3.27 “Tribal Debt Collector” or “Tribal Debt Collection Licensee” .....	11
3.28 “Tribal Lending Activities” or “Tribal Lending Business” .....	11
3.29 “Tribal Lender” .....	12
3.30 “Tribe” including all variants such as “tribal,” “tribally,” .....	12
3.31 “Tribe’s Trust Lands” .....	12
3.32 “UKB Federal Corporation” .....	12
3.33 “Vendor” .....	12
3.34 “Vendor Licensee” .....	12
3.35 “Workout Agreement” .....	12
<b>SECTION 4. AUTHORIZED TRIBAL LENDING AND TRIBAL DEBT COLLECTION ACTIVITIES .....</b>	<b>13</b>
4.1 General Authority .....	13
4.2 Agreement Terms .....	13
4.4 Small Dollar Consumer Loans .....	16
4.5 Short-Term Consumer Loans .....	18
4.6 Debt Collection Activities Authorized, Certain Acts Prohibited .....	19
<b>SECTION 5. AUTHORITY OF THE TRIBAL LICENSING COMMISSION .....</b>	<b>21</b>
5.1 Authority .....	21
5.2 Agents .....	21
5.3 Prohibited Acts .....	22

5.4 Powers of the Licensing Commission .....	22
5.5 Investigations, Rights of Entrance .....	24
5.6 Annual Budget .....	25
5.7 Licensing Commission Regulations.....	25
5.8 Report to the Council .....	27
5.9 Notice and Opportunity to Cure; Due Process; Notice; Hearings; Examiner .....	28
<b>SECTION 6. LICENSES.....</b>	<b>30</b>
6.1 Applicability.....	30
6.2 Application Procedure.....	30
6.3 Review, Issuance and Denial, Term.....	31
6.4 Application Denial; Suspension or Revocation of License.....	32
6.5 Renewal .....	35
6.6 Voluntary Surrender of License .....	35
6.7 Assignment or Transfer .....	35
6.8 Deposits of Fees and Assessments .....	35
<b>SECTION 7. EXEMPTIONS .....</b>	<b>36</b>
7.1 Exemptions.....	36
<b>SECTION 8. LICENSEE.....</b>	<b>37</b>
8.1 Compliance.....	37
8.2 Federal Consumer Protection Laws.....	37
8.3 Prohibited Acts by Licensees .....	37
8.4 Compliance Management System.....	39
8.6 Books, Accounts and Records, Examinations, Costs .....	39
8.7 Audit Requirements .....	40
8.8 Public Notice.....	40
8.9 Annual Reports .....	40
<b>SECTION 9. ENFORCEMENT .....</b>	<b>42</b>
9.1 Jurisdiction .....	42
9.2 Civil Violations .....	42
9.3 Civil Fines .....	42
9.4 Cumulative Fines.....	42

9.5 Purpose of Civil Penalties .....	42
9.6 Guidelines .....	42
9.7 Civil Action for Penalties .....	43
9.8 Seizure and Forfeiture of Property.....	43
<b>SECTION 10. RESOLVING BORROWER DISPUTES .....</b>	<b>44</b>
10.1 General Principles .....	44
10.2 Tribal Nature of the Commission. ....	44
10.3 Sovereign Immunity of the Licensing Commission. ....	44
10.4 Sovereign Immunity of the Tribe and UKB Federal Corporation .....	45
10.5 Initial Dispute Resolution Procedures .....	46
10.6 Formal Dispute Resolution Procedure.....	46
<b>SECTION 11. USE OF PROCEEDS. ....</b>	<b>48</b>
11.1 Application of Proceeds .....	48

## SECTION 1. FINDINGS, INTENT AND POLICY

1.1 Findings. The Council of the United Keetoowah Band of Cherokee Indians in Oklahoma (“the Tribe”) finds that:

- (a) The Tribe desires to expedite the development of its economy to improve its economic self-sufficiency, to enable it to better serve the social, economic, educational, health, and safety needs of its members, and to provide its members with opportunities to improve their economic circumstances.
- (b) The Tribal licensing and operation of Tribal Lending and Debt Collection businesses is a legitimate means of generating revenue to address the aforementioned needs and pursuing the Tribe’s goal of self-sufficiency and self-determination.
- (c) The Tribe has the legal authority to license, regulate, and operate Tribal Lending and Debt Collection businesses within its jurisdiction, which includes the Tribe’s Trust Lands.
- (d) Properly licensed and regulated lending and debt collection industries are consistent with announced federal policy promoting tribal self-government and economic self-sufficiency.
- (e) Tribal ownership, control, and regulation of lending and debt collection businesses within the Tribe’s Trust Lands is essential for the protection of the public welfare.
- (f) It is essential that the Council enact laws to ensure that lending and debt collection businesses within the Tribe’s Trust Lands will be regulated in a manner commensurate with Tribal law and policy and applicable federal law.
- (g) It is essential that public confidence in lending and debt collection businesses that operate within the Tribe’s Trust Lands be maintained.
- (h) Adoption of a Tribal Lending Code by the Council is a necessary condition for the legal operation of lending and debt collection businesses within the Tribe’s Trust Lands and is in the best interest of the Tribe.
- (i) Empowering the Tribe’s Licensing Commission to implement the purpose and intent of the Tribal Lending Code within the Tribe’s Trust Lands is in the best interest of the Tribe.

1.2 Intent. The Council, on behalf of the Tribe, declares that the intent of this Code is to:

- (a) Diversify and expedite the development of the Tribe's economy for the purposes described in Section 1.1(a) above.
- (b) Define general regulatory powers to be exercised by the Tribe's Licensing Commission in relation to the licensing and regulation of Tribal Lending and Debt Collection businesses, and their Vendors.
- (c) Ensure that all Tribal Lending business revenues are used for the benefit of the Tribe's government and its members and are used to improve the Tribe's economic self-sufficiency, to enable the Tribe to better serve the social, economic, educational, health, and safety needs of its members, and to provide its members with opportunities to improve their own economic circumstances.
- (d) Ensure that Tribal Lending and Debt Collection activities originating on the Tribe's Trust Lands are conducted appropriately by Licensees and remain free from abusive, corrupt, deceptive, unconscionable, unfair, and dishonest practices.
- (e) Protect the interests of the public in the offering of Tribal Lending and in the conduct of Debt Collection activities.
- (f) Ensure that there is a forum for the fair and orderly resolution of Tribal Lending and Debt Collection disputes.
- (g) Ensure that the Tribal Lending and Debt Collection laws and regulations are fairly enforced.

### 1.3 Policy.

- (a) The Tribe shall have sole proprietary interest in, and the responsibility to regulate, the Tribal Lending and Debt Collection businesses authorized by this Code.
- (b) This Code and any regulations developed in accordance with this Code are the sole authority through which Tribal Lending may be originated from within the Tribe's Trust Lands. Any Lender licensed under this Code shall originate Loans only from within the Tribe's Trust Lands.



## SECTION 2. GENERAL PROVISIONS

2.1 Authority. This Code is enacted pursuant to the inherent sovereign powers of the United Keetoowah Band of Cherokee Indians in Oklahoma and in accordance with Article III and Article V, Section 5 of the Tribe's Constitution.

2.2 Applicability. This Code applies to all Loans made by any Lender originated from and consummated within the Tribe's Trust Lands, to include modifications, refinancing, consolidations, and deferrals, and to all debt collection activities conducted from within the Tribe's Trust Lands. For purposes of this Code, a Loan is deemed consummated within the Tribe's Trust Lands and therefore subject to this Code when a Borrower completes and sends to the Lender, either electronically or through other means of delivery, a written agreement evidencing the Borrower's signed agreement to enter into, modify, refinance, consolidate or defer a Loan, and the Lender accepts the agreement, thereby approving the Loan, while the Lender is located within the Tribe's Trust Lands, as evidenced by the location of the Lender's managers, employees, computer servers, and other business property and equipment.

2.3 Construction. In constructing the provisions of this Code, the following shall apply:

- (a) The provisions of this Code, being necessary for the benefit of the Tribe and its members, shall be constructed to effectuate its purpose and to promote substantial justice.
- (b) Unless the context otherwise requires: (i) the words "herein" and "hereunder" and words of similar import refer to this Code as a whole and not to any particular provision of this Code; (ii) the provisions of this Code are intended to be gender neutral and gender inclusive; any use of gendered pronouns are used solely for the sake of convenience; (iii) references to any Article or Section are references to Articles and Sections in or to this Code and references to any paragraph, subsection, clause or other subdivision within any Section or definition refer to such paragraph, subsection, clause or other subdivision of such Section or definition; (iv) the term "including" and all variations thereof means "including without limitation"; (v) except as otherwise expressly provided, references to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation; (vi) references to any Person include that Person's successors and assigns; and (vii) headings are for purposes of reference only and shall not otherwise affect the meaning or interpretation of any provision hereof.
- (c) The Findings, Intentions, and Policies stated in Section 1 constitute the standards to be observed by the Licensing Commission in the exercise of its discretionary powers under this Code, in the adoption of implementing regulations, in the issuance of orders and declaratory statements, in the examination and supervision of Licensees, and in all matters of construction and application of the Code required for any determination or action by the Licensing Commission.

(d) No person who has acted in good faith reliance upon a rule, order, or declaratory statement issued by the Licensing Commission shall be subject to any criminal, civil, or administrative liability for such action, notwithstanding a subsequent decision by a court of competent jurisdiction invalidating the rule, order, or declaratory statement. In the case of an order or declaratory statement that is not of general application, no Person other than the Person to whom the order or declaratory statement was issued is entitled to rely upon it, except upon material facts or circumstances that are substantially the same as those upon which the order or declaratory statement was based.

2.4 Severability and Savings Clause. If any provision or application of this Code is determined by judicial review to be invalid, such provision shall be deemed ineffective and void, but shall not render ineffectual the remaining portions of this Code, which shall remain in full force and effect.

