

PENOBSCOT INDIAN NATION  
MODEL TRIBAL LENDING PROCEDURES FOR:  
LIEN PRIORITY, EVICTION AND FORECLOSURE  
AND LEASING

**I. OVERVIEW**

This document highlights roles and responsibilities of the Indian tribe for the participation in mortgage loan guarantee and insurance programs sponsored by the U. S. Department of Housing and Urban Development (HUD), U. S. Department of Agriculture's Rural Housing Service (RHS) and U. S. Department of Veterans Affairs (VA). The Federal Agencies noted have prepared this document as a guide to aide Indian tribes in obtaining the approval of the Agencies for participation in each of their programs.

- a. **General.** Due to the unique legal status of Indian trust land and restricted land, it has been difficult for Native Americans to achieve homeownership utilizing financing provided by private lending institutions. In general, trust land means land in which the title is held in trust by the United States for the benefit of an Indian or Indian tribe, and it is inalienable. Trust lands also include lands to which the title is held by an Indian tribe subject to a restriction against alienation imposed by the United States. Because of the difficulty in obtaining a security interest in individual plots, conventional mortgage lending practices have not traditionally operated in this forum. This has resulted in a reluctance of financial institutions to offer their mortgage loan products where Indian trust land is involved. This same reluctance has also applied to restricted land where the title is held by an individual Indian or tribe and which can only be alienated or encumbered by the owner with the approval of the Secretary of the Interior.
- b. **Legal and Administrative Framework.** For tribal members to participate in the federal government sponsored mortgage loan programs, the tribe must demonstrate that a legal and administrative framework exists that is sufficient to protect the interests of the borrower, the lender, and the federal agency which will guarantee or insure the mortgage loan. To establish this legal and administrative framework, tribes must have adopted foreclosure, eviction, and priority of lien procedures that will apply to these loans whenever the tribal court has legal jurisdiction.

The legal and administrative framework addresses four key procedures: (1) foreclosures, (2) evictions, (3) priority of lien procedures, and (4) leasing procedures for tribal trust land. Attachment 1 provides model tribal mortgage lending ordinances which may be utilized by a tribe or may serve as a guide. Use of this model will be deemed acceptable for program compliance by all of the federal agencies noted above. If a tribe adopts a legal and administrative framework which differs from these model documents, it will be necessary for the tribe to seek approval, in a separate process, from each of the Federal agencies noted.

- c. **Tribal Commitment to Enforcement.** A tribe with tribal court jurisdiction must also demonstrate its support of one (or more) of these programs by notifying at least one of these federal agencies, that the tribe has enacted the required legal procedures and that it will enforce these procedures. (See Paragraph II.a. below.)

## II. FORECLOSURE AND EVICTION PROCEDURES

Foreclosures and evictions will be processed through the legal system having jurisdiction over the mortgage loans. This may include federal, state, local, or tribal courts.

- a. **Enactment of Tribal Procedures.** A tribe may enact foreclosure and eviction procedures via tribal council resolution or any other recognized legislative action. To be considered valid, these procedures must be legally enforceable.
- b. **Required Provisions.** To preserve tribal autonomy in the governing process, the federal agencies noted above will not prescribe a format or specific wording for foreclosure and eviction procedures. However, all foreclosure procedures must enable the lender and/or the Federal agency which has made, insured or guaranteed the mortgage loan, to take possession of the property in the event that three or more complete monthly mortgage installments are due and unpaid, or the Borrower has failed to perform any obligation under the Mortgage. All eviction procedures must allow for expedited removal of the delinquent household residents from occupancy.

- c. **Sample Documents.** A tribe that does not currently have foreclosure and eviction procedures may utilize the model language which is attached, or may contact other tribes to obtain procedural options.
- d. **Failure to Enforce.** Each of the Federal Agencies noted above has different authority to take action in the case of a Tribe which does not enforce its established eviction and foreclosure requirements. For information on the action to be taken, contact the appropriate Federal Agency directly.

### III. LIEN PROCEDURES

Mortgages guaranteed under the following programs must have a first lien position on the property. Those programs are: HUD Section 184, HUD Section 248, and USDA Section 502 Guaranteed. Under the USDA Section 502 Direct program, the loan may be subordinated under certain circumstances (contact the USDA's Rural Housing representative for further information.) enforcement will be processed through the appropriate federal, state, local or tribal system. The lender responsibility is only to verify that the Tribe has adopted the model procedures and is approved by the Federal Agency guaranteeing or insuring the mortgage.

