

Bureau of Indian Affairs, Interior

§ 103.4

Subpart D—Provisions Relating to Borrowers

- 103.25 What kind of borrower is eligible under the Program?
- 103.26 What must the borrower supply the lender in its loan application?
- 103.27 Can the borrower get help preparing its loan application or putting its loan funds to use?

Subpart E—Loan Transfers

- 103.28 What if the lender transfers part of the loan to another person?
- 103.29 What if the lender transfers the entire loan?

Subpart F—Loan Servicing Requirements

- 103.30 What standard of care must a lender meet?
- 103.31 What loan servicing requirements apply to BIA?
- 103.32 What sort of loan documentation does BIA expect the lender to maintain?
- 103.33 Are there reporting requirements?
- 103.34 What if the lender and borrower decide to change the terms of the loan?

Subpart G—Default and Payment by BIA

- 103.35 What must the lender do if the borrower defaults on the loan?
- 103.36 What options and remedies does the lender have if the borrower defaults on the loan?
- 103.37 What must the lender do to collect payment under its loan guaranty certificate or loan insurance coverage?
- 103.38 Is there anything else for BIA or the lender to do after BIA makes payment?
- 103.39 When will BIA refuse to pay all or part of a lender's claim?
- 103.40 Will BIA make exceptions to its criteria for denying payment?
- 103.41 What happens if a lender violates provisions of this part?
- 103.42 How long must a lender comply with Program requirements?
- 103.43 What must the lender do after repayment in full?

Subpart H—Definitions and Miscellaneous Provisions

- 103.44 What certain terms mean in this part.
- 103.45 Information collection.

AUTHORITY: 25 U.S.C. 1498, 1511.

SOURCE: 66 FR 3867, Jan. 17, 2001, unless otherwise noted.

Subpart A—General Provisions

§ 103.1 What does this part do?

This part explains how to obtain and use a BIA loan guaranty or loan insurance agreement under the Program, and who may do so. It also describes how to obtain and use interest subsidy payments under the Program, and who may do so.

§ 103.2 Who does the Program help?

The purpose of the Program is to encourage eligible borrowers to develop viable Indian businesses through conventional lender financing. The direct function of the Program is to help lenders reduce excessive risks on loans they make. That function in turn helps borrowers secure conventional financing that might otherwise be unavailable.

§ 103.3 Who administers the Program?

Authority for administering the Program ultimately rests with the Secretary, who may exercise that authority directly at any time. Absent a direct exercise of authority, however, the Secretary delegates Program authority to BIA officials through the U.S. Department of Interior Departmental Manual. A lender should submit all applications and correspondence to the BIA office serving the borrower's location.

§ 103.4 What kinds of loans will BIA guarantee or insure?

In general, BIA may guarantee or insure any loan made by an eligible lender to an eligible borrower to conduct a lawful business organized for profit. There are several important exceptions:

- (a) The business must contribute to the economy of an Indian reservation or tribal service area recognized by BIA;
- (b) The borrower may not use the loan for relending purposes;
- (c) If any portion of the loan is used to refinance an existing loan, the borrower must be current on the existing loan; and
- (d) BIA may not guarantee or insure a loan if it believes the lender would be