2.5 Effective Date. This Code shall be effective as of the date of approval by the Council.

2.6 Repeal of Prior Acts. Any and all prior resolutions, laws, regulations, ordinances or acts pertaining to the subject matter set forth in this Code are hereby rescinded and repealed in their entirety.

### SECTION 3. DEFINITIONS

In this Code, except where otherwise specifically provided or unless the context otherwise requires, the following terms and expressions shall have the following meanings:

3.1 “Agent” means any person hired or appointed as an officer of the Licensing Commission, as that term is defined, while engaged in or on account of the performance of official duties.

3.2 “Annual Percentage Rate” means the measure of the cost of credit, expressed as a yearly rate, that relates the amount and timing of value received by the consumer to the amount and timing of payments made. The annual percentage rate shall be determined in accordance with either the actuarial method or the United States Rule method. Explanations, equations, and instructions for determining the annual percentage rate in accordance with the actuarial method are set forth in Appendix J to Part 226 of Title 12 of the Code of Federal Regulation.

3.3 “Applicant” means any person who has applied for a License under the provisions of this Code.

3.4 “Application” means a request for the issuance of a License under the provisions of this Code.

3.5 “Borrower” means a natural person who acquires goods, services, or credit primarily for personal, family, or household purposes. The term does not include a person who acquires goods, services, or credit primarily for business, commercial or investment purposes.

3.6 “Code” means this Tribal Lending and Debt Collection Code.

3.7 “Conspicuously displayed” means highlighted through the use of capitalization, bold print, underlining or some combination thereof.

3.8 “Council” means the supreme governing body of the United Keetoowah Band of Cherokee Indians in Oklahoma.

3.9 “Creditor” means a Tribal Lender that has issued a Loan to pursuant to this Code.

3.10 “Debt Collection Activities” or “Debt Collection Business” means all activities associated with purchasing or being assigned debt from a Lender or other creditor and collecting debt from a Borrower.

3.11 “Deposit Account” means a demand deposit account or a savings account established at a financial institution by a Borrower, or person acting on behalf of or with authorization from

the Borrower, for the purpose of receiving deposits of funds as more fully described in the agreement governing the Plan.

3.12 “Employee Licensee” means a natural person that is licensed by the Licensing Commission to be employed by a Tribal Lender Licensee or a Tribal Debt Collection Licensee.

3.13 “Finance Charge” means the cost of consumer credit as a dollar amount. It includes any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or a condition of the extension of credit. It does not include any charge of a type payable in a comparable cash transaction.

3.14 “License” means an official, legal and revocable Tribal Lender License, Vendor License, Employee License, or Debt Collection License, issued by the Licensing Commission pursuant to this Code. A License issued pursuant to this Code is a revocable privilege.

3.15 “Licensing Commission” means the UKB Licensing Commission, created and established by the Council and charged in this Code with the implementation and enforcement of the Tribal Lending Code and all other regulations promulgated by the Licensing Commission or the Tribe relating to Tribal Lending and Debt Collection activities on the Tribe’s Trust Lands.

3.16 “Lender” means any Licensee that offers or facilitates the processing of a Loan through any method including storefront, mail, telephone, internet, or any electronic means and located within the Tribe’s Trust Lands.

3.17 “Loan” or “Loans” means cash advances, extensions of credit, or loans to be made from time to time pursuant to the terms of an agreement authorized under this Code between a Creditor and a Borrower.

3.18 “Licensee” means any Tribal Lender Licensee, Vendor Licensee, Employee Licensee, or Debt Collection Licensee.

3.19 “Outstanding Unpaid Indebtedness” or “Indebtedness” means, on any day, an amount which is outstanding and unpaid at the end of the day, after adding the aggregate amount of any new Loans charged to the Borrower’s Account as of that day and deducting the aggregate amount of any payments and credits applied to that indebtedness as of any day and, if the agreement providing the Plan so provides, may include the amount of any interest or additional charges, including late or delinquency charges, which have accrued to the Borrower’s Account and which are unpaid at the end of the day. Loans may be included in Outstanding Unpaid Indebtedness as of such time as may be specified in the agreement governing the Plan.

3.20 “Person” means any Licensee, natural person, partnership, joint venture, association, trust, firm, estate, club, society, receiver, assignee, trustee in bankruptcy, political entity, company, corporation or other group, however organized, and any owner, director, officer or

employee of any such entity or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, the government of the Tribe, any governmental entity of the Tribe or any of the above listed forms of business entities that are wholly owned or operated by the Tribe or the UKB Federal Corporation, or any other entity whatsoever, that engages or seeks to engage in the business of Tribal Lending or Debt Collection pursuant to this Code; provided, that the term does not include the Federal Government or any agency thereof.

3.21 “Receivable” or “Receivables” mean all rights to payment of indebtedness and obligation (including without limitation, unpaid principal, accrued interest, costs, fees, expenses, and indemnity obligations) owed by a Borrower in respect of a loan or loans or other financial accommodations made or extended for the benefit of such Borrower as such rights to payment of indebtedness and obligations have been sold and assigned to a debt collector.

3.22 “Right of Recission” means with respect to any Short-Term Consumer Loan, the right to return any amount borrowed, in full, on or before the close of business of the business day following the day on which such sum has been disbursed or advanced without the incursion of any fee or other charges.

3.23 “Rollover” means, with respect to any short-term consumer loan, the extension of an outstanding and unpaid indebtedness beyond the stated repayment period solely on the basis of the payment of a fee without approval of a new loan application.

3.24 “Short-Term Consumer Loan” means a Small Dollar Consumer Loan for which the stated repayment period is less than sixty (60) days.

3.25 “Small Dollar Consumer Loan” means an unsecured loan in the amount of at least fifty dollars (\$50.00) but no more than five thousand dollars (\$5,000.00), excluding finance charges, fees and other charges permitted in this Code.

3.26 “Tribal Court” or “UKB Tribal Court” means the court system established by the UKB Council to adjudicate disputes from within the Tribe or stemming from occurrences within the Tribe’s territorial jurisdiction, including all trial level and appellate level courts.

3.27 “Tribal Debt Collector” or “Tribal Debt Collection Licensee” means a debt collector that is wholly owned by the Tribe or the UKB Federal Corporation.

3.28 “Tribal Lending Activities” or “Tribal Lending Business” means the business of a tribally owned lending entity, located on the Tribe’s Trust Lands, providing a loan or other financial services or products to at least one Borrower in transactions subject to this Code in exchange for interest, finance charges, fees, or other form of consideration, where the loans are offered from, and consummated on, the Tribe’s Trust Lands. The term includes, without limitation, the offering of short-term or pay-day loans, small-dollar or micro loans, anticipation loans (anticipation of tax refund, per capita payment, etc.), automobile loans, bonds, mortgages,

credit sales, sale-leaseback transactions, letters of credit, or other forms of consumer financial services.

3.29 “Tribal Lender” means an entity that is one hundred percent (100%) owned and operated by the Tribe, a duly authorized subordinate entity of the Tribe, or the UKB Federal Corporation that is licensed by the Licensing Commission to engage in Tribal Lending Activities from the Tribe’s Trust Lands.

3.30 “Tribe” including all variants such as “tribal,” “tribally,” etc., refers to the United Keetoowah Band of Cherokee Indians in Oklahoma.

3.31 “Tribe’s Trust Lands” means all lands held by the United States in trust for the benefit of the Tribe, including lands that may be acquired after the Effective Date of this Code.

3.32 “UKB Federal Corporation” means the federal corporation established under Section 3 of the Oklahoma Indian Welfare Act of June 26, 1936 (49 Stat. 1967) by the issuance of a Federal Corporate Charter by William E. Warne, Assistant Secretary of the Interior, on May 8, 1950, and accepted and ratified by a vote of the members of the Tribe on October 3, 1950, whose legal name is the “United Keetoowah Band of Cherokee Indians in Oklahoma” and which, under authority delegated by the Council, is managed by the UKB Corporate Board or a successor managing board or entity. Reference to the “UKB Federal Corporation” herein shall also include reference to wholly owned subsidiaries of the UKB Federal Corporation, as applicable.

3.33 “Vendor” means a Person that provides services aiding a Tribal Lender or Tribal Debt Collection Licensee. It does not include debt collection services of a non-tribal entity.

3.34 “Vendor Licensee” means a Vendor that is licensed by the Licensing Commission to provide services aiding a Tribal Lender Licensee or Tribal Debt Collection Licensee, unless otherwise exempt by Section 7.

3.35 “Workout Agreement” means an agreement between a Borrower and a Creditor for the repayment of an outstanding and unpaid indebtedness which requires a net reduction of not less than ten percent (10%) of such indebtedness per payment period.

## SECTION 4. AUTHORIZED TRIBAL LENDING AND TRIBAL DEBT COLLECTION ACTIVITIES

4.1 General Authority. Subject to this Code, a Tribal Lender may engage in Tribal Lending Activities as provided in this Code.

(a) Consumer Loans Only. This Section only authorizes consumer loans and does not apply to the following:

1. Credit transactions involving extensions of credit primarily for business or commercial purposes; and
2. An extension of credit to any Person other than a natural person and for any purpose other than a consumer loan.

