



TUNICA-BILOXI TRIBE OF LOUISIANA
FAIRNESS IN LENDING CODE

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TUNICA-BILOXI TRIBE OF LOUISIANA

A CODE TO ENSURE FAIRNESS IN LENDING, TO CREATE A LENDING REGULATORY COMMISSION AND TO REGULATE LENDING OPERATIONS

GENERAL PROVISIONS

SECTION 1 – SHORT TITLE

This Code may be cited as the “Tunica-Biloxi Lending Code.”

SECTION 2 – PURPOSE

- 2.1** The Tunica-Biloxi Tribe of Louisiana, hereinafter referred to as “Tribe”, is empowered by its Constitution to enact Codes and hereby enacts this Code to regulate certain loans made from Tribal lands and to establish the Tunica-Biloxi Lending Regulatory Commission (the “Commission”) to regulate lending by the Tribe and Tribal Entities.
- 2.2** The purpose of this Code is to ensure that all lending operations by the Tribe and Tribal entities:
- a) are regulated in accordance with this Code and Federal Consumer Protection Laws;
 - b) operate in a manner that is fair, transparent and consistent for the Borrower and the Lending Operation; and
 - c) provide consumers with timely and understandable information to make responsible decisions.

SECTION 3 – DECLARATION OF TRIBAL POLICY

- 3.1** It is the policy of the Tribe that:
- a) the provision of Loans from Tribal Lands shall be conducted strictly in accordance with this Code;
 - b) the Commission shall have authority to promulgate regulations in accordance with this Code and the responsibility for regulation of Loans made from Tribal

Lands;

- c) the Commission is vested with all privileges and immunities of the Tribe, except where explicitly waived by action of the Tribal Council;
- d) each Lending Operation on Tribal Lands shall be owned by the Tribe or a Tribal Entity and conducted in accordance with Tribal Law, including without limitation, this Code, and Chapter 1 (Loans of Money), Subchapter 1 (Revolving Credit (Not Home Secured)) of Tribal Code.
- e) the objective of each Lending Operation is to generate governmental revenues to the Tribe that shall be used solely to (i) fund Tribal governmental operations; (ii) promote tribal economic development and self-sufficiency; and (iii) provide for the health, education, and general welfare of Tribal members; and
- f) all Loans and Lending Operations shall be subject to regulation by the Commission as set forth in this Code, regulations promulgated by the Commission pursuant to this Code, and shall comply with all Federal Consumer Protection Laws.

SECTION 4 – DEFINITIONS

4.1 For purposes of this Code, the following definitions shall apply:

- a) “Applicant” means any person who completes an application with the Commission for a Lending License.
- b) “Board of Directors” means the elected or appointed members who jointly oversee the activities of a Lending Operation.
- c) “CFPB” means the Consumer Financial Protection Bureau established pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
- d) “Chairperson” or “Chair” means the Chairperson of the Commission or his or her designee.
- e) “Code” means the Tunica-Biloxi Fairness in Lending Code.
- f) “Commission” means the Tunica-Biloxi Lending Regulatory Commission.
- g) “Compliance Management Policy” means a Lending Operation’s approved blueprint and infrastructure for its regulatory compliance framework, upon which Compliance Procedures are built.

- h) “Compliance Management System” is the process that must be established by a Lending Operation to;
 - 1) establish its compliance responsibilities;
 - 2) communicate those responsibilities to employees;
 - 3) ensure that responsibilities for meeting legal requirements and internal policies are incorporated into business processes;
 - 4) review operations to ensure responsibilities are carried out and legal requirements are met;
 - 5) take corrective action and updates tools, systems, and materials as necessary; and
 - 6) maintain interdependent control components that address:
 - (A) board of directors and management oversight;
 - (B) corporate and business line compliance programs;
 - (C) consumer complaint management; and
 - (D) compliance examinations.
- i) “Family Member” means a spouse, child, sibling, parent, stepchild, stepparent, as well as mother-, father-, son-, daughter-, brother-, or sister-in-law, and any other person living with or who is otherwise a dependent of a Commissioner.
- j) “Federal Consumer Protection Laws” means any federal consumer financial law, including, but not limited to:
 - 1) Dodd-Frank Wall Street Reform and Consumer Protections Act of 2010 (“DFA”);
 - 2) Unfair, Deceptive or Abusive Acts or Practices (“UDAAP”);
 - 3) Equal Credit Opportunity Act and its implementing Regulation B (collectively, “ECOA”);
 - 4) Truth in Lending Act and its implementing Regulation Z (collectively, “TILA”);
 - 5) Fair Debt Collection Practices Act (“FDCPA”);