- a. **Enactment of Tribal Lien Procedures.** To ensure that each direct, guaranteed or insured mortgage holds a first lien position, each tribal government must enact a law that provides either:
  - (1) For the satisfaction of HUD , VA, or USDA direct, guaranteed or insured mortgages before other obligations (except tribal leasehold taxes assessed after the property is mortgaged); or
  - (2) That state law shall determine the priority of liens against the property. If a reservation spans two or more states, the state in which the property is located is the applicable state law.
- b. **Format.** The federal agencies noted above will not prescribe a specific format for adopting lien requirements.
- c. **Failure to Enforce.** If any of the Federal Agencies issuing loans, guarantees or insurance within the jurisdiction of an approved tribes determines that the tribe does not enforce

adopted lien enforcement or eviction procedures, that Agency will notify the other Federal Agencies of such non-enforcement. Each Federal Agency will take appropriate action in accordance with paragraph II.d., above.

- d. **Recordation.** On tribal trust or other federally restricted land, liens shall be recorded by filing with the Land Titles and Records Office at the BIA and may also be recorded with the tribe in accordance with local ordinances/resolutions if appropriate. Section 248 requires recording with the State (if available). On fee simple land, liens shall be filed with the State or County recording system having jurisdiction over the property.

#### IV. LEASING TRIBAL TRUST LAND

To receive a loan guarantee/insurance on tribal trust lands, the borrower must establish a leasehold interest in the land on which the home will be located.

- a. **Leasehold Documents.** Appendix 2 provides a standard lease form that has been approved by the BIA, HUD, USDA and VA for use on tribal trust land. This sample lease form contains certain provisions that are required to be included in leases for trust and restricted land used as collateral for the loan programs administered by these agencies.
- b. **Lease Modifications.** The standard lease form may be modified by the mutual consent of the tribe and the borrower. Modifications to the standard lease form are made by rider and require the approval of BIA and the federal agency which is proposed to make, guarantee, or insure the loan. No lease modification may serve to obstruct the right of any of the Federal Agencies or the lender to evict the borrower or foreclose on or sell the property in the event of default.
- c. **Parties to the Lease.** The lease must be executed by the tribe (Lessor) and borrower (Lessee) and approved by the Secretary of the Interior prior to issuance of a firm commitment/lender approval.
- d. **Leasehold Payments.** The amount of the lease rental is negotiable between the Indian tribe (Lessor) and borrower (Lessee) subject to the approval of the Secretary of the Interior.

(1) The lease rental and provisions for increases in the rent will be a consideration of the lender in determining the mortgage amount for which the borrower qualifies.

(2) The tribe must notify the lender of lease rental payments and/or taxes. Except for mortgages insured under 248, the lender may require that the lease payments be made through the lender, as is typically done with local property taxes. If the tribe wishes, tribal tax liens resulting from that portion of the unpaid leasehold payments applicable to tribal taxes may be recorded in the state recording system. The tribe may also intervene in any foreclosure proceeding to ask that the taxes be paid.

- e. **Lease Transfers and Assignments.** The tribe must approve all transfers or assignments of the leasehold interest, except at foreclosure and as otherwise provided in the lease.
- f. **Lease Status at Foreclosure.** The Federal Agency which made, insured or guaranteed the mortgage loan, or the lender may assume title to the leasehold interest without tribal approval of such transfer. However, anyone who subsequently purchases or rents the leasehold property must be approved by the tribe except as otherwise provided in the lease.
- g. **Termination.** The lease may not be terminated while the federal loan, guarantee or insurance is in effect without the approval of the applicable Federal Agency. Likewise, in the event of foreclosure, the lease will not be subject to any forfeiture or reversion and will not be otherwise subject to termination.