4.2 Agreement Terms

(a) Tribal Jurisdiction Statement. Each Loan agreement between a Tribal Lender and a Borrower must include a written disclosure, conspicuously displayed, with the same substantive content as the following statement, with only non-substantive modifications allowed for textual consistency:

This Loan is a Tribal Loan, which has been originated by a Tribal Lender from within the territorial jurisdiction of the United Keetoowah Band of Cherokee Indians in Oklahoma ("UKB"). This Loan is governed by the laws of the United States and the laws of the UKB, including the UKB Tribal Lending and Debt Collection Code. This Loan is not governed by the laws of the state or territory where the Borrower may reside, or the laws of any other jurisdiction. The Tribal Lender is a licensee of the UKB Licensing Commission, and a wholly owned instrumentality of the UKB. In accepting the terms of this agreement, Borrower consents to the personal jurisdiction of the UKB to resolve any defaults or disputes that may arise from the Loan and agrees that the Tribal Courts of the UKB shall have exclusive jurisdiction to hear any claims of default or other disputes under this agreement. If Borrower defaults on the Loan, the Tribal Lender may bring a claim against Borrower in the District Court for the UKB, and if the Tribal Lender obtains a judgment against Borrower in UKB Tribal Court, the Tribal Lender or its Debt Collection Vendors may enforce that judgment in other jurisdictions, including the state or territory where Borrower resides or maintains real or personal property. The only opportunity for an appeal of a judgment against Borrower issued by the District Court for the UKB is to the Supreme Court of the UKB.

(b) Default; Attorney's Fees; Costs. In the event a Borrower defaults under the terms of a Plan, and if the Borrower's Account is referred to an attorney (not a regularly salaried employee of the Tribe or Tribal Lender) to file a claim or to a third party

Debt Collection Licensee for collection, and if the agreement governing the Loan so provides, the Creditor may charge and collect from the Borrower a reasonable attorneys' fee or the fee charged by any third party debt collector to collect the amount due. In addition, following a Borrower's default, the Creditor may, if the agreement governing the Loan so provides, recover from the Borrower all court, alternative dispute resolution or other collection costs (including, without limitation, fees and charges of collection agencies) actually incurred by the Creditor.

- (c) Annual Percentage Rate and Finance Charges Conspicuously Disclosed. On each loan agreement the annual percentage rate and/or finance charge shall be disclosed more conspicuously than other terms, data, or information in the Agreement.
- (d) Variable Rates. If the loan agreement provides for variable rates the agreement shall disclose:
  - 1. The circumstances under which the rate may increase;
  - 2. Any limitations on the increase;
  - 3. The effect of an increase;
  - 4. An example of the payment terms that would result from an increase.
- (e) Payment Schedule. The loan agreement shall disclose the number, amounts and timing of payments scheduled to repay the loan.
- (f) Total of payments. Unless the transaction involves a single payment, the loan agreement shall include the total of payments, and a descriptive explanation such as the amount the borrower will have paid when all schedule payments have been made.
- (g) Prepayment. When a loan includes a finance charge computed from time to time by application of a rate to the unpaid principal balance, a statement indicating whether or not a penalty may be imposed if the loan is prepaid in full. When a loan includes any other kind of finance charge, a statement indicating whether or not the borrower is entitled to a rebate of any finance charge if the obligation is prepaid in full.
- (h) Late Payment. Each loan agreement shall state any dollar or percentage charge that may be imposed before maturity due to a late payment, other than a deferral or extension charge.
- (i) Application of Other Laws.



1. No federal law that is not applicable to Indian tribes and no state law limiting the rate or amount of interest, discount, points, finance charges, service charges or other charges which may be charged, taken, collected, received or reserved shall apply to Tribal Lending Activities under this chapter.
2. No oral agreements. All Loans and other credit agreements shall be in writing and each such agreement shall provide that it constitutes the entire agreement of the parties and may be amended only in writing and that it shall not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. Such provisions are enforceable and disallow evidence of oral agreements.
3. Enforcement of Creditor's rights and remedies. In any proceeding in which a Licensee is a party in interest with respect to any transactions with a Borrower who fails to make an appearance, the Licensee's rights and remedies shall be determined based upon prima facie proof and entitlement based upon the terms of the written transaction documents and the payment and business records maintained by the Licensee in the ordinary course of business.

#### 4.3 Lending to Active Duty Military Prohibited.

(a) Loans Prohibited. Tribal Lenders are prohibited from offering loans to active-duty military members, their spouses, or dependents.

(b) Applicability.

1. "Active-duty military members" include members who are on active duty under a call or order that does not specify a period of 30 days or less or who are on active Guard and Reserve Duty.
2. "Dependents" include children under the age of 21 of an active-duty military member or other individuals for whom the active-duty military member provided more than one-half of their financial support for 180 days preceding the loan application.

(c) Military Identification Statement. Every loan application shall include a military identification statement which shall substantially follow the following format:

Every Loan Applicant must select one (and only one) of the statements below that best describes the Loan Applicant:

\_\_\_ I am a regular or reserve member of the Army, Navy, Marine Corp, Air Force, or Coast Guard, currently serving on active duty under a call or order that does not specify a period of thirty (30) days or less.

\_\_\_ I am a dependent of a member of the Armed Forces on active duty as described above because I am a military member's spouse, military member's child under the age of twenty-one (21) years, or I am an individual for whom a military member provided more than one-half of my financial support for 180 days immediately preceding today's date.

\_\_\_ I am NOT a regular or reserve member of the Army, Navy, Marine Corp, Air Force, or Coast Guard, currently serving on active duty, and nor am I a dependent of an active-duty military member.

#### 4.4 Small Dollar Consumer Loans.

(a) Applicability, Exempted Transactions. This Section applies to Small Dollar Consumer Loans which are not secured by real property or a dwelling. This subchapter does not apply to the following:

1. Credit transactions involving extensions of credit primarily for business or commercial purposes; and
2. An extension of credit to any Person other than a natural person.

(b) Extension of Credit. Any Creditor may, subject to any limitations imposed by this Code, offer and extend closed end credit to a Borrower and, in connection therewith, may charge and collect the interest and other charges permitted by this Section.

(c) Interest. A Creditor may charge and collect interest in respect to a Loan at such daily, weekly, monthly, annual or other periodic percentage rate or rates as the agreement governing the loan provides subject to the maximum allowable interest rate allowed by this Code.

1. Maximum Allowable Interest Rate. A Creditor may not enter into a Loan transaction with a Borrower in which the scheduled finance charges exceed Ninety-Nine point Ninety-Nine percent (99.99%) interest on the principal per installment period. The finance charge may be calculated, earned and scheduled for payment as agreed by the parties as long as the finance charges as originally scheduled for payment do not exceed the maximum allowable amount set forth herein. [

(d) Variable Rates. If the agreement governing the Loan so provides, the periodic percentage rate or rates of interest charged and collected in respect of the Loan, if the interest is not pre-computed and taken in advance, may vary in accordance with a schedule or formula. Such periodic percentage rate or rates may vary from time to time as the rate determined in accordance with such schedule or formula varies and such periodic percentage rate or rates, as so varied, may be made applicable to all or any part of such Loan on and after the effective date of such variation. This Section shall not be construed to limit the authority of a Creditor to charge and collect interest in respect of a Loan in the manner and at the rate or rates authorized in any other section of this Section. Without limitation, a permissible schedule or formula hereunder may include provisions in the agreement governing the Loan for a change in the periodic percentage rate or rates of interest applicable to all or any part of the outstanding unpaid amounts whether by variation of the then applicable periodic percentage rate or rates of interest, variation of an index or margin or otherwise, contingent upon the happening of any event or circumstance specified in the loan agreement, which event or circumstance may include the failure of the Borrower to perform in accordance with the terms of the Loan agreement.

(e) Additional Charges. In addition to or in lieu of interest at a periodic percentage rate or rates permitted by this Section:

1. If the agreement governing the Loan so provides, a Creditor may charge and collect any other fees or charges, costs, points, premiums and all other expenses which may be assessed by the Creditor in connection with the Loan.
2. If the agreement governing a Loan so provides, a Creditor may impose, as interest, a late fee or delinquency charge upon any outstanding unpaid installment payments or portions thereof under the loan agreement which are in default; provided, however, that no more than one (1) such delinquency charge may be imposed in respect of any single such installment payment or portion thereof regardless of the period during which it remains in default.;
3. Such other charges as are set forth in the agreement governing the Loan including, but not limited to, costs, fees, services, points, premiums and all other reasonable expenses which may be incurred by such applicant in connection with a loan. No Creditor shall demand, collect or receive from any applicant for a loan, directly or indirectly, any other charges, or any greater amounts for any authorized charges than those permitted by this subchapter.

(f) Deferred Installments. A Creditor may at any time or from time to time permit a Borrower to defer installment payments of a Loan and may, in connection with such

deferral, charge and collect deferral charges and may also require payment by such Borrower of the additional costs of the Creditor of premiums for continuing in force, until the end of such period of deferral, any insurance coverage provided in connection with the loan pursuant to this Section.

(g) Refinancing.

1. A Borrower may, with the consent of the Creditor, refinance the entire outstanding and unpaid amount of a Loan, and the Creditor may charge and collect a refinancing charge in connection with any such refinancing.
2. For the purposes of this Section, the entire outstanding and unpaid amount of a Loan shall be deemed to be the total of the unpaid principal balance and the accrued and unpaid interest and charges on the date of refinancing.

(h) Number of Loan transactions at one time. A Creditor may enter into no more than three (3) Loans with any Borrower at any time.

(i) Duration. A Creditor may not provide Loan transactions, whether Short Term Consumer Loans or Small Dollar Consumer Loans, for a term of less than three (3) days or more than forty-eight (48) months.

(j) Billing Error Resolution. A Creditor shall have an adequate system in place to respond to Borrower complaints and to correct any billing errors.

4.5 Short-Term Consumer Loans.

(a) In addition to such other limitations and requirements as are imposed pursuant to other provisions of this Section, Short-Term Consumer Loans shall be subject to the following:

(b) No Creditor shall make more than four (4) rollovers of an existing Short-Term Consumer Loan. After the fourth rollover, the Creditor must enter into a Workout Agreement with the Borrower that allows for the pay down of at least five percent (5%) of the principal of the Loan per month over a maximum forty-eight (48) month period or take such other actions as are lawful to collect any outstanding and unpaid indebtedness.

(c) No Creditor shall pursue or threaten to pursue any criminal action against an individual Borrower in connection with the nonpayment of any amount due, including the unpaid return of any check or automated clearing house transaction.