- 6) Fair Credit Reporting Act (“FCRA”);
 - 7) Electronic Fund Transfer Act (“EFTA”);
 - 8) The Military Lending Act (“MLA”); and
 - 9) Gramm-Leach Bliley Act (“GLBA”).
- k) “Key Employee” means an employee of a Tribal Entity that owns a Lending Operation who is not an Officer, but who is responsible for originating, underwriting or making credit decisions for consumer loans for a Tribal Entity or who has management responsibility for a Lending Operation.
 - l) “Lending License” means the permit granted by the Commission to Key Employees or a Tribal Entity that owns a Lending Operation.
 - m) “Lending Operation” means each operation that is owned by the Tribe or Tribal Entity and that provides Loans.
 - n) “License” means permission granted by the Commission to a Licensee for the purposes of engaging in lending activities.
 - o) “Licensee” means any Person granted a license by the Commission under the provisions of this Code.
 - p) “Loan” means consumer loans or lines of credit provided via electronic means between the Borrower and the Lending Operation, which allows a Borrower to borrow, repay and re-borrow advances under specified terms and conditions.
 - q) “Loan Product” means a specific type of consumer loan offered by a Lending Operation that is licensed by the Commission in accordance with Section 5.4.
 - r) “Loan Product License” means the permit to offer a Loan Product granted by the Commission to a Lending Operation.
 - s) “Officer” means an officer of a Tribal Entity that owns a Lending Operation including, but not limited to; the Chief Executive Officer, Chief Financial Officer and Chief Compliance Officer.
 - t) “Person” means any individual, entity, firm, partnership, corporation, company, or association.
 - u) “Service Provider” means any person who is approved by the Commission to provide a material service in connection with the offering or servicing of consumer financial products or services, including Loans, to the Tribal Entity that owns a Lending Operation.

- v) “Tribal Council” means the elected governing body of the Tribe.
- w) “Tribal Entity” means an arm of the Tribe formed under Tribal Law as an instrumentality, agency, unincorporated department or division, or business entity that is wholly owned by the Tribe or tribal subsidiaries, including, without limitation, a corporation or limited liability company.
- x) “Tribal Lands” means all lands within the limits of the Tunica-Biloxi Indian reservation; and any lands title to which is either held in trust by the United States for the benefit of the Tribe or a member of the Tribe, or held by the United States for the benefit of the Tribe or a member of the Tribe subject to restriction by the United States against alienation and over which the Tribe exercises governmental power.
- y) “Tribal Law” means all laws of the Tribe, including without limitation, this Code.
- z) “Tribe” means the Tunica-Biloxi Tribe of Louisiana.

SECTION 5 – AUTHORIZED LENDING OPERATIONS, LOANS, AND LOAN PRODUCTS; USE OF REVENUES

- 5.1** The Tribe shall have the sole proprietary and ownership interest in all Lending Operations.
- 5.2** Each Loan shall:
- a) be authorized by and meet the requirements of this Code;
 - b) be made and originate from Tribal Lands;
 - c) comply with Tribal Law and Federal Consumer Protection Laws;
 - d) be a Loan of a Loan Product that is licensed by the Commission in accordance with the Code;
 - e) meet the requirements and standards for Loans set forth in Section 8.
- 5.3** Each Lending Operation shall;
- a) be authorized in accordance with this Code;
 - b) be owned and controlled by the Tribe or a Tribal Entity; provided, however,

nothing herein shall be construed as prohibiting the Lending Operation from entering into contracts with Service Providers, including without limitation, contracts for management, marketing or other services related to the Lending Operation or the provision of Loans;

- c) comply with Tribal Law and Federal Consumer Protection Laws;
- d) be duly licensed by the Commission in accordance with this Code;
- e) be subject to compliance procedures as provided in Section 15; and
- f) meet the requirements and standards for Lending Operations as set forth in Section 7.

5.4 Each Loan Product shall;

- a) be duly licensed by the Commission in accordance with this Code prior to the Lending Operation offering a Loan from such a Loan Product;
- b) consist of only such Loans that meet the requirements of Section 8;
- c) comply with Tribal Law and Federal Consumer Protection Laws; and
- d) meet the requirements and standards for Loan Products as set forth in Section 9.

5.5 Revenues from Lending Operations shall be used only for the purposes set forth in Section 3.1(e).

SECTION 6 – TUNICA-BILOXI LENDING REGULATORY COMMISSION

6.1 The Tribe hereby establishes the Commission whose duty is to regulate Loans, Loan Products, Lending Operations and Service Providers on Tribal Land. The purpose of the Commission is regulatory, not managerial. In all matters within its purview and responsibilities, the Commission shall be and shall act independently and autonomously from the Tribal Council and Lending Operations.

