

CHAPTER 7 ONEIDA NATION HOME CONTRIBUTION PROGRAM

701. HOME CONTRIBUTION

The Nation shall provide a monetary contribution (the "Contribution") to each eligible Nation member to be used to construct, improve, rehabilitate, or purchase an interest in the use and occupancy of a dwelling situated on Nation land to be used as such member's principal residence ("Home"). The Nation Housing Entity shall administer the Contribution.

702. ELIGIBILITY

- A. Only enrolled Nation members in good standing are eligible to receive a Contribution.
- B. Each Nation member aged twenty-one (21) years or older is eligible. Members not yet twenty-one (21) years old become eligible for the Contribution on their twenty-first (21st) birthday.
- C. To be eligible for some or all of the Contribution, the Nation member must make an investment of a minimum of Ten Thousand Dollars (\$10,000.00) in cash in each Home in which the member elects to apply some or all of the Contribution (the "Member's Investment"). The Member's Investment may be obtained from a Nation-guaranteed loan obtained through the Oneida Loan Guaranty Program established in Chapter 8 of the Nation Housing Code.

703. NATURE AND MECHANICS OF THE CONTRIBUTION

- A. The total lifetime Contribution for each eligible individual Nation member is Fifty Thousand Dollars (\$50,000). An eligible Nation member can draw the Contribution in increments of Five Thousand Dollars (\$5,000.00).
- B. The Contribution shall be used solely for the construction, improvement, rehabilitation, or purchase of an interest in the use and occupancy of a Home and may not be used for any other purpose.
- C. To obtain a Contribution, the eligible Nation member must provide to the Nation Housing Entity a written request for the desired portion of the Contribution (the "Initial Notice"). The Initial Notice shall be delivered to the Nation Housing Entity no later than forty-five (45) days prior to the required date of disbursement. The Nation Housing Entity shall review the request and, if such request is approved, shall prepare the required documentation for signature by the Nation member.

- D. Prior to distribution of the Contribution, the Nation member shall deliver or cause to be delivered to the Nation Housing Entity the following:
1. An executed Use Rights and Homeowner Agreement with respect to the premises on which the Home is or shall be located (a sample Use Rights and Homeowner Agreement appears at Appendix I to this Code);
 2. An executed secured promissory note (the "Note") as described in Section 703.F below and illustrated at Appendix II to this Code;
 3. An executed pledge to secure the Note (the "Pledge"), a sample of which appears at Appendix III to this Code; and
 4. Evidence of the Member's Investment.
- E. The distributed portion of the Contribution shall be provided to the Nation member in the form of an interest-free loan, which loan shall be forgiven, or "vested," each year for a ten-year period until the total distributed portion of the Contribution is reduced to zero, provided the Nation member complies with Section 706 of this Chapter.
- F. The Nation member must sign the Note in favor of the Nation for the amount of the Contribution received. This Note shall be secured by the Nation member's (i) interest in the Use Rights and Homeowner Agreement, (ii) Distributions Proceeds from the Nation, and (iii) any other security provided to the Nation. Nation land and improvements thereon may not serve as security. This Note may be made subordinate to the security interest of any approved Lender. Any default under the Note shall be enforced under Nation law, including Chapters 3-5 of the Nation's Housing Code. In addition, the Nation may, among other enforcement measures, terminate the Use Rights and Homeowner Agreement or withhold or setoff the Nation member's Distribution Proceeds (as defined in, Section 102 of Chapter 1) until the Note is satisfied.
- G. Until a Contribution has fully vested, the Nation member receiving the Contribution may not obtain any loan(s) from the Nation secured by such member's Distribution Proceeds in excess, at any one time, of the amount of the scheduled distributions for such member for one year.

704. CONTRIBUTION CALCULATIONS

A. Individual Member Household.

A Nation member who is the sole Homeowner of a Home under a Use Rights and Ownership Agreement may receive up to the maximum Contribution.