## V. MORTGAGING ALLOTTED TRUST LANDS

- a. **General.** Unless otherwise approved by the applicable Federal Agency, owners of undivided interests cannot mortgage trust property.
- b. **Mortgages on Allotted Trust Land.** The allottee or owner of the individual trust may choose to mortgage the land and consequently risk permanent loss of the land in the case of default and subsequent foreclosure. Allottees or owners of an individual trust are permitted to mortgage properties with

the approval of BIA. If foreclosure occurs on mortgaged allotted trust land, the title to the land is removed from trust status. In general, Deeds of Trust must be approved by the BIA, and should include a 483b rider. The HUD Section 248 program is not available on allotted trust lands.

c. **Fractionated Ownership.** It is common for allotted trust lands to be owned by several individuals. If a prospective borrower proposes to use trust or restricted land in which he or she owns an interest, he or she must acquire a lease from all of the co-owners (this action may require the individual to pay a rental to the co-owners) and approval of the lease by the Secretary of the Interior.

## VI. TRIBAL APPLICATION AND APPROVAL

Before a lender may process a mortgage loan application where a guarantee/insurance is proposed under a program sponsored by either HUD, USDA or VA, or a Federal Agency may process a direct loan application, a tribe with tribal court jurisdiction over that property must provide the applicable Federal Agency with a copy of its foreclosure, eviction and priority of lien ordinances and its lease. If an Agency approves the tribe's ordinances and lease, it will execute a Memorandum of Understanding (MOU) with the tribe (Attachment 3). A copy of this MOU will be furnished to the other agencies. If a tribe's documents do not follow the basic intent and requirements of the model documents which are attached to this guide, the tribe will need to seek approval of HUD, VA and USDA individually, in order to participate in each of their mortgage loan programs.

a. **Notice Content.** Appendix 4 includes a checklist of those items necessary in order to receive Agency approval. To obtain approval, the tribe's submission must provide evidence that it:

- (1) Will ensure that the Federal Agencies and private lenders have access to tribal lands for the purpose of servicing and evaluating properties securing direct, guaranteed or insured mortgages.
- (2) Has enacted foreclosure procedures.
- (3) Has enacted eviction procedures.

- (4) Understands that if eviction and foreclosure procedures are not enforced, all of the Departments noted may cease making, guaranteeing or insuring new loans within their area of jurisdiction pursuant to paragraph II.d.
- (5) Has adopted procedures giving the Federal Agency first lien priority (where applicable) or otherwise ensuring that the direct, guaranteed, or insured loan will be satisfied before all other property debts (excepting tribal taxes); or has adopted legislation stating that it will abide by applicable state or local laws with respect to lien priority.

**b. Notification Process:**

- (1) Tribe sends to either HUD, USDA or VA, the items noted in the checklist at Appendix 4.
- (2) It is not necessary for a tribe to obtain approval from the applicable Federal Agency for each new direct, guaranteed or insured loan once a tribe has executed a Memorandum of Understanding (MOU) with that Federal Agency. Any Federal Agency initially approving a tribe will provide copies of the executed MOU to the other Federal Agencies. The tribe's executed MOU will be kept on file by each of the Agencies.
- (3) Upon receipt of a borrower application, lenders may call the appropriate Federal Agency to determine whether a given tribe is ready to participate in the loan program(s). The lender may also ask the borrower to submit a land status form which will provide the lender and Department with confirmation of the land status (tribal trust, allotted trust or fee simple within the tribe's jurisdiction).

Chapter 9. LAND ASSIGNMENTS, LEASES & PERMITS  
Subchapter IV. Penobscot Nation Lands  
Section 3. TRUST LANDS  
Subsection D. Leases of Trust Land to Penobscot Nation Members and PIN  
HA/HD<sup>1</sup>.

1. General. The Land Committee, with the approval of the Governor and by seven (7) affirmative votes of the Tribal Council may lease non-assigned Trust Lands to members and the PIN HA/HD only for any reasonable period of time, setting such fees and other conditions as may be necessary. All such leases must be recorded with the Department of Trust Responsibilities and the Registry of Deeds of the County in which the real property is located before they shall be effective. No lease shall be transferable without the consent of the Governor and Council. Should any Lessee abandon, relinquish or otherwise lose membership in the Penobscot Nation any lands leased by such Lessee shall immediately be forfeited to the Nation and the Lease be terminated.