6.2 The Commission shall, in accordance with this Code;

- a) license each Lending Operation, Officer, Key Employee and Loan Product;
- b) promulgate policy, regulations and guidelines as it deems appropriate to

- implement the provisions of this Code;
- c) monitor, on a continuing basis, all activities of Lending Operations and activities of Service Providers in connection with services provided to Lending Operations;
 - d) engage an independent third-party consultant to schedule and perform rolling regulatory compliance examinations of the Lending Operations. The compliance examinations shall comply with the CFPB's Examination Procedures for Short Term, Small Dollar Lending and other pertinent federal regulatory guidance. The Commission shall conduct appropriate due diligence to ensure that the third-party has the necessary expertise and resources to provide the requested services and is sufficiently independent of the Lending Operation and the Tribe. The due diligence shall include, but is not be limited to;
 - 1) identifying staff from the third-party who previously worked for the Lending Operations;
 - 2) conducting a fair and competitive process for selection of experts;
 - 3) reviewing the total number of contracts the Lending Operation has with the third-party, past or present, to determine the total financial relationship and whether or not a conflict of interest exists; and
 - 4) reviewing the qualifications of individuals or companies working on the engagement.
 - e) create an Advisory Board to serve the Commission and Boards of Directors of each Lending Operation. The Advisory Board shall;
 - 1) be made up of two members appointed by the Commission and one member appointed by each Lending Operation; and
 - 2) serve at the pleasure of the appointing entity; and
 - 3) be compensated on a contractual basis.
 - f) appoint a Consumer Advocate to:
 - 1) protect the rights of customers;
 - 2) test Loan Products; and
 - 3) advocate to improve tribal laws and regulations to protect and promote the welfare and rights of consumers.

- g) perform such other duties the Commission deems appropriate for the proper regulation of Lending Operations, Service Providers, Loans and Loan Products;
- h) have unrestricted access to all areas and records of the Lending Operations and to all Loan and Loan Product records;
- i) develop, within one-year, a five-year Strategic Plan to outline the Commission's goals, structure and measures by which the Commission plans to meet its goals over a five-year period. The Strategic Plan shall be updated every five-years and approved by a vote of not less than two of the Commissioners;
- j) conduct or cause to be conducted, a background investigation of each applicant for a position which is designated as a Key Employee or Officer sufficient to make a qualification determination under Section 6. In conducting the investigation, the Commission shall keep confidential the identity of each person interviewed in the course of the investigation; and
- k) within 180 days establish;
 - 1) standards and procedures for inspection and enforcement by which a Lending Operation licensed under this Code shall be maintained in a manner which adequately protects the security and integrity of the Lending Operation; and
 - 2) standards and procedures for the approval on Service Providers by the Commission and maintain a list of approved Service Providers; and
 - 3) a policy to prevent Conflicts of Interest that shall apply to all Commissioners and Officers and be no less restrictive than the Duties and Restrictions Relating to Practice Before the Internal Revenue Service as set forth in Section 10.29 of title 31, United States Code of Federal Regulations;
 - 4) a schedule of civil penalties for violations of this Code that may be imposed pursuant to Section 19 and may not exceed fines greater than one thousand dollars (\$1,000) per day for ongoing offenses and not greater than one hundred thousand dollars (\$100,000) for a one-time offense; and
 - 5) a gift policy that shall apply to all Commissioners, Officers and the Board of Directors for gifts offered by the Tribe, Lending Operation or a Service Provider, and be no less restrictive than the Federal Gift policy as set forth in Section 2635, subpart B of title 5, United States Code of Federal Regulations.

6.3 The Commission shall consist of three (3) members, of whom there shall be a Chairperson, and two (2) Commissioners.

6.4 The Tribal Council shall make nominations by motion for each Commissioner position at either a regularly scheduled meeting or a special meeting of the Tribal

Council. Upon completion of the suitability determination pursuant to Section 6.5, the Tribal Council shall, by majority vote, either approve by Tribal Council resolution or motion the appointment of a Commissioner or disapprove the candidate. Each candidate for a Commission position shall meet or exceed the following criteria;

- a) five years experience in consumer financial protection; or
- b) five years a member in good standing of a State or Tribal Bar; or
- c) five years experience in the financial services sector; or
- d) five years of experience in regulatory compliance in a financial services company as a consultant or examiner; and
- e) five years experience working with Native American Tribes or State or Federal Government.

6.5 The Tribal Council shall require a criminal background check using an appropriate third-party provider or the Tribal Police and shall review this criminal history report and make an appropriate suitability determination before appointing an individual to a position as a Commissioner.

- a) Prohibition: an individual will be ineligible for nomination as Chairman or Commissioner if;
 - 1) he or she has been convicted of a felony;
 - 2) he or she has been convicted of any criminal offense involving dishonesty or a breach of trust or money laundering, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such offense, may not serve on the Commission; or
 - 3) the offense of conspiring to commit any such offense.