B. Married Members Household.

1. Where two (2) Nation members, whose marriage is recognized under the laws of the Nation, own a Home together under a Use Rights and Homeowner Agreement, they may mutually elect to receive their Contributions in one (1) of the following ways:

- a. Option One - One (1) Nation member receives some or all of such member's Contribution. Unless otherwise approved by the Nation Housing Entity, receipt of the other spouse's Contribution is deferred until the one member's Contribution is fully drawn and vested pursuant to Section 706.B of this Chapter. At that time, the remaining spouse shall be eligible to qualify for such spouse's Contribution pursuant to Sections 702 and 703 of this Chapter. Notwithstanding the provisions of Section 702.C, if the remaining spouse's Contribution is to be invested in the same Home as was invested in by the first spouse, no additional Member's Investment is required.
 - b. Option Two - Each married Nation member receives a portion of their Contribution to be used for the same Home. Each member spouse may each elect to receive up to sixty percent (60%) of each of their respective Contributions for a combined maximum total of \$60,000. Each spouse's receipt of the remaining percentage of such member's Contribution is deferred until the first portion is fully vested pursuant to Section 706.B of this Chapter. The Member Investment shall be the same as if only one member's Contribution were used.
2. In the event of a divorce, a Nation member's Contribution shall not be treated as a marital asset.

C. Unmarried Member Household.

1. Unrelated Nation members who are living together but are unmarried must each execute the Use Rights and Homeowner Agreement for the Home.
2. Unrelated Nation members who are living together but are unmarried cannot combine Contribution eligibility under Option Two in Section 704.B.1.b of this Chapter.
3. Each unrelated Nation member retains such member's individual eligibility to receive the Contribution, but only one (1) member of the household may exercise that eligibility at a time for any Home.

4. The second member in the household may exercise eligibility once the first member's Contribution has been fully vested.

D. Deferred Contributions:

Except if otherwise prohibited by this Chapter, a Nation member who has not drawn such member's entire Contribution may draw one or more additional Contributions prior to the full vesting of any portion of the Contribution to reduce the Nation member's remaining Note principal, to pay for additional construction/improvements to the Home, or to purchase an interest in the use and occupancy of a different Home for the primary residence. All draws of the Contribution shall be assigned separate vesting schedules according to when the Nation member received each draw of the Contribution.

705. LIMITATION ON USES OF CONTRIBUTIONS

- A. Subject to the other restrictions set forth in this Chapter, a maximum of two (2) Nation members may use their Contributions for any one (1) Home.
- B. All plans for construction, rehabilitation, or improvement of any Home must be approved by the Nation Housing Entity and the Nation Design and Construction Department.
- C. All construction, rehabilitation, or improvement must be performed by individuals or entities approved for such work by the Nation Housing Entity and Nation Design and Construction Department.
- D. All construction, rehabilitation, or improvement must be in accordance with Nation law and subsequent to the issuance of all required permits or other approvals.

706. VESTING

A. Definition.

Vesting is the process by which the Nation forgives the portion of the Contribution drawn by the Nation member, thereby increasing the rights of individual Nation members to ownership of the Contribution.

B. Vesting Schedule.

Vesting will occur in equal annual amounts sufficient to fully vest the Contribution over a ten (10) year period. Vesting will occur on the anniversary date of the initial draw of the Contribution and on each one-year anniversary thereafter. At the end of the tenth successive year of homeownership, the

Contribution shall be fully forgiven, and the member shall own the total Contribution and the Note and the Pledge shall be satisfied.

VESTING SCHEDULE (Assuming a Contribution of \$50,000)		
YEAR END	PERCENTAGE OF VESTED CONTRIBUTION	DOLLAR AMOUNT OF CONTRIBUTION VESTED
1	10%	\$5,000
2	20%	10,000
3	30%	15,000
4	40%	20,000
5	50%	25,000
6	60%	30,000
7	70%	35,000
8	80%	40,000
9	90%	45,000
10	100%	50,000

C. Sale of Home Prior to Full Vesting.

1. A Nation member who sells such member's Home and moves off Nation land before the Contribution is fully vested must repay to the Nation the remaining non-vested portion of the Contribution based upon the assumption that vesting shall occur only on the anniversary date of the initial draw.
2. A Nation member who sells such member's Home and purchases a different Home on Nation land before the vesting process is complete may apply all proceeds from the sale of the first Home to the purchase of the second Home and the vesting schedule shall continue uninterrupted to the new Home.

D. Nation Approval of Home Sales

All Home sales must be approved by the Nation in accordance with Nation laws. A Home Sale is the sale of the right to enter a Use Rights and Homeowner Agreement with the Nation for the use of a Home. Each Purchaser must enter into a Use Rights and Homeowner Agreement with the Nation prior to the closing of any sale.

E. Death of a Member Prior to Full Vesting.

Vesting of a Contribution ceases upon the death of the Nation member. All unvested sums of a used Contribution must be repaid by the decedent's estate unless the Nation in its sole discretion determines otherwise. Unused Contributions for a Nation member extinguish upon such member's death.