<sup>2</sup>AMENDMENTS INSERTED INTO EXISTING TRIBAL CODE AT:  
2. Penobscot Indian Nation Mortgage Lending Code<sup>3</sup>

A. General

This Mortgage Lending Code sets forth general procedures for federally sponsored mortgages and foreclosures on Trust Lands (also includes Reservation Lands). It is designed to meet the needs of mortgage loan guarantee, insurance and direct loan programs sponsored by the U. S. Departments of Housing and Urban Development, Agriculture (Rural Housing) and Veterans Affairs. These Federal Agencies offer various mortgage loan programs which are designed to provide homeownership opportunities to Native Americans wishing to live on an Indian Trust Lands.

B. Lien Priority

All mortgage loans recorded in accordance with the recording procedures set forth in this Attachment, including Leasehold Mortgages, and including loans made, guaranteed, insured or held by a governmental agency, shall have priority over any lien not perfected at the time of such recording and any subsequent lien or

<sup>1</sup> ANNUAL GENERAL MEETING, May 7, 2005

Motion #4. Motion made by Wayne Mitchell, Seconded by Kathy Paul to approve of amending the existing land laws by adding "and PIN/HD" language and to allow the PIN HA/HD and its members and other PIN Governmental Departments to participate in mortgage loan guarantee and insurance programs sponsored by the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture's Rural Housing Services (RHS), and U.S. Department of Veterans Affairs (VA). In favor: 16 Opposed: 8 Abstain 6 VOTE: 16-8-6 MOTION CARRIES.

<sup>2</sup> Penobscot Nation Tribal Lending Code (Trust Lands), Adopted at General Meeting on June 5, 2004 Agenda Item #1 - Housing Lending Law. Motion #1 Motion by Ruth Jewell, Seconded by Tami Connelly to approve the Housing Lending Law as presented. In Favor: 32 Opposed: 0 Abstain: 0 MOTION CARRIES

<sup>3</sup> Note: On 8-27-05 at General Meeting, the Nation amended the above Code to include leased "Reservation Lands."



claim excepting a lien or claim arising from a tribal leasehold tax assessed after the recording of the mortgage. (In those cases where the government direct, guaranteed or insured mortgage is created as a second mortgage, the loan shall assume that position.)

C. Recording of Mortgage Loan Documents

(1) All mortgages on Trust Lands shall be properly executed and acknowledged, and the certification of the Tribal Clerk shall be written thereon. Said conveyances shall be recorded in the Registry of Deeds of the County in which the land is located, and a copy kept at the Department of Trust Responsibilities and until recorded no conveyance shall pass any right, title or interest in land.

(2) All mortgages will be properly recorded with the BIA in addition to any Tribal recording provisions.

D. Foreclosure Procedures

(1) A Borrower/Mortgagor shall be considered to be in default when he or she is thirty (30) days past due on his or her mortgage payment(s) or is in violation of any covenant under the mortgage for more than 30 days to the Lender/Mortgagee (i.e. the 31st day from the payment due date).

(2) When a Borrower/Mortgagor is thirty days past due on his or her mortgage and before any foreclosure action or activity is initiated, the Lender/Mortgagee shall complete the following:

(a) Make a reasonable effort to arrange a face-to-face interview with the Borrower/Mortgagor. This shall include at least one trip to meet with the Borrower/Mortgagor at the mortgaged property.

(b) Lender/Mortgagee shall document that it has made at least one phone call to the Borrower/Mortgagor (or the nearest phone as designed by the Borrower/Mortgagor, able to receive and relay messages to the Borrower/Mortgagor) for the purpose of trying to arrange a face-to-face interview.

(3) Lender/Mortgagee may appoint an agent to perform the services of arranging and conducting the face-to-face interview specified in this action.

(4) When the Borrower/Mortgagor is past due on three installment payments and at least ten (10) days before initiating a foreclosure action in Tribal Court, the Lender shall advise the Borrower/Mortgagor in writing by mail or by posting prominently on the unit, with a copy provided to the Tribe, as follows:

(a) Advise the Borrower/Mortgagor that information regarding the loan and default/delinquency will be given to credit bureaus.

(b) Advise the Borrower/Mortgagor of homeownership counseling opportunities/programs available through the Lender or otherwise.