(d) In addition to such other disclosure requirements as are imposed pursuant to other provisions of this Section, Loans shall be subject to the following: No Creditor shall

make a Loan unless the application for such Loan contains a written disclosure, conspicuously displayed, that:

1. The loan is designed as a short-term cash flow solution and not designed as a solution for longer term financial problems; and
  2. Credit counseling services are available to Borrowers who are experiencing financial problems.
- (e) Nothing in this Section prohibits a Creditor from refinancing the principal amount of a Loan, subject to the limitations and requirements imposed herein.
- (f) Every Tribal Lender must post, in plain view on all of its locations and websites, a schedule of fees and rates applicable to their loans, and a prominent statement that: "A Small Dollar Consumer Loan is not intended to meet long-term financial needs. Credit counseling services are available to Borrowers who are experiencing financial problems."

#### 4.6 Debt Collection Activities Authorized, Certain Acts Prohibited.

- (a) The Tribe hereby authorizes Debt Collection Activities conducted by or on behalf of any Tribal Debt Collection Licensee provided such Debt Collection Activities are, at all times, conducted in compliance with applicable Tribal and federal debt collection law.
- (b) Collection Efforts. This Code allows for Debt Collection Activities as they pertain to Tribal Lending authorized by this Code. Through a Tribal Debt Collection Licensee, the Tribe or the UKB Federal Corporation may engage in Debt Collection Activities. Such activities may include seeking a judgment from the UKB Tribal Court and enforcing that judgment in any jurisdiction.
- (c) Prohibited Acts. In addition to other civil and criminal acts that may be regulated or prohibited by this Code, other Tribal law or applicable federal debt collection law, the following shall constitute prohibited and unauthorized Debt Collection activities under this Code and shall subject any perpetrator to action, including, but not limited to, the suspension or revocation of a License; the imposition of civil penalties; and referral to appropriate law enforcement authorities for criminal proceedings:
1. Altering or misrepresenting Debt Collection documents;
  2. Defrauding the Tribe, any duly formed tribal instrumentality, the UKB Federal Corporation, or a Borrower;

3. Participating in any Debt Collection Activities or practices not authorized by this Code;
4. Knowingly providing false or misleading information, making any false or misleading statement, or failing to disclose a material fact to the Tribe, any duly formed tribally owned entity or instrumentality, the UKB Federal Corporation, or its agents in connection with any contract for services or property related to Debt Collection Activities;
5. Falsifying, destroying, erasing or altering any books, computer data, records, or any other information related to Debt Collection Activities;
6. Misappropriating confidential information;
7. Harassment, oppression, or abuse of Borrowers or other third parties in connection with the collection of debts; and
8. Unfair, deceptive, or abusive practices related to the Debt Collection Activities.

(d) Tribal Debt Collection Licensees shall, whenever applicable to Tribal entities, comply with the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., and related regulations, including those regulations concerning communications in connection with debt collection, false or misleading representations, harassment or abuse, unfair practices, validation of debts, etc.

## SECTION 5. AUTHORITY OF THE TRIBAL LICENSING COMMISSION

5.1 Authority. The Council hereby authorizes the UKB Licensing Commission to set regulatory standards, conduct background investigations, make licensing decisions, and enforce compliance with this Code and regulations issued hereunder relating to Tribal Lending and Debt Collection Activities on the Tribe's Trust Lands.

### 5.2 Agents.

(a) Agents. The Licensing Commission may hire Agents to help perform the licensing and regulatory functions of this Code. The Agents will be employees of the Tribe and subject to the Tribe's employment policies, unless such policies conflict with this Code in which case the Code shall govern.

(b) Agent Qualifications. Any person hired as an Agent of the Licensing Commission shall meet the following qualifications:

1. An Agent shall have expertise, experience, education, or a combination thereof in the following areas: financial services, finance, management, business, governmental regulation, law, and/or Tribal policy.
2. An Agent shall be at least twenty-one (21) years of age and show proof of High School Diploma or equivalent.
3. No person shall serve as an Agent if:
  - a. His/her prior activities, criminal record, if any, or reputation, habits or associations:
    - i. Pose a threat to the public interest; or
    - ii. Threaten the effective regulation and control of financial services; or
    - iii. Enhance the dangers of unsuitable, unfair, or illegal practices, methods, or activities in the conduct of financial services.
  - b. He/she has been convicted of or entered a plea of no contest to any felony or to a misdemeanor involving breach of trust, moral turpitude, or dishonesty in any jurisdiction; or
  - c. He/she or any member of his or her Immediate Family has an ownership, partnership, or other direct monetary or financial interest

in the conduct of any Licensee or is in privity with a Tribal Lender or Tribal Debt Collection Licensee, or one of its agents, contractors, or subcontractors; or if he or she has any other personal or legal relationship that places him/her in a conflict of interest with any Licensee. For purposes of this subsection, "Immediate Family" includes spouse or significant other, parents, children (including adopted children), and siblings. Ownership of a Licensee by virtue of membership in the Tribe is not a per se monetary or financial interest in the conduct of any Licensee.

- (c) Confidentiality. All records of the Licensing Commission pertaining to Tribal Lending or Debt Collection are confidential records of the Tribe and may not be released outside of the Tribe without Council approval.

5.3 Prohibited Acts. The Commissioners of the Licensing Commission, its Agents, and any other of the Licensing Commission's employees shall not do any of the following with respect to any Licensee under the jurisdiction of the Licensing Commission:

- (a) Be indebted, either directly or indirectly, as a Borrower unless such indebtedness was contracted before becoming employed by or appointed to the Licensing Commission and is fully disclosed to the Licensing Commission and the Council.
- (b) Be an officer, director, or employee of any Licensee or lender to the Tribe.
- (c) Be interested in, directly or indirectly, demand, seek, receive, accept or agree to receive or accept from any Licensee or any officer, director, or employee of any Licensee any salary, fee, compensation or other valuable thing by way of gift, donation, credit, or compensation for service or otherwise; except that Commissioners, Agents and other employees of the Licensing Commission who are also members of the Tribe are permitted to receive a pro-rata share of revenue that has been generated by a Licensee and is distributed among all eligible Tribal members by virtue of membership in the Tribe or membership in a discrete group of Tribal members such as Elders.

5.4 Powers of the Licensing Commission. The Licensing Commission has the power and responsibility to use its powers under the UKB Licensing Code to discharge all duties imposed by this Code, including but not limited to:

- (a) To promulgate, adopt, and enforce regulations and rules furthering the purpose and provisions of this Code.
- (b) To examine or inspect or cause to be examined or inspected each Licensee annually and more frequently if the Licensing Commission considers it necessary.



- (c) To make or cause to be made reasonable investigations of any Licensee or Person as it deems necessary to ensure compliance with this Code or any order of the Licensing Commission, to determine whether any Licensee or Person has engaged, is engaging or is about to engage in any act, practice or transaction that constitutes an unsafe or unsound practice or violation of this Code or any order of the Licensing Commission; or to aide in adopting rules or regulations pursuant to this Code.
- (d) To establish procedures designed to permit detection of any irregularities, fraud, or the like and to allow for the redress of customer complaints against any Tribal Lender or Tribal Debt Collection Licensee.
- (e) To employ such Agents, employees and advisors as it may deem necessary, subject to a budget approved by the Council. Advisors may include, but are not limited to, lawyers, accountants, law enforcement specialists and financial services professionals.
- (f) To accept, review, approve or disapprove any Application, including conducting or arranging for background investigations of all Applicants.
- (g) To hold public hearings, issue notice of hearings, issue subpoenas requiring the attendance of witnesses and the production of evidence, administering oaths and taking such testimony as the Licensing Commission deems necessary.
- (h) To examine under oath, either orally or in writing, in hearings or otherwise, any Licensee or Person, or agent, officer or employee of any Tribal Lender or Tribal Debt Collection Licensee, or any Applicant therefor, or any other witness with respect to any matters related to this Code and to compel by subpoena the attendance of witnesses and the production of any books, records, and papers with respect thereto. Upon refusal to appear or produce, the Licensing Commission may apply to the UKB Tribal Court or other court of competent jurisdiction to compel appearance or production.
- (i) To make, or cause to be made by its Agents or employees, an examination or investigation of the place of business, equipment, facilities, tangible personal property and the books, records, papers, vouchers, accounts, documents and financial statements of any Licensee, Lender, Debt Collector or other Person engaging or participating in, or suspected to be engaging or participating in, any activity regulated by this Code.
- (j) To discipline any Licensee, Lender, Debt Collector, or other Person engaging or participating in any violation of this Code by ordering immediate compliance, issuing

finances and sanctions, and suspending or revoking any License pursuant to the hearings and due process required by this Code.

- (k) To arbitrate, compromise, negotiate or settle any disputes to which it is a party relating to the Licensing Commission's authorized activities, subject to any approval that may be required by Council.
- (l) To adopt a schedule of fees to be charged for the processing of Applications and issuance and renewal of Licenses, including fees or charges associated with conducting background checks; for reasonable examinations of Licensees; and, for services rendered relating to transcripts and the furnishing or certifying of copies of proceedings, files, and records and to impose the foregoing fees as applicable.
- (m) To collect fees and penalties in connection with this Code.
- (n) To establish and maintain such bank accounts as may be necessary or convenient.
- (o) To protect any proprietary and/or confidential information provided to the Licensing Commission.
- (p) To make such findings and orders as may be necessary to implement the Licensing Commission's powers and duties, with such findings and orders to be given deference as the legally binding findings of a governmental entity with expertise in the subject area.
- (q) To counsel Lenders and Borrowers on their rights and duties under this Code.
- (r) To establish programs for the education of tribal members, Borrowers, and potential Borrowers with respect to credit practices and problems.
- (s) To exercise all incidental powers necessary to carry out the purposes of this Code.