6.6 The Tribal Council shall require a credit report using an appropriate third-party provider and shall review this credit report and make an appropriate suitability determination before appointing an individual to a position as a Commissioner.

6.7 Terms of office for Commissioners shall be as follows;

- a) the Chair shall serve an initial term of three years, with subsequent Chairs serving three-year terms;
- b) Commissioner 1 shall serve an initial term of one year, with subsequent three-year

terms.

- c) Commissioner 2 shall serve an initial term of two years, with subsequent three-year terms.

6.8 Members of the Commission may not:

- a) apply for or obtain Loans with a Lending Operation;
- b) accept gifts from the Tribe, a Lending Operation or a Service Provider in violation of the gift policy promulgated pursuant to Section 6.2;
- c) have any direct or indirect financial interest in, or management responsibility over, a Lending Operation, except for a financial interest that derives solely from status as a member of the Tribe; and
- d) have any Family Members that are Key Employees or Officers of a Lending Operation.

6.9 The following individuals are not eligible to serve as Commissioners;

- a) Tribal Council members, while serving as such;
- b) Employees of the Lending Operation, while serving as such;
- c) Any individual with a financial or managerial interest in a Service Provider or a Lending Operation, except for any interest that derives solely from being a member of the Tribe; and
- d) Any individual who is not determined suitable in accordance with Section 6.5.

6.10 A Commissioner may be removed as a Commissioner prior to the expiration of his/her respective term only (1) by the Tribal Council and (2) for one or more of the following reasons set forth in this Section.

- a) The following shall be grounds for removal of a Commissioner, each as determined by the Tribal Council upon a showing of clear and convincing evidence presented that a Commissioner;
 - 1) violated Section 6.8;
 - 2) would be ineligible pursuant to Section 6.5 or 6.9;
 - 3) has knowingly and willfully provided materially false statements or information to the Commission, a Lending Operation or the Tribal Council;

- 4) has knowingly and willfully refused to fulfill his or her responsibilities pursuant to this Code;
 - 5) has knowingly and willfully violated any regulations promulgated pursuant to this Code governing conduct of Commissioners;
- b) A Commissioner subject to removal, or a claim of removal, shall be:
- 1) provided written notice by the Tribal Council at least fourteen (14) calendar days before the Tribal Council convenes to consider the proposed removal unless the Tribal Council determines that there is an emergency requiring action in less than fourteen (14) days. The written notice shall set forth with specificity the alleged grounds for removal, and inform the Commissioner of the date, time and location when the Tribal Council will consider the proposed removal;
 - 2) suspended from his/her duties as a Commissioner without pay commencing upon the issuance of notice pursuant to Section (b)(1) and until a determination is made by the Tribal Council pursuant to Section 6.10(d);
 - 3) given an opportunity to present written and oral testimony and other evidence to the Tribal Council before the Tribal Council renders a removal decision; and
 - 4) prohibited from all *ex parte* communications with Council Members during the pendency of removal proceedings.
- c) Members of a Lending Operation's Board of Directors who are also Council Member shall be recused from all Council matters associated with the appointment or removal of a Commissioner.
- d) The Tribal Council shall make a final decision on removal within ten (10) calendar days from the date of the conclusion of the removal proceeding. The Tribal Council's decision shall be in writing and shall set forth specific findings on each removal allegation. A vote of the Tribal Council on the validity of the removal shall be final and not subject to further appeal.

6.11 Compensation of Commissioners shall be;

- a) at a level determined by the Tribal Council; and
- b) set at a fixed rate for each term of service on the Commission;

6.12 The Commission shall maintain complete records, including the following:

- a) applications for Licenses;
- b) licenses issued, denied, suspended or revoked;
- c) meeting minutes from all Commission meetings;
- d) reports relating to Borrower disputes, complaints or other issues that affect the integrity of the Lending Operations;
- e) Commission budget and expenditures;
- f) Tribal Council communications and correspondences;
- g) any other records or documents the Commission deems necessary or appropriate;
- h) any reports or findings presented by third parties engaged pursuant to Section 6.2(d); and
- i) any correspondence with United States' regulators.

6.13 The Commission shall submit annual written reports to the Tribal Council due no later than the first business day of March of the following year. Such reports shall contain the following information:

- a) number and types of Licenses issued during the previous year;
- b) information regarding License denials, suspensions or revocations;
- c) report of any allegations and/or events of noncompliance, breach or violations of this Code, Tribal or Federal law; provided, however, that these reports are not the subject of or relating to a pending investigation being conducted by the Commission, or a hearing before the Commission;
 - 1) any fines imposed, the status of such cases, and disposition of fines collected; and
 - 2) other information deemed relevant by the Commission or specifically requested by Tribal Council Resolution to keep the Tribal Council informed and current on all Lending Operations regulatory matters.

