

REDDING RANCHERIA TRIBAL GOVERNMENT POLICIES

Chapter TP 7-375

Member Home Ownership Assistance Program



February 13, 2018

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SECTION 1: PURPOSE

The purpose of the Redding Rancheria Member Home Ownership Assistance Program is to promote the general welfare of the Redding Rancheria by providing support for home ownership among members of the Redding Rancheria.

SECTION 2: BACKGROUND AND INTENT

(a) Promotion of the General Welfare / Addressing Tribal Needs and Goals

The Redding Rancheria (the "Tribe") has determined that the use of Tribal funds to pay for qualified housing expenses should be eligible for tax free treatment under Internal Revenue Code (the "Code") Section 139E and the Redding Rancheria General Welfare Ordinance (the "GWO"). The Tribe has adopted the Redding Rancheria Member Home Ownership Assistance Program (the "Program") to assist in satisfying the requirements for tax exemption under Code Section 139E and the GWO.

This program is designed to promote the general welfare of the Redding Rancheria and to address specific tribal needs and goals. This program was developed taking into account specific facts and circumstances of the Redding Rancheria, including needs and goals unique to the Tribe's culture, history, traditions and demographics. Ensuring the well-being of tribal members and their families is important to the economic, cultural, health and social welfare of the Redding Rancheria community. Access to safe and sanitary housing is important to the well-being of adults, and the healthy development of Tribal children. By deferring modest amounts each year over long-term periods (for minors, from 18 to 25 or more years), beneficiaries may accumulate trust benefits to meet these goals.

The Tribe sets aside Tribal funds within the Redding Rancheria Minor's Rabbi Trust Program (the "Trust") for the health, education and general welfare of minor members of the Tribe who are not eligible to receive per capita distributions. These funds (called "deferred general welfare funds") are intended by the Tribe to be used to promote the general welfare of the members by assisting with qualified general welfare program expenses on or after the age of 21; provided that the Tribe has limited treatment under the GWO and Code Section 139E only to benefits set aside for approved programs, including the Home Ownership Program, and that are properly substantiated.

The Tribe also provides per capita benefits to promote the general welfare of adult members of the Tribe and allows eligible adults the option to defer or disclaim these benefits, after which the Tribe may set aside and restrict

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such amounts for the provision of specific general welfare program benefits in accordance with the GWO and Code Section 139E, including the Home Ownership Program, when properly substantiated. The Home Ownership Program is intended to promote the general welfare of the Tribe by encouraging both adult and minor members to work toward achieving the Tribe's long-term homeownership goals.

Home Ownership Benefits are funded exclusively with Tribal assets. Members cannot request Home Ownership benefits from funds which have previously been actually or constructively received by them.

(b) Coverage under the Redding Rancheria General Welfare Ordinance

This program and its associated benefits are authorized pursuant to the Redding Rancheria General Welfare Ordinance and Chapter TP 1-1100 of the Redding Rancheria Tribal Government Policies, as the same may be amended from time to time, and shall be administered in accordance and compliance therewith. Program benefits are intended to constitute Indian tribal general welfare benefits under the GWO and excluded from taxable income under Internal Revenue Code Section 139E. Program benefits modeled after the IRS "safe harbor" rules are also intended to qualify for tax free treatment under IRS Revenue Procedure 2014-35 and Notice 2015-34, as the same may be amended, which are looked to as good faith guidance by the Tribe in applying Code Section 139E pending the issuance of final regulations thereunder. All assistance provided in accordance with this policy is intended to qualify for favorable tax treatment to the fullest extent permitted at law.

The provisions of Chapter TP 1-1100 of the Redding Rancheria Tribal Government Policies are hereby incorporated by reference and shall apply to the implementation and benefits authorized by this policy.

SECTION 3: DEFINITIONS

Terms utilized herein shall have the same meaning as defined within the General Welfare Ordinance.

SECTION 4: DELEGATED AUTHORITY

The Chief Executive Officer is delegated the authority to implement the program and appropriate procedures and activities to implement this policy in accordance with General Welfare Implementing Policies – Chapter TP 1-1100 of the Redding Rancheria Tribal Government Policies.

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SECTION 5: AUTHORIZED PROGRAMS AND SERVICES

- (a) There is hereby authorized member home ownership assistance to members of the Redding Rancheria who meet eligibility criteria for the purpose of acquiring or improving a principal residence.
- (b) Authorized expenditures include:
 - (1) Down payment for purchase of a principal residence
 - (2) Pay down