- (c) Advise the Borrower/Mortgagor of other available assistance regarding the mortgage/default.
  - (d) In addition to the preceding notification requirements, the Lender/Mortgagee shall complete the following additional notice requirements (i) notify the Borrower/Mortgagor that if the Leasehold Mortgage remains past due on three installment payments, the Lender/Mortgagee may ask the applicable governmental agency to accept assignment of the Leasehold Mortgage if this is an option of the governmental program; (ii) notify the Borrower/Mortgagor of the qualifications for forbearance relief from the Lender/Mortgagee, if any, and that forbearance relief may be available from the government; and (iii) provide the Borrower/Mortgagor with names and addresses of government officials to whom further communications may be addressed, if any.
- (5) If a Borrower/Mortgagor is past due on three or more installment payments and the Lender/Mortgagee has complied with the procedures set forth in the first part of this Section, the Lender/Mortgagee may commence a foreclosure proceeding in the Tribal Court by filing a verified complaint as set forth in Section D. of this Code.

E. Foreclosure Complaint and Summons

- (1) The verified complaint in a mortgage foreclosure proceeding shall contain the following:
- (a) The name of the Borrower/Mortgagor and each person or entity claiming through the Borrower/Mortgagor subsequent to the recording of the mortgage loan, including each Subordinate Lienholder (except the Tribe with respect to a claim for a tribal leasehold), as a defendant;
  - (b) A description of the property subject to the mortgage loan;
  - (c) A concise statement of the facts concerning the execution of the mortgage loan and in the case of a Leasehold Mortgage the lease; the facts concerning the recording of the mortgage loan or the Leasehold Mortgage; the facts concerning the alleged default(s) of the Borrowers/Mortgagor; and such other facts as may be necessary to constitute a cause of action;
  - (d) True and correct copies of each promissory note, mortgage, deed of trust or other recorded real property security instrument (each a "security instrument") and any other documents relating to the property and if a Leasehold Mortgage, a copy of the lease and any assignment of any of these documents; and
  - (e) Any applicable allegations concerning relevant requirements and conditions prescribed in (i) federal statutes and regulations (ii) tribal codes, ordinances and regulations; and/or (iii) provisions of the

promissory note, security instrument and if a Leasehold Mortgage, the lease.

- (2) The complaint shall be verified by the Tribal Court Clerk along with a summons specifying a date and time of appearance for the Defendant(s).

F. Service of Process and Procedures. Any foreclosure complaint must be in writing, and must be delivered to the Borrower/Mortgagor in the following manner:

- (1) Delivery must be made by an adult person and is effective when it is:
- (a) Personally delivered to a Borrower/Mortgagor with a copy sent by mail, or
  - (b) Personally delivered to an adult living in the property with a copy sent by mail, or
  - (c) Personally delivered to an adult agent or employee of the Borrower/Mortgagor with a copy sent by mail.
- (2) If the notice cannot be given by means of personal delivery, or the Borrower/Mortgagor cannot be found, the notice may be delivered by means of:
- (a) Certified mail, return receipt requested, at the last known address of the Borrower/Mortgagor, or
  - (b) Securely taping a copy of the notice to the main entry door of the property in such a manner that it is not likely to blow away, and by posting a copy of the notice in some public place near the premises, including a tribal office, public store, or other commonly-frequented place and by sending a copy first class mail, postage prepaid, addressed to the Borrower/Mortgagor at the premises.
- (3) The person giving notice must keep a copy of the notice and proof of service in accordance with this section, by affidavit or other manner recognized by law.

G. Cure of Default

Prior to the entry of a judgment of foreclosure, any Borrower/Mortgagor or a Subordinate Lienholder may cure the default(s) under the Mortgage by making a full payment of the delinquency to the Lender/Mortgagee and all reasonable legal and Court costs incurred in foreclosing on the property. Any subordinate Lienholder who has cured a default shall thereafter have included in its lien the amount of all payments made by such Subordinate Lienholder to cure the default(s), plus interest on such amounts at the rate stated in the note for the mortgage. There shall be no right of redemption in any Leasehold Mortgage Foreclosure proceeding.