#### 5.5 Investigations, Rights of Entrance.

- (a) Investigations. The Licensing Commission, upon petition, complaint or upon its own initiative, or whenever it may deem necessary in the performance of its duties or the exercise of its powers, may investigate and examine the operation and premises of any Licensee or Person within the Tribe's jurisdiction engaging or suspected to be engaging in any activity regulated by this Code.
  - 1. In undertaking such investigations, the Licensing Commission may request the assistance of legal counsel, outside accountants, federal law enforcement

officials, and/or other third parties, including where appropriate under cross-deputization agreements, state and local law enforcement officials.

2. In conducting such investigations, the Licensing Commission shall make no order or final decision without affording any affected party notice and a hearing pursuant to this Code.

(b) Right of Entrance. The Licensing Commission, during regular business hours, may reasonably enter upon any premises of any Licensee or other Person engaging in, or suspected to be engaged in, Lending or Debt Collection within the Tribe's Trust Lands, for the purpose of making inspections and examining the accounts, books, papers and documents of any such Licensee or Person.

(c) Aid to Entry. The staff of the Licensee or Person engaging in, or suspected to be engaging in, Lending or Debt Collection shall facilitate such inspection or examinations by giving every reasonable aid to the Licensing Commission and to any properly authorized officer or employee.

5.6 Annual Budget. The Licensing Commission shall include in its annual operating budget a separate section for all Licensing Commission activities related to Tribal Lending and Debt Collection Activities on the Tribe's Trust Lands and present it to the Council in the time and manner established by the Council.

#### 5.7 Licensing Commission Regulations.

(a) Regulations necessary to carry out the implementation and orderly performance of the Licensing Commission's duties and powers with regard to activities related to Tribal Lending and Debt Collection Activities on the Tribe's Trust Lands shall include, but not be limited to, the following:

1. The making of findings or other information required by or necessary to implement this Code;
2. Interpretation and application of this Code, as may be necessary to enforce the Licensing Commission's duties and exercise its powers;
3. A regulatory system for overseeing Tribal Lending and Tribal Debt Collection Activities, including accounting, contracting, management and supervision;
4. The conduct of inspections, investigations, hearings, enforcement actions and other powers of the Licensing Commission authorized by this Code; and

5. Specification of the amount and the schedule of Application and License fees that shall be imposed by the Licensing Commission.

(b) Promulgation of Regulations. The Licensing Commission may promulgate regulations regarding activities related to Tribal Lending and Debt Collection Activities on the Tribe's Trust Lands as follows:

1. Any Person may request the promulgation of a regulation by submitting a written request and draft of the proposed regulation to the Licensing Commission;
  - a. Upon review of any request, or upon its own initiative, the Licensing Commission may issue a proposed regulation, with written notice to the Council, the submitting Person, and any Licensees that may be affected by the proposed regulation;
2. After notice is sent, unless exigent circumstances exist, the Licensing Commission will allow at least 30 days for the Council and any affected Persons to submit written comments on the proposed regulation that support, oppose, or suggest amendments to the proposed regulation. When exigent circumstances exist, the Licensing Commission may promulgate an emergency regulation without a comment period, and any Licensee or other Person affected may protest the emergency regulation by following the procedure detailed in 5.8(b)(4). Upon promulgation of any regulation under exigent circumstances, within seven (7) calendar days, the Licensing Commission will notify the Council of the emergency regulation and the exigent circumstances. No emergency regulation may be effective for longer than 180 days.
3. After the comment period has expired:
  - a. If the proposed regulation is unopposed, the Licensing Commission may promulgate and publish a final regulation by majority vote, as long as such final regulation is substantially similar to the proposed regulation.
  - b. If the proposed regulation is opposed or amendments are proposed, the Licensing Commission may either decline to promulgate the regulation, amend the proposed regulation for further comment, or conduct a hearing on the proposed regulation to allow interested parties to advocate on the proposal.

- c. If the Licensing Commission declines to promulgate the proposed regulation, it will notify the Council and all affected Persons or conduct a hearing on the proposed regulation for additional input.
  - d. If the Licensing Commission amends the proposed regulation, it will re-notify the Council and Licensees as required by 5.8(b)(1)(A) and revisit the procedure in 5.8(b)(3)-(4).
- 4. Council Review. Within 30 days after the Licensing Commission promulgates an emergency or final regulation, a Licensee may request a Council review of the Licensing Commission's decision.
  - a. A Licensee may submit a written request for a Council review to the Council and the Licensing Commission. The written request must detail the basis for the Council review.
  - b. The Licensing Commission will send to the Council the administrative record, consisting of at least the written request for review, the proposed and final regulations at issue, a written explanation of the bases for the Licensing Commission's decision to promulgate the regulation, and an agenda request to appear before the Council. The Licensing Commission will send copies of this submission to the Licensee requesting the Council review.
  - c. The Council may accept or deny the request to review the Licensing Commission's decision. If the Council declines the request to review the Licensing Commission's decision, the Licensing Commission's decision on the final or emergency regulation is final. If the Council grants the request to review the Licensing Commission's decision, it may respond to the request in any manner it deems appropriate.
- 5. The Council may promulgate or rescind any regulation at any time by majority vote.
- 6. Only regulations promulgated by this procedure or promulgated by the Council will be enforceable.

5.8 Report to the Council. The Licensing Commission shall file reports with the Council summarizing reports received from each Licensee, investigations undertaken, licensee violations and other activities undertaken by the Licensing Commission to keep the Council fully informed as to the status of the Licensing Commission's activities regarding activities related to Tribal Lending and Debt Collection Activities on the Tribe's Trust Lands. The Licensing Commission shall define by regulation, subject to the approval of the Council, the schedule for

the submission of such reports which shall include at minimum an annual report delivered no less than thirty (30) days prior to the commencement of each fiscal year.

5.9 Notice and Opportunity to Cure; Due Process; Notice; Hearings; Examiner. For a violation of this Code, the Licensing Commission shall provide notice and the opportunity for a hearing comporting with notions of due process if it is to utilize any of its enforcement capabilities in the administration of its powers and duties hereunder. Unless a shorter time is required to protect the public interest, the Licensing Commission shall issue a warning letter and provide a sixty-day (60-day) opportunity to cure before it initiates any enforcement action. If an emergency enforcement action is taken based upon a showing of exigent circumstances or good cause, the Licensing Commission shall provide notice and an opportunity to be heard within fourteen (14) days of the occurrence of such enforcement action to allow the respondent an opportunity to defend against or object to the enforcement action.

- (a) Upon receipt of any notice of violation, a Licensee may request a stay of any enforcement action to allow time to cure or to work with the Licensing Commission towards a voluntary resolution.
- (b) No Hearing, Voluntary Resolution. Whenever it shall appear to the satisfaction of the Licensing Commission that all of the interested parties involved in a dispute or concern have agreed concerning resolution of the matter at hand, the Licensing Commission may dismiss an enforcement action or approve resolution of the issue, as appropriate, without a hearing.
- (c) Notice of Hearing. A written notice shall set forth, with specificity, the issues to be resolved and the date and time at which a hearing shall be conducted.
- (d) Hearing.
  - 1. Except as determined by the Licensing Commission, a hearing should be scheduled between ten (10) and thirty (30) days after the notice of hearing is delivered.
  - 2. At the hearing, the affected parties shall be provided the opportunity to present oral or written evidence. The affected party has the right to be represented by legal counsel. An affected party shall have an opportunity to cross-examine opposing witnesses, and to present any other evidence as to why a denial, suspension, or revocation order should not be issued.
  - 3. Public notice of hearings shall be made. Hearings shall be recorded and open to all people interested therein.

4. The hearing shall be governed in all respects by Tribal law, including Licensing Commission regulations. Any suspension or revocation decision of the Licensing Commission after hearing may be appealed in accordance with the provisions of Section 5.10(g).
- (e) Examiner. The Licensing Commission may appoint an examiner qualified in the law or possessing knowledge or expertise in the subject matter of the hearing for the purpose of conducting any hearing. The examiner may be a Commissioner or Agent of the Licensing Commission, or any other natural person. Any such appointment shall constitute a delegation to such examiner of the powers of the Licensing Commission under this Code with respect to any such hearing.
  - (f) Decision. The Licensing Commission shall issue a written decision to all affected parties within thirty (30) days after the hearing.
  - (g) Appeals. Affected parties may appeal a Licensing Commission determination by filing a written appeal to the Tribal Court within twenty (20) days of receiving the Authority's final written decision.

## SECTION 6. LICENSES

6.1 Applicability. Unless exempt as described in Section 7, any Person or Vendor seeking to engage in, or assist with, Tribal Lending or Tribal Debt Collection Activities on the Tribe's Trust Lands or be employed by a Tribal Lender or Tribal Debt Collector, shall apply for and receive all required Licenses prior to engaging in Tribal Lending, Tribal Debt Collection Activities, or being employed by a Tribal Lender or Tribal Debt Collector.

6.2 Application Procedure.

(a) Submission to Licensing Commission. An Applicant shall submit an Application to the Licensing Commission on such form as the Licensing Commission may require.

(b) Application Contents. At a minimum, the Application shall contain the following information:

1. The officers and principal management employees, including any chief executive officer, chief financial officer, chief operating officer, and general manager;
2. All natural persons identified on any Application shall include their criminal and civil record, if any, an explanation of any crimes for which there has been a conviction, or to which a plea of no contest has been entered, civil suits in which an adverse judgment has been entered, and a complete disclosure of any pending or anticipated civil or criminal actions against the Applicant in any jurisdiction. Each natural person identified on any Application shall provide written permission giving the Licensing Commission or its designees the right to investigate the Applicant's background, including any criminal records;
3. An Applicant for an Employee License shall provide all necessary information and written permission for the Licensing Commission or its designee to obtain the Applicant's credit history and/or credit score;
4. An Application shall list all Lending-related or Debt Collection-related licenses the Applicant has ever applied for in any jurisdiction, whether or not such licenses were issued;
5. An Applicant shall describe the type of Lending or Debt Collection services it intends to engage in;



6. The Applicant shall identify any Indian tribe or tribally owned entity with which it or any of its present or past affiliates has had a contractual relationship; and
7. The Applicant shall execute a sworn statement that if the License applied for is issued, the Applicant will submit to the jurisdiction of the Tribe and the UKB Tribal Courts; the Applicant will abide by all applicable Tribal and Federal laws and regulations; and the information contained in the Application is true and correct to the best of Applicant's knowledge.
8. Each Tribal Lender, Tribal Debt Collector, and Vendor Application shall be accompanied by an application fee, the amount of which shall be set by the Licensing Commission. There is no fee for Employee Licensee Applications.