Nothing in this Section shall authorize or permit the Commission to provide the Tribal Council with any information pertaining to a pending investigation being conducted by the Commission or a hearing before the Commission. All such information shall be kept confidential. Any willful or careless breach of this provision shall present due cause for removal of the Commissioner from office. Claims of such disclosure shall be presented to the Commission within sixty (60)

calendar days of the act complained of, or within sixty (60) calendar days the disclosure becomes known, whichever is later.

- 6.14** Contacts Policy: The Commission and Licensees shall not disclose any information covered by Section 6.12 to individual Council Members without disclosure to the full Tribal Council. Accordingly, requests for information from the Commission shall be in the form of a written council resolution.
- 6.15** The Commission may organize itself into any functional division it deems necessary, and may alter such plan of organization, as it deems expedient.
- 6.16** The Commission shall prepare a three-year budget for its operations, including personnel costs and travel. It shall acquire such furnishings, equipment, supplies, stationery, books and other items, as it deems necessary or desirable to carry out its functions, and incur such other expenses, within the limit of funds available to it, as it deems necessary. The Commission's budget shall be wholly funded by fees imposed on Licensees who are Lending Operations and application fees for reviewing new businesses. The Commission may request a funding supplement from the Tribal Council should it be necessary at any point during the three-year Budget cycle in order to maintain operations of the Commission. Such a request shall be accompanied by full documentation of previous and projected expenditures to justify the request and be subject to Tribal Council approval. If approved by the Tribal Council, the supplement shall be funded as an operating expense of the Tribal Government and supplemented by revenue from fees imposed on Licensees who are Lending Operations.

SECTION 7 – REQUIREMENTS AND STANDARDS FOR LENDING OPERATIONS

- 7.1** Each Lending Operation shall:
- a) maintain a Compliance Management System that is documented within a comprehensive Compliance Management Policy designed to ensure that the Lending Operation's practices are in full compliance with Tribal Law and Federal Consumer Financial Protection Laws, and set forth in a flexible structure that allows for revision and updating as risks evolve and/or are identified;
 - b) regularly assess consumer experience and outcome for loan products;
 - c) have a qualified and experienced Chief Compliance Officer appointed by the Board of Directors of the Lending Operation;
 - d) Integrate the Compliance Management System into the overarching framework of the Lending Operation which shall be applied to the entire product and service lifecycle (including product development, design, delivery, servicing, and

marketing practices).

- e) The Compliance Management System shall include, at a minimum:
 - 1) Regular, job-specific and comprehensive employee, officer and director compliance training on consumer financial protection laws and other applicable federal laws as necessary;
 - 2) Board of Directors and management oversight of the compliance function, approval of compliance policies, selection of the compliance officer, and routine review of the company's compliance status;
 - 3) An annual Compliance and UDAAP risk assessment;
 - 4) Compliance policies and procedures for all Federal Consumer Protection Laws.
- f) Risk-focused internal controls that shall include frequent and ongoing internal monitoring, oversight, independent testing, compliance procedures (internal and/or external), recording of results, and the reporting of results to management and the Board of Directors to ensure that compliance issues are self-identified and corrective action is implemented timely and appropriately;
- g) A consumer complaint response protocol that allows for recording of complaints, prompt resolution, and the incorporation of information gathered into compliance program revisions;
- h) Appropriate record retention requirements; and
- i) A Service Provider risk management program.

SECTION 8 - REQUIREMENTS AND STANDARDS FOR LOANS

- 8.1** Disclosure Requirements: All loan terms and conditions will be presented in a clear and conspicuous manner in accordance with TILA. The Commission has the authority to review whether the required information in account disclosures, such as costs to the consumer, is accurate and consistent with applicable law.
- 8.2** Marketing Requirements: All marketing materials for loans shall comply with Tribal Law and all applicable Federal Consumer Protection Laws. The Lending Operation shall be responsible for reviewing all advertising materials and disclosures across all media, including: print, television, radio, telephone solicitation scripts, and electronic media including the Internet, email, and text messages. The evaluation shall include a review of advertising materials provided in languages other than English, the media used to distribute those materials, and

a comparison to English language materials and media. The Lending Operation shall also be responsible for reviewing all advertising materials and disclosures developed and used by Service Providers that advertise, offer or provide loan products on behalf of the Lending Operation.

8.3 Dispute Resolution: Each loan shall be subject to a written agreement, whether on-line or otherwise, between the Lending Operation and the Borrower that contains each of the following;

1) A dispute resolution provision that:

(A) allows for disputes between the Borrower and the Lending Operation to be subject to binding arbitration; and

(B) provides a mechanism for Borrowers to opt out of the arbitration provision.