H. Judgment and Remedy

This matter shall be heard and decided by the Tribal Court in a prompt and reasonable time period not to exceed sixty (60) days from the date of service of the Complaint on the Borrower/Mortgagor. If the alleged default has not been cured at the time of trial and the Tribal Court finds for the Lender/Mortgagee, the Tribal Court shall enter judgment:

- (1) Foreclosing the interest of the Borrower/Mortgagor and each other defendant, including Subordinate Lienholder, in the mortgaged property and
- (2) Granting title to the property to the Lender/Mortgagee or the Lender's Designated Assignee; in the case of a Leasehold Mortgage, the Lease and the Leasehold Estate will be assigned to the Lender/Mortgagee or the Lender's Designated Assignee, subject to the following provisions
  - (a) The lender shall give the Tribe the right of first refusal on any acceptable offer to purchase the Lease and the Lessee's leasehold interest in the property described in the lease which is subsequently obtained by the Lender or Lender's Designated Assignee.
  - (b) The Lender or Lender's Designated Assignee may only transfer, sell or assign the Lease and Lessee's leasehold interest in the property described in the Lease to a Tribal member, the Tribe, or the Tribal Housing Authority;
  - (c) The mortgagee has the right to convey the leasehold interest to the Secretary of HUD without providing the right of first refusal to the Tribe for Section 248.

#### I. Foreclosure Evictions

Foreclosure evictions shall be handled according to the general eviction process set forth below.

- (1) Jurisdiction. The provisions of this section H. shall apply to all persons and property subject to the governing authority of the Tribe as established by the Tribal Constitution, Tribal Code, or applicable federal law.
- (2) Unlawful Detainer. A Lessee, Sublessee, or other occupant of a Leasehold Estate subject to a Leasehold Mortgage shall be guilty of unlawful detainer if such person shall continue in occupancy of such Leasehold Estate without the requirement of any notice by the Lessor, after such person's Leasehold Estate has been foreclosed in a Leasehold Mortgage foreclosure proceeding in the Tribal Court;
- (3) Complaint and Summons. The lender or Federal Agency (which made, guaranteed or insured the mortgage loan) as appropriate, shall commence an action for unlawful detainer by filing with the Tribal Court, in writing, the

following documents:

- (a) A complaint, signed by the lender or Federal Agency, or an agent or attorney on their behalf:
  - (i) Citing facts alleging jurisdiction of the Tribal Court;
  - (ii) Naming as defendants the mortgagors and any other record owner (including Sublessees and subordinate lienholders), of which the complainant has record notice (except the Tribe with respect to a claim for a Tribal tax on the Leasehold Estate subject to the Leasehold Mortgage);
  - (iii) Describing the Leasehold Estate subject to the Leasehold Mortgage;
  - (iv) Stating the facts concerning (1) the execution of the lease and the Leasehold Mortgage; (2) the recording of the Leasehold Mortgage; and (3) the facts upon which he or she seeks to recover;
  - (v) Stating any claim for damages or compensation due from the persons to be evicted; and
  - (vi) Otherwise satisfying the requirements of the Tribal Court.
- (b) A copy of the summons, issued in accordance with established Tribal Court rules and procedures, requiring the defendants to file a response to the complaint by the date specified in the summons. The deadline specified in the summons for filing a response shall be no less than 6 nor more than 30 days from the date of service of the summons and complaint. The summons shall notify the defendants that judgment will be taken against them in accordance with the terms of the complaint unless they file a response with the court by the date specified in the summons.

(4) Service of Summons and Complaint. A copy of the summons and complaint shall be served upon the defendants in the manner provided by the Tribal Court rules for service of process in civil matters. In the absence of such Tribal Court rules, the summons and complaint shall be served by one of the following two methods.

(5) Procedures for Service of Notice. Notices required or authorized in the immediately preceding section shall be given in writing either by:

- (a) delivering a copy personally to the Borrower/ Mortgagor or to any other occupant under color of law, or to any adult residing on the Leasehold Estate and, if applicable, to any Sublessee; or
- (b) posting said notice in a conspicuous place near the entrance to said Leasehold Estate, and sending an additional copy to the Lessee or to any other occupant under color of law, and, if applicable, to the Sublessee, by certified mail, return receipt requested, properly addressed, postage paid.

Proof of service may be made by affidavit of any adult person stating the he has complied with the requirements of one of the above methods of service.