### 6.3 Review, Issuance and Denial, Term.

- (a) Tribal Lender and Tribal Debt Collector Licenses. Unless extenuating circumstances exist, the UKB Licensing Commission shall normally take no longer than ninety (90) days to decide whether to grant or deny a Tribal Lender or Tribal Debt Collector License. A Tribal Lender License or Tribal Debt Collector License shall issue if the following criteria are met:
  1. The Application complies with Section 6.2;
  2. The Tribal Lending or Tribal Debt Collection Activities are authorized pursuant to this Code; and
  3. The Tribe or the UKB Federal Corporation has the sole ownership interest in the entity that provides the Tribal Lending or Tribal Debt Collection Activities.
- (b) Employee and Vendor Licenses. Upon compliance with Section 6.2, the Licensing Commission shall review the qualifications of the Applicant sufficient to make a determination of eligibility as required under this Code.
- (c) Issuance. Upon completing any necessary background investigation, the Licensing Commission may issue a License on a conditional or unconditional basis. The Licensing Commission may in its discretion grant a temporary License after submission of a completed application and a preliminary determination of suitability by the Licensing Commission.

- (d) Denial. If the Licensing Commission decides to deny the Applicant's application, it shall notify the Applicant in writing, provide the basis for the denial of the License, and otherwise comply with the procedural requirements of Section 6.4 of this Code.
- (e) Term. Any License issued pursuant to this Section shall be effective for a period of two (2) years from the date of issuance. A temporary License may be issued for such period of time as determined by the Licensing Commission, but not to exceed sixty (60) days, with a possible sixty (60) day renewal for cause.
- (f) License Substance and Classification. The License shall bear on its face the name of the Licensee, the Tribal Seal, the issue date, the license number, and the applicable classification of the License.
- (g) Record Retention. The Licensing Commission shall maintain the Applicant's file, including the application, background investigation reports, and eligibility determination reports for no less than three (3) years from the date of termination of employment, services, or other relationship requiring licensure.
- (h) License Posting. A license issued pursuant to this Code shall be conspicuously posted at the Licensee's place of business and on its primary website.

#### 6.4 Application Denial; Suspension or Revocation of License.

- (a) Denial. The Licensing Commission shall not issue a license to any person or entity that does not meet the standards outlined in Subsection 6.2 nor if the Licensing Commission determines that the person:
  1. Poses a threat to the public interest;
  2. Poses a threat to the effective regulation of Tribal lending and/or Tribal debt collecting;
  3. Creates or enhances the dangers of illegal practices or other unsuitable practices, methods, or activities of Tribal lending and/or Tribal debt collecting.

The Licensing Commission shall provide a notice of denial to the applicant that outlines the cause for the denial and provides an opportunity for a denial hearing within 30 days of the notice.

- (b) Suspension or Revocation. The Licensing Commission may temporarily suspend or revoke any Licensee's license for cause provided the Licensee is afforded proper notice and a reasonable opportunity to be heard, as provided below.
- (c) Notice. The Licensing Commission shall provide to the Licensee a notice of the proposed suspension or revocation which outlines the cause for the suspension or revocation and provides an opportunity for a hearing within 30 days of the notice. Notwithstanding the preceding sentence, the Licensing Commission may suspend a license immediately, without prior notice, but only for one of the causes listed below and only if the Licensee has an opportunity for a hearing within fifteen (15) days of the immediate suspension, with a final decision to re-instate or revoke the License issued within thirty (30) days of the hearing. A License may be immediately suspended, without notice, only for one of the following causes:
1. Licensee is charged with, has been convicted of, or has entered a plea of no contest with regard to, a felony or any other crime involving breach of trust or dishonesty, in any jurisdiction;
  2. Licensee poses a threat to the public interest or the effective regulation of Tribal Lending or Tribal Debt Collection Activities; or
  3. Licensee creates or enhances the danger of unsuitable, unfair or illegal practices and methods and activities in the conduct of Tribal Lending or Tribal Debt Collection Activities.

Other cause for License suspension or revocation and for which prior notice must be provided includes, but is not limited to, the following:

1. Failed to pay Application or renewal fees;
2. Made a material misstatement or omission on the Application or on any document required to be filed with the Licensing Commission;
3. Withheld or provided incomplete or insufficient pertinent information from the Authority;
4. Is not a Person of honesty, truthfulness or good character;
5. Violated or aided, abetted, or conspired or knowingly caused any Licensee or other Person to violate this Code or the rules and regulations of the Licensing Commission;

6. Participated in Lending or Debt Collection Activities in violation of this Code;
7. Knowingly falsified books or records that relate to a transaction connected with the operation of Lending or Debt Collection Activities;
8. Failed to keep sufficient books and records to substantiate receipts, disbursements, and expenses incurred or paid by a Licensee authorized pursuant to this Code or to substantiate compliance with this Code, upon request of the Licensing Commission;
9. Failed to take reasonable measures to ensure that an agreement with a Borrower is not materially breached;
10. Has ever filed for personal bankruptcy;
11. Has been found, after due process, by an administrative agency of any jurisdiction responsible for conduct that involved fraud, deceit or misrepresentation;
12. Has had a financial judgment ordered against it in a civil action based on fraud, deceit or misrepresentation;
13. Employed any Person whom the Licensee knew or should have known had any prior convictions for fraud, theft or embezzlement;
14. Refused to comply with any lawful order, inquiry or directive of the Licensing Commission, the Council, or the Tribal Court;
15. Attempted to bribe or offer something of value to any Person in an attempt to avoid or circumvent the law;
16. Stole or attempted to steal or embezzle funds or other items of value;
17. Has had a financial services License in any jurisdiction suspended or revoked and not subsequently reinstated; or
18. Has demonstrated an inability to manage personal or business finances or has demonstrated a sufficient indebtedness in relation to income so as to cause concern for the ability to fulfill its responsibilities under this Code.

(d) Acts of Controlling Persons. It is sufficient cause for the suspension or revocation of a License if an officer, director, partner, employee or controlling person of the Licensee or Applicant acted or failed to act in a manner that would have been cause

for the denial of the application. For purposes of this subsection, “controlling person” means a person described in Subsection 6.2(b)A or who has the ability to affect one or more significant business decisions of the Licensee or Applicant.

#### 6.5 Renewal.

- (a) Renewals. A Licensee shall apply to renew a License at least sixty (60) days before the License expires. The UKB Licensing Commission may set a schedule of fees to be charged for late renewal applications. Applicants may be required to provide updated materials, as requested, in any License renewal application.
- (b) Non-renewal. The Licensing Commission may deny renewal of a License if the Licensing Commission finds the existence of any circumstance listed in Section 6.4(c) above, or that any other fact or condition exists that, if it had existed at the time of the original application for the License, would have warranted the denial of the License application.

6.6 Voluntary Surrender of License. Any Licensee may voluntarily surrender their License at any time by giving written notice of the surrender to the Licensing Commission.

6.7 Assignment or Transfer. A License is not transferable or assignable and control of a License shall not be acquired through any stock purchase or other devise.

6.8 Deposits of Fees and Assessments. Application fees, renewal fees, late payment penalties, civil penalties, administrative fines and other fees or penalties provided for in this Code shall in all cases be paid directly to the Licensing Commission. The Licensing Commission shall deposit such proceeds into an account or fund designed by the Council.

## SECTION 7. EXEMPTIONS

7.1 Exemptions. The following Persons are subject to Sections 8.1 and 8.2 but otherwise exempt from any other provision or application of this Code:

- (a) A Person who engages in Lending without charging or collecting interest or other consideration for a transaction or charges or collects nominal or incidental consideration.
- (b) A Vendor that receives less than Twenty-Five Thousand Dollars (\$25,000) in any twelve (12) month period from a Licensee.
- (c) A Person who is a bank, savings bank, or savings and loan association insured by the Federal Deposit Insurance Corporation (FDIC).
- (d) A Person who provides financial services on the Tribe's Trust Lands who is licensed, registered, or otherwise subject to the regulatory supervision and oversight of an agency of the United States or the State of Oklahoma in order to engage in such financial services.
- (e) A Person licensed/authorized by any state in the United States to engage in payment processing, money transmission, tax preparation, or the practice of law.
- (f) Any Person providing solely pre-origination services, including but not limited to credit bureaus, lead generators, marketing companies, or similar third-party service providers as identified by promulgated regulation.
- (g) Any other federally insured financial institution and any of their subsidiaries including credit unions insured by the National Credit Union Administration (NCAU);
- (h) Any employee of the above provided such employee is not dually employed by or otherwise in privity with a Tribal Lender, Tribal Debt Collector, or Vendor.

## SECTION 8. LICENSEE

8.1 Compliance. Licensees shall at all times comply with the provisions of this Code, rules and regulations promulgated pursuant to this Code, and all other applicable Tribal and federal laws.