2) A choice of law provision that expressly states that the Loan and any disputes arising thereunder shall be subject to, and interpreted in accordance with, Tribal Law and Federal Consumer Protection Laws; and

3) An acknowledgment by the Borrower that the Loan originates on Tribal Lands and that the Loan and the Borrower with respect to the Loan, is subject to Tribal Law and Federal Consumer Protection Laws.

8.4 Terms: All loan terms and conditions will adhere to this Code, applicable federal law and federal regulations governing small dollar lending.

SECTION 9 – REQUIREMENTS AND STANDARDS FOR LOAN PRODUCTS

9.1 All Loan Products shall adhere to this Code, federal law and federal regulations.

9.2 No Loan Product may be offered until it has been licensed by the Commission in accordance with Section 5.4.

SECTION 10 – REQUIREMENTS AND STANDARDS FOR SERVICE PROVIDERS

10.1 The Lending Operation shall have an effective evaluation process for managing the risks of service provider relationship that shall include:

a) Conducting thorough due diligence to verify that the Service Provider understands and is capable of complying with Tribal Law and Federal Consumer Protection

- Laws;
- b) Requesting and reviewing the Service Provider's policies, procedures, internal controls, and training materials to ensure that the Service Provider conducts appropriate training and oversight of employees or agents that have consumer contact or compliance responsibilities;
 - c) Including in the contract with the Service Provider clear expectations about compliance, as well as appropriate and enforceable consequences for violating any compliance-related responsibilities, up to, and including, termination of the contract;
 - d) Establishing internal controls and on-going monitoring to determine whether the Service Provider is complying with Tribal Law and Federal Consumer Protection Laws;
 - e) Taking prompt action to address fully any problems identified through the monitoring process; and
 - f) Disclose stipulation in agreements that service providers are subject to further review and or fines from the Commission for Code violations.

SECTION 11 – LENDING LICENSES REQUIRED, APPLICATIONS and LICENSE FEES

11.1 Lending Operation. Each Lending Operation, Officer, Key Employee, and shall be licensed by the Commission.

- a) An application for Lending Operation License shall include the following:
 - 1) the name of the Tribal Entity owning the Lending Operation and the name of the Lending Operation;
 - 2) the location of the Lending Operation;
 - 3) a summary of consumer services provided, current sales footprint, and the marketing and delivery methods currently used, including but not limited to online, brick and mortar, direct mail, or telemarketing;
 - 4) a list of the Lending Operation's current and proposed Service Providers;
 - 5) a copy of the Lending Operation's Compliance Management Program Policy;
 - 6) copies of any and all compliance audit or regulatory examination findings for the past three (3) years, if applicable;

- 7) an organization chart; and
 - 8) any other information the Commission deems relevant.
- b) An application for Officer License and Key Employee License shall include the following:
- 1) full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender;
 - 2) currently and for the previous five (5) years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and driver's license numbers;
 - 3) the names and current addresses of at least three (3) personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (d)(ii) of this Section;
 - 4) current business and residence telephone numbers;
 - 5) a description of any existing and previous business relationships with the Lending industry generally, including ownership interests in those businesses;
 - 6) the name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to Lending, whether or not such license or permit was granted;
 - 7) for each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;
 - 8) for each misdemeanor conviction or on-going misdemeanor prosecution (excluding minor traffic violations), within ten (10) years of the date of the application, the name and address of the court involved and the date and disposition;
 - 9) the name and address of any licensing or regulatory agency with which the applicant has filed an application for an occupational license or permit, whether or not such license or permit was granted;
 - 10) whether the person has been involved with a company, partnership or other organization that has been refused registration, authorization, membership or a license to carry out a trade, business or profession, or has had that registration, authorization, membership or license revoked, withdrawn or terminated, or has been expelled by a regulatory or government body;

11) whether the person has been a director, partner, or concerned in the management of a business that has gone into bankruptcy, insolvency, or liquidation; and

12) any other information the Commission deems relevant.

11.2 Loan Product. Each Loan Product shall be licensed by the Commission.

a) An application for Loan Product License shall include the following:

1) the Lending Operation's risk assessment of the Loan Product;

2) the Lending Operation's Compliance Management Plan which demonstrates how the Lending Operation will maintain compliance with its own Compliance Management Policy and this Code;

3) the proposed marketing plan for the Loan Product; and

4) any other information the Commission deems relevant.

11.3 Each application shall be accompanied by payment of the appropriate License fee as set by the Commission.

11.4 Subject to the requirement of payment of annual license fees, each License shall be valid for five (5) years.

11.5 A License may not be assigned or transferred and is valid only for use by the person or entity in whose name it is issued.

11.6 Evidence that the Lending Operation has been Licensed by the Commission shall be conspicuously displayed in all marketing materials related to the Loan.