(6) Power of the Tribal Court. The Tribal Court shall enter an Order of Repossession if:

- (a) Notice of suit is given by service of summons and complaint in accordance with the procedures provided herein; and
- (b) The Tribal Court shall find during pre-trial proceedings or at trial that the Lessee, Sublessee, or other occupant under color of law of the Leasehold Estate subject to the Leasehold Mortgage is guilty of an act of unlawful detainer.

Upon issuance of an Order of Repossession, the Tribal Court shall have the authority to enter a judgment against the defendants for the following, as appropriate: (1) back rent, unpaid utilities, and any charges due the Tribe, Tribal Housing Authority, other public Housing Authority, or Sublessor under any sublease or other written agreement (except for a Leasehold Mortgage); (2) any and all amounts secured by the Leasehold Mortgage that are due the lender (or Federal Agency); and (3) damages to the property caused by the defendants, other than ordinary wear and tear. The Tribal Court shall have the authority to award to the prevailing party its costs and reasonable attorney's fees in bringing suit.

(7) Enforcement. Upon issuance of an Order of Repossession by the Tribal Court, Tribal law enforcement officers shall help plaintiffs enforce same by evicting the defendants and their property from the unlawfully occupied Leasehold Estate. In all cases involving the lender or Federal Agency, the Order of Repossession shall be enforced no later than 45 days after a pre-trial proceeding or trial in which the Tribal Court finds against defendants, subject to Paragraph H7 below, and provided, that no party exercised the right to cure a default or right of first refusal as described in Paragraphs F and G above.

(8) Continuances in Cases Involving the Lender or Federal Agency (which originally made, insured or guaranteed) the mortgage loan. Except by agreement of all parties, there shall be no continuances in cases involving the lender or Federal Agency that will interfere with the requirement that the Order of Repossession be enforced not later than 45 days after a pre-trial proceeding or trial in which the Tribal Court finds against defendants, subject to the sound discretion of the Court.

#### J. No Merger of Estates

There shall be no merger of estates by reason of the execution of a Lease or a Leasehold Mortgage or the assignment or assumption of the same, including an assignment adjudged by the Tribal Court, or by operation of law, except as such merger may arise upon satisfaction of the Leasehold Mortgage.

K. Certified Mailing to Tribe

In any foreclosure proceedings on a Leasehold Mortgage where the Tribe is not named as a defendant, a copy of the summons and complaint shall be mailed to the Tribe by certified mail, return receipt requested, within five (5) days after the issuance of the summons. If the lessor is not the tribe, this notice will also be mailed to the lessor at the same time the notice is mailed to the tribe. If the location of the lessor cannot be ascertained after reasonable inquiry, a copy of the summons and complaint shall be mailed to the lessor in care of the Superintendent of the applicable agency of the Bureau of Indian Affairs.

L. Intervention

The Tribe or any Lessor may petition the Tribal Court to intervene in any Lease or Leasehold Mortgage foreclosure proceeding under this Code. Neither the filing of a petition for intervention by the Tribe, nor the granting of such petition by the Tribal Court shall operate as a waiver of the sovereign immunity of the Tribe, except as may be expressly authorized by the Tribe.

M. Appeals

Appeals under this Code shall be handled in accordance with the general tribal appellate provisions.

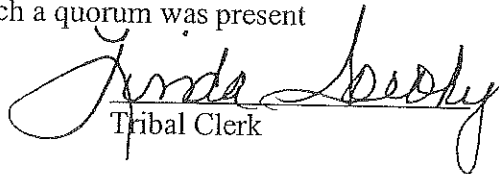
CERTIFICATION

The foregoing Penobscot Nation Mortgage Lending Code was enacted by General Meeting of the Penobscot Nation on the 5<sup>th</sup> day of June, 2004, by a vote of 32 for, 0 opposed, and 0 abstaining, at a duly called meeting at which a quorum was present;

Further, the foregoing Penobscot Nation Mortgage Lending Code was amended May 7, 2005, see footnote number 1 on page 1; by a vote of 16 for, 8 opposed, 6 abstaining at a duly called meeting at which a quorum was present; and

Finally, the foregoing Penobscot Nation Mortgage Lending Code was amended August 27, 2005, see footnote number 3 on page 1, by a vote of 31 for, 0 opposed, 0 abstaining at a duly called meeting at which a quorum was present

ATTEST:

  
Tribal Clerk

(SEAL)