8.2 Federal Consumer Protection Laws. A Licensee shall conduct business in a manner consistent with the principles and requirements of federal consumer protection law, including, to the extent that such laws apply to tribal governments, the following: Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. §§ 5491-5493; Truth in Lending Act, 15 U.S.C. § 1061 et seq., and related regulations at 12 C.F.R. Part 266; Consumer Leasing Act, 15 U.S.C. § 1677 et seq., and related regulations at 12 C.F.R. Part 213; Fair Credit Billing Act, 15 U.S.C. § 1666a; Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq., and related regulations at 15 C.F.R. Part 202; Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq., and related regulations at 12 C.F.R. Part 205; Fair Credit Reporting Act, 15 U.S.C. § 1681 et. seq., and related regulations at 12 C.F.R. Part 222; privacy provisions of Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., and related regulations at 16 C.F.R. Part 313 and 16 C.F.R. Part 314; Fair Debt Collection Practices Act, 15 U.S.C. § 1692 et seq., and related regulations at 16 C.F.R. Part 901; Talent Amendment, 10 U.S.C. § 987, and related regulations of the Department of Defense at 32 C.F.F. Part 232; Military Lending Act, 10 U.S.C. §§ 501-596; and Service Members' Civil Relief Act, 50 U.S.C. App. §§ 501-596, together with any similar or future acts and regulations promulgated thereunder.

8.3 Prohibited Acts by Licensees.

(a) Unless otherwise exempt, a Person shall not engage in the business of Lending or Debt Collection subject to this Code without first obtaining a License hereunder. A separate License is not required for each location that the Licensee operates, but each location must be approved in advance by the Licensing Commission. The Tribal Lender or Tribal Debt Collector shall post its License at each location or, if the location is a website, shall provide an electronic link to said License on each page of the website. For purposes of this section, the term "location" or "a location" includes a website maintained for the purposes of participating in Tribal Lending or Tribal Debt Collection Activities pursuant to this Code.

(b) A Licensee shall not:

1. Assess any interest, fee, or charge that is greater than any applicable limitation, if any, prescribed in this Code.
2. Use or cause to be published or disseminated any advertisement that contains false, misleading, or deceptive statements or representations.
3. Engage in unfair, deceptive, or fraudulent practices.

4. Tie or otherwise condition the providing of Tribal Lending or Tribal Debt Collection Activities to the sale of any good or service by the Licensee.
5. Offer or provide any Tribal Lending or Tribal Debt Collection Activities other than those permitted under this Code.
6. Use or threaten to use any criminal act to collect any debt.
7. Fail to maintain a system of internal controls sufficient to comply with any minimum requirements as may be promulgated by the Licensing Commission or as may be required by applicable federal law.
8. Obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information relating to another person:
  - a. By making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution;
  - b. By making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution;
  - c. By providing any document to an officer, employee or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation; or
  - d. By requesting a person to obtain customer information of a financial institution, knowing that the person will obtain or attempt to obtain, the information from the institution through false, fictitious, or fraudulent statements.
9. Condition an extension of credit to a borrower on the borrower's repayment by preauthorized electronic fund transfers, except for credit extended under an overdraft credit plan or extended to maintain a specified minimum balance in the borrower's account.
10. In an oral response to an inquiry about the cost of credit, state rates in any terms other than the annual percentage rate, except that a simple annual rate or periodic rate also may be stated if it is applied to an unpaid balance. If the annual percentage rate cannot be determined in advance, the annual



percentage rate for a sample transaction shall be stated, and other cost information for the borrower's specific transaction may be given.

11. Discriminate against any applicant, with respect to any aspect of a credit transaction:

- a. On the basis of race, color, religion, national origin, sex or marital status, or age (provided the applicant has the capacity to contract);
- b. Because all or part of the applicant's income derives from any public assistance program; or
- c. Because the applicant has in good faith exercised any rights under the federal Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq.

(c) Limitations on advertising. No advertisement to aid, promote, or assist directly or indirectly any extension of credit may state:

1. That a specific periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount.
2. That a specified down payment is required in connection with any extension of credit, unless the creditor usually and customarily arranges down payments in that amount.

#### 8.4 Compliance Management System.

(a) Each Tribal Lender and Tribal Debt Collector shall maintain a system to ensure compliance with applicable tribal lending and other consumer protection laws set forth in this Section 8 or other applicable law.

(b) Each Tribal Lender and Tribal Debt Collector shall provide annual compliance audits to the Licensing Commission.

8.5 Consumer Credit Reporting. If a Tribal Lender furnishes information to a consumer credit reporting agency it shall have reasonable policies and procedures to ensure the accuracy of the information furnished, protect the privacy of the borrower, provide for the direct dispute of information from borrowers, and shall abide by all other responsibilities of furnishers of information outlined under federal law including under the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq, and all related regulations, as amended from time to time.

#### 8.6 Books, Accounts and Records, Examinations, Costs.

- (a) Every Tribal Lender and Tribal Debt Collector shall maintain at each location at which it conducts business all books, accounts and records that the Licensing Commission reasonably requires. Each Tribal Lender and Tribal Debt Collection Licensee shall:
1. Ensure that the books, accounts and records are sufficiently detailed to comply with this Code and all applicable Tribal and federal laws.
  2. Maintain the books, accounts and records separately from any other business in which the Licensee is engaged and shall retain the books, accounts and records for at least (3) three years.
- (b) The Licensing Commission may examine or cause to be examined each Tribal Lender and Tribal Debt Collector at any time. In conducting such examination, the Licensing Commission may examine the books, accounts and records to determine if the Tribal Lender or Tribal Debt Collector has complied with this Code and any implementing regulations adopted pursuant to this Code. The Tribal Lending or Tribal Debt Collector shall pay the reasonable cost of the examination as may be required by the Licensing Commission in accordance with its regulations.
- (c) The books, accounts, and records kept by a Tribal Lender or a Tribal Debt Collector are Tribal records and the examination, publication, and dissemination of any such books, accounts, and records are governed by the provisions of this Code unless otherwise preempted by applicable Tribal law.

8.7 Audit Requirements. The Licensing Commission may promulgate regulations to implement the requirement that each Tribal Lender and Tribal Debt Collector must provide to the Licensing Commission, on a confidential basis, internal audits as well as other third-party audits deemed necessary for the effective regulation of Tribal Lending and Tribal Debt Collection Activities. Any such regulation shall detail the content of each required audit and auditing standards.

8.8 Public Notice. Each Tribal Lender and Tribal Debt Collector shall have a copy of this Code and any implementing regulations readily available for inspection by any person at each location where Borrowers are expected to be present. For purposes of this Section 8.7, the term "location" includes a website maintained for the purpose of participating in Tribal Lending or Tribal Debt Collection Activities pursuant to this Code.

8.9 Annual Reports. Each Tribal Lender and Tribal Debt Collector shall file an annual report with the Licensing Commission in a time and manner specified by the Licensing Commission. The Licensing Commission shall share each Annual Report with the Council. Each report shall contain information specified by the Licensing Commission sufficient for the Licensing Commission to determine compliance with this Code including, at a minimum, the following: (i) the name, address and telephone number of the Tribal Lender or Tribal Debt Collector; (ii) the

names, primary residential addresses and titles of all managers employed by the Licensee during the past year; (iii) a sworn statement that the Licensee, to the best of its knowledge, has complied with, and will continue to comply with, all tribal and federal laws applicable to the offering and provision of Tribal Lending or Tribal Debt Collection Activities; (iv) the name and address of the registered agent who will accept service of process from the Licensing Commission on behalf of the Licensee; and (v) a summary of the Licensee's financial activities for the year.

## SECTION 9. ENFORCEMENT

9.1 Jurisdiction. Except as provided otherwise in this Code, the Licensing Commission shall have jurisdiction to license, regulate, and enforce this Code. The District Court of the United Keetoowah Band of Cherokee Indians in Oklahoma shall have jurisdiction to hear any appeal of any final enforcement action for violations of this Code brought by the Licensing Commission, with any appeals thereof heard by the Supreme Court of the United Keetoowah Band of Cherokee Indians.

9.2 Civil Violations. Any Licensee or Person who violates or fails to comply with any provision of this Code or who fails or neglects to comply with any final order of the Licensing Commission may be charged with a violation and given due process pursuant to Section 5.10.

9.3 Civil Fines. If a Person violates or fails to comply with any provision of this Code or fails or neglects to comply with any final order of the Licensing Commission, they may be charged with a violation and given due process. Any Person found to have committed a violation may be required to pay a civil fine not to exceed five thousand dollars (\$5,000.00) for each violation. Each day during which any such violation or failure to comply continues may be treated as a separate violation of this Code, however the penalty shall not exceed one hundred thousand dollars (\$100,000). A violation or series of violations related to the same act or omission may be treated as one violation. A material violation pursuant to this Code may also lead to the suspension of a License. An officer or agent of a Licensee who knowingly or recklessly participates in a material violation of this Code is subject to the suspension or revocation of his License and may be subject to a civil penalty.

9.4 Cumulative Fines. All civil fines accruing under this Code shall be cumulative and a suit for the recovery of one fine shall not bar or affect the recovery of any other fine, or judgment, penalty, forfeiture or damages, nor bar the power of the UKB District Court to enter an order of contempt, nor bar any criminal prosecution against any officer, director, agent, or employee of any Licensee, or any other Person.

9.5 Purpose of Civil Penalties. The civil fines imposed under this Code are intended to be remedial and not punitive and are designed to compensate the Tribe for the damage done to the peace, security, economy and general welfare of the Tribe, and to compensate the Tribe for costs incurred by the Tribe in enforcing this Code. The civil fines under this Code are also intended to coerce all persons into complying with this Code and the Licensing Commission's regulations and not to punish such persons for violation of such laws and regulations.

9.6 Guidelines. In imposing any administrative remedy or pursuing a civil penalty provided for in this Code, the Licensing Commission shall take into account the appropriateness of the remedy or penalty with respect to the financial resources, pecuniary benefit of the non-compliance, and good faith of the Person charged, the extent to which the violation was intentional, the gravity of the violation, the history of previous violations, and such other matters as justice may require.