11.7 Every Person who applies for a License and accepts such License thereby acknowledges the civil enforcement jurisdiction and authority of the Commission under this Code and consents to the jurisdiction of Tunica-Biloxi Tribal Court.

11.8 The Commission shall make the final administrative decision as to whether a License shall be issued, suspended, or revoked. Final licensing decisions shall be subject to review in Tunica-Biloxi Tribal Court.

11.9 The privileges and immunities of the Tribe, as vested in the Commission by Section 3.1(c), shall not be extended to the Commission for the sole purpose of review of final licensing decisions by the Tunica-Biloxi Tribal Court pursuant to Section 11.8.

SECTION 12 – QUALIFICATIONS FOR OFFICER AND KEY EMPLOYEE LICENSES

12.1 The Commission may issue or renew an Officer or Key Employee License to an Applicant who submits a proper and completed application and pays the appropriate license fee, provided that the Commission determines that at a minimum the Applicant:

- a) is a person of good character, honesty, and integrity;
- b) has not received disciplinary action or is not pending action by any court or regulatory body, Tribal, local, state or Federal, which would pose a threat to the public interest or the interest of the Tribe or to the effective regulation and control of Lending within a Lending Operation; and
- c) has not supplied false and/or misleading information or who has not omitted material information required under this Code.

SECTION 13 – DEBT COLLECTIONS

13.1 All employees of a Lending Operation involved in the consumer debt collection process shall comply with the FDCPA. To ensure compliance, each Lending Operation shall include fair debt collection practices as part of its overall Compliance Management System and shall:

- a) Develop and implement a FDCPA Compliance Policy;
- b) Review the qualifications and experience levels of employees who interact with consumers;
- c) Periodically monitor collection activities for both incoming and outgoing communications;
- d) Provide regular FDCPA training to all employees and contractors involved in the consumer debt collection process;
- e) Evaluate compensation practices and programs to ensure they do not incentivize behavior that would result in heightened risk to consumers; and
- f) Ensure that any Service Provider that is involved in the consumer debt collection process on behalf of a Lending Operation shall comply with the FDCPA.

SECTION 14 – CONSUMER COMPLAINTS

14.1 Each Lending Operation shall respond to consumer complaints and inquiries in a timely manner and with full attention to resolution and remediation, if appropriate. To accomplish this, each Lending Operation shall include consumer complaint management as part of its overall Compliance Management System and shall:

- a) Develop and implement Consumer Complaint Management Policies and Procedures that shall ensure all complains and inquiries;
 - 1) are appropriately recorded and categorized;
 - 2) whether regarding the Lending Operation or its Service Providers, are addressed and resolved promptly;
 - 3) that raise legal issues involving potential consumer harm from unfair treatment or discrimination, or other regulatory compliance issues, are tracked and reported to the Commission on not less than a quarterly basis;
 - 4) result in retrospective corrective action to correct the effects of the Lending Operation’s actions when appropriate; and
 - 5) shall be used to identify weaknesses in the compliance management system, based on the nature or number of substantive complaints from consumers.

SECTION 15 – ANNUAL FINANCIAL AUDITS AND COMPLIANCE PROCEDURES

15.1 Each Lending Operation shall engage an independent certified public accountant to provide an annual financial audit of the financial statements of each Lending Operation. Such financial statements shall be prepared in accordance with generally accepted financial accounting principles and the financial audit(s) shall be conducted in accordance with generally accepted financial auditing standards.

15.2 Each Lending Operation shall engage an independent third-party to review its compliance with Federal Consumer Financial Protection Laws and adherence to internal policies and procedures. The compliance procedures shall provide the Lending Operation’s Board of Directors with a determination of whether policies adopted by the Board of Directors to guide risk management are being implemented to provide for the level of compliance and consumer protection established by the Board of Directors. The compliance procedures shall also identify any significant gaps in compliance-related policies and operating procedures. The compliance procedures schedule and scope shall be appropriate to the size of the Lending Operation and the risk-level of the products offered to

consumers. Results of the compliance procedures shall be reported directly to the Board of Directors of the Lending Operation.

- 15.3** The Lending Operation shall promptly take all corrective actions identified in any auditor’s report or report on compliance issued under this Section.

SECTION 16 – RECORDS AND REPORTS

- 16.1** A Lending Operation shall keep and maintain, for a period of not less than five years, any lending or business related non-identical copy (such as a draft or annotated copy) of the following;

- a) any written matter of every type and description, including any book, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium; and
- b) any electronically created or stored information, including but not limited to electronic mail, instant messaging, videoconferencing, SMS, MMS, or other text messaging, and other electronic correspondence (whether active, archived, unsent, or in a deleted items folder), word processing files, spreadsheets, databases, unorganized data, document metadata, presentation files, and sounds recordings, whether stored on cards, magnetic or electronic tapes, disks, computer files, computer or other drives, cell phones, Blackberry, or other storage media, and such technical assistance or instructions as will enable conversion on such electronically stored information into a reasonably usable form.