9.7 Civil Action for Penalties. In enforcing the civil infraction provisions of this Code, the Licensing Commission may proceed in the name of the Tribe against a Person for violation of such provision by civil complaint in the UKB District Court pursuant to the provisions of this Code.

9.8 Seizure and Forfeiture of Property. Property utilized in violation of this Code shall be subject to seizure and forfeiture by order of the Licensing Commission pursuant to such implementing regulations as the Licensing Commission shall promulgate.

## SECTION 10. RESOLVING BORROWER DISPUTES

10.1 General Principles. The Tribe values its customers and intends, at all times, to see that questions, concerns, issues, and /or disputes raised by Borrowers are addressed in a fair and orderly manner. However, nothing in this Section shall be construed as a waiver of the Tribe's or the Tribal Lender's or Tribal Debt Collector's or the Licensing Commission's sovereign immunity or any of the rights and privileges attendant thereto.

### 10.2 Tribal Nature of the Commission.

- (a) Arm of Tribe. In carrying out its purposes under this Code, the Licensing Commission shall function as an arm or instrumentality of the Tribe. To fund necessary government functions and regulatory oversight, the Licensing Commission may impose a fee on any Tribal Lender or Tribal Debt Collector and make payment of such a fee subject to a Tribal Lender's or Tribal Debt Collector's existing agreements or business relationships, as a condition of its License remaining in good standing.
- (b) Tribal Actions. Notwithstanding any powers delegated to the Licensing Commission under this Code, the Tribe reserves to itself the right to bring suit against any Person in its own right, on behalf of the Tribe or on behalf of the Licensing Commission whenever the Tribe deems it necessary to protect the sovereignty, rights, and interests of the Tribe, the Licensing Commission, or a Licensee.

### 10.3 Sovereign Immunity of the Licensing Commission.

- (a) Immunity from Suit. The Licensing Commission, as an arm or instrumentality of the Tribe, is cloaked by Tribal and federal law with the privileges and immunities of the Tribe, except as specifically limited by this Code, including sovereign immunity from suit in any tribal, federal or state court.
- (b) No Waiver. Nothing in this Code shall be deemed or construed to be a waiver of sovereign immunity of the Tribe or the Licensing Commission from suit in state or federal court. Any waiver shall be made pursuant to subsection (d), below.
- (c) No Consent to Jurisdiction. Nothing in this Code shall be deemed or construed to be a consent of the Tribe or the Licensing Commission to the jurisdiction of the United States or of any state or of any other tribe with regard to the business or affairs of the Licensing Commission.
- (d) Waiver of Sovereign Immunity of the Licensing Commission. In addition to the express, limited waivers of sovereign immunity provided in this Code for authorization of appeals of certain actions of the Licensing Commission, sovereign immunity of the Licensing Commission may be further waived upon the recommendation of the Licensing Commission and only by express resolution of the

Council. Unless expressly superseded by resolution of the Council, such waiver shall be construed to adhere to the following:

1. Resolution Effecting Waiver. All waivers of sovereign immunity must be authorized and approved by written resolutions of continuing force and effect issued by the Council.
  2. Policy on Waiver. Waivers of sovereign immunity are disfavored and shall be granted only when necessary to secure a substantial advantage or benefit to the Licensing Commission or the Tribe.
  3. Limited Nature of Waiver. Waivers of sovereign immunity shall not be general but shall be specific and limited as to duration, grantee, transaction, property or funds, if any, of the Licensing Commission subject thereto, and the court having jurisdiction pursuant thereto and law applicable thereto.
  4. Limited Effect of Waiver. Neither the power to sue and be sued, nor any express waiver of sovereign immunity by resolution of the Council shall be deemed a consent to the levy of any judgment, lien or attachment upon property of the Licensing Commission other than property specifically pledged or assigned, a consent to suit with respect to any land within the Tribe's jurisdiction, or a consent to the alienation, attachment or encumbrance of any such land.
- (e) Assets of the Licensing Commission. The Licensing Commission shall have only those assets specifically assigned to it by the Council, acquired in its name by the Tribe, or acquired by the Licensing Commission on its own behalf. No activity of the Licensing Commission or any indebtedness incurred by it shall be implicated or in any way involve any assets of tribal members, the UKB Federal Corporation, or the Tribe not assigned in writing to the Licensing Commission.

10.4 Sovereign Immunity of the Tribe and UKB Federal Corporation. With respect to all Tribal Lending and Debt Collection Activities, all Tribal Lenders, and all Tribal Debt Collectors, all inherent sovereign rights of the Tribe as a Federally-recognized Indian Tribe and the UKB Federal Corporation, which shares the Tribe's inherent sovereign rights, are hereby expressly reserved, including sovereign immunity from suit in any state, federal or tribal court. Nothing in this Code nor any action of the Licensing Commission shall be deemed or construed to be a waiver of sovereign immunity from suit or counterclaim of the Tribe or the UKB Federal Corporation, a consent of the Tribe or the UKB Federal Corporation to the jurisdiction of the United States, any state or other tribe with regard to the business or affairs of the Licensing Commission, the Tribe, or the UKB Federal Corporation, a consent of the Tribe or the UKB Federal Corporation to any cause of action, counterclaim, case or controversy, or to the levy of any judgment, lien or attachment upon any property of the Tribe or the UKB Federal

Corporation, a consent to suit or counterclaim in respect to any land within the exterior boundaries of the Tribe's reservation, or to be a consent to the alienation, attachment or encumbrance of any such land.

#### 10.5 Initial Dispute Resolution Procedures.

- (a) Borrowers or other Persons who, have concerns about the operation of any part of the Licensee's operation that pertain to the Borrower or who otherwise believe themselves to be aggrieved by some aspect of the operation of any part of the Licensee's business, shall direct their concerns or disputes in the first instance to the management of the Licensee, either orally or in writing.
- (b) The Licensee shall also expediently gather sufficient facts to make a determination about the dispute. The Licensee shall inform the complainant, either orally or in writing, about its initial determination as soon as is reasonably practicable. If the Complainant's concern or dispute is unresolved through the initial dispute resolution procedure, then a Licensee shall notify the Complainant in writing of his or her right to contact the Licensing Commission about the dispute and his or her rights to pursue formal dispute resolution under Section 10.6 of the Code.

#### 10.6 Formal Dispute Resolution Procedure.

- (a) In the event of a dispute, Complainants who have followed the initial dispute resolution procedure described in Section 10.5 and who are dissatisfied with a Licensee's initial determination, may request review of the initial determination by submitting a request to the Licensing Commission in writing no later than ninety (90) days after being informed about the initial determination by the Licensee. The Complainant's written request must include the following information:
  - 1. The Borrower's full name, as it appears on the Loan agreement, as well as the Borrower's address, email address, and phone number.
  - 2. A copy of the Borrower's Loan agreement, or otherwise identify the Loan agreement.
  - 3. A copy of the Licensee's determination.
  - 4. A written request that summarizes with specificity the events and circumstances giving rise to the alleged wrongful action or inaction of the Licensee and the relief requested.
  - 5. A statement requesting a review hearing before the Licensing Commission. If a hearing is requested, the Complainant must indicate whether he will appear personally or if he would prefer to appear by telephone or



videoconference. The Complainant must also indicate whether he will be represented by an attorney.

6. Any other information the Complainant feels may be relevant to the complaint or that may assist the Licensing Commission evaluate the complaint.
- (b) The Licensing Commission shall investigate the dispute in any manner it chooses. The Licensing Commission may offer the Complainant a fair opportunity to be heard regarding the dispute, in person or through telephonic or video conference, either before or after the Licensing Commission makes its own inquiries. A Complainant may be represented by legal counsel at the Complainant's own expense. The Complainant's opportunity to be heard, if granted, shall take place, unless upon a finding of good cause by the Licensing Commission, no less than ten (10) days and no more than sixty (60) days after the Licensing Commission receives the Complainant's written request. In connection with a dispute, the Licensing Commission may conduct or authorize such document requests and reviews, interviews, sworn statements, depositions, and other discovery as the Licensing Commission may deem proper. In each instance, the Licensee, Complainant and other interested persons must cooperate with the Licensing Commission and provide such information and documents as the Licensing Commission deems necessary or advisable to make a determination.
  - (c) After reviewing and/or investigating (if the Licensing Commission chooses), and within sixty (60) days after affording the Complainant an opportunity to be heard, the Licensing Commission shall issue a written opinion on the Complainant's written request for review and shall mail a copy of the opinion to the Complainant at his or her last known address. The Licensing Commission may grant or deny a complaint and grant or deny such relief, if any, as the Licensing Commission determines in its sovereign discretion. The opinion shall inform the Complainant that he or she may appeal the Licensing Commission's decision as set forth in this Section.
  - (d) A Complainant may appeal a Licensing Commission opinion by filing a written appeal to the UKB Tribal Court within twenty (20) days of receiving the Licensing Commission's final written decision in accordance with current rules of court and procedure of the United Keetoowah Band of Cherokee Indians Tribal Court. A Tribal Court review of any Licensing Commission order shall consider any applicable Tribal and federal laws and regulations and may be appealed to the UKB Supreme Court.
  - (e) The Tribal dispute resolution process authorized under this Code shall constitute a petition for redress submitted to a sovereign government, without further waiver of sovereign immunity or exclusive jurisdiction, and does not create any binding procedural or substantive rights for a Complainant.

## **SECTION 11. USE OF PROCEEDS.**

11.1 Application of Proceeds. The gross proceeds collected by the Licensing Commission from all licensing of Tribal Lenders, Tribal Debt Collectors, and Vendors, from fees, and from fines imposed as a result of violations of this Code shall be applied as follows:

- (a) First, for the payment of all necessary personnel, administrative costs and legal fees and any other operating expenses incurred by the Licensing Commission in the enforcement of this Code; and
- (b) Second, the remainder shall be turned over to the general fund of the Tribe and expended by the Council for governmental services and programs of the Tribe in accordance with applicable tribal law.