SECTION 17 - PROHIBITED ACTS; VIOLATIONS

- 17.1** Prohibited Acts

- a) No Person other than the Tribe or a Tribal Entity may engage in providing Loans from Tribal Lands.
- b) No person shall provide Loans without a Lending Operation License and Loan Product License issued by the Commission in accordance with this Code.
- c) No person shall knowingly submit misleading information, or make false or misleading statements to the Commission or the Tribe, or make an omission of data or facts in an attempt to mislead the Commission.

SECTION 18 – NOTICE OF VIOLATION

- 18.1** The Commission may issue a Notice of Violation (“NOV”) to any person for violation of any provision of this Code.

18.2 A NOV shall contain:

- a) A citation to the Code provision that has been or is being violated;
- b) A description of the circumstances surrounding the violation, set forth in common and concise language;
- c) Measures required to correct the violation;
- d) A statement that the violation must be corrected within a specified number of calendar days from the date the notice was issued;
- e) A statement of the alleged violator's rights of appeal; and
- f) The amount of civil penalties, if any, that the alleged violator must pay to the Commission pursuant to Section 19₂ below.

SECTION 19 – CIVIL PENALTIES

19.1 In issuing a NOV under Section 18 of this Code, the Commission may impose a penalty in accordance with the schedule of civil penalties pursuant to Section 6.2(k)(4) for each violation and, if such violation is a continuing one, for each day, that the violation occurs.

19.2 Procedures for assessment of a civil fine:

- a) Within five (5) calendar days after service of a notice of violation, the alleged violator shall submit written information about the violation and any corrective measures undertaken to Commission. The Commission shall consider any information so submitted in determining the facts surrounding the violation and the amount of the civil fine;
- b) The Commission shall serve a copy of the proposed assessment on the alleged violator within ten (10) calendar days after the notice of violation was issued, when practicable; and
- c) The Commission may review and reassess any civil fine if necessary to consider facts that were not reasonably available on the date of issuance of the proposed assessment.

19.3 Final assessment:

- a) If the alleged violator fails to request a hearing as provided in Section 21 of this Code, the proposed civil fine assessment shall become a final order of the

Commission; and

- b) The Commission shall donate all civil fines paid under this Code to a Certified Native American Community Development Financial Institution or other non-profit organization that provides financial literacy, education, and training to Native Americans.

SECTION 20 – ENFORCEMENT

- 20.1** The Commission shall take any one or a combination of the following actions with respect to any person who violates any provision of this Code:
- a) suspend or revoke any License issued by Commission; or
 - b) bring an action in Tribal Court or a court of competent jurisdiction for imposition of one or more of the following sanctions:
 - 1) enjoin the operations of a Lending Operation that operates without a valid Lending Operation License that is in effect;
 - 2) collection of any unpaid fees, interest, penalties, and of any civil fines unpaid after thirty (30) calendar days; or
 - 3) execution on any nonexempt property of a violator located within the exterior boundaries of Tribal Lands.
- 20.2** The Commission is empowered to seek comity and enforcement of the orders of the Commission by the courts of any other jurisdiction whose assistance may be required to give effect to the orders of the Commission.
- 20.3** All matters and occurrences contrary to this Code, rules or regulations promulgated by the Commission which are not covered under a criminal code shall be deemed to be a civil violation.

SECTION 21 – HEARINGS AND APPEALS

- 21.1** This Section provides procedures for appeals to the Commission regarding:
- a) A violation alleged in a notice of violation; and
 - b) Civil fines assessed by the Commission in this Code.
- 21.2** The Commission shall hold a hearing on the proposed revocation of a License. The licensee shall be notified by the Commission of the time and place for

hearing.

- 21.3** Any person aggrieved by a decision made or action taken by the Commission after notice and opportunity for hearing may petition the Commission for review. Such petition shall specifically set forth the reasons for aggrievement and be filed with the Commission no later than thirty (30) business days after the Commission's decision or action. The Commission shall set the matter for hearing no later than thirty (30) business days and no sooner than three (3) business days after receipt of the petition, and may, upon establishing that it has jurisdiction, affirm, modify, reverse and/or vacate the Commission's order.

SECTION 22 – SAVINGS PROVISIONS

- 22.1** If any provision of this Code or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Code which can be given effect without the invalid provisions or application, and, to this end, the provisions of this Code are severable.
- 22.2** In interpreting the provisions of this Code, unless otherwise plainly declared or clearly apparent from the context:
- 1) Words in the present tense shall include the future tense;
 - 2) Words in masculine, feminine and neuter genders shall include all genders; and
 - 3) Words in the singular shall include the plural, and words in the plural shall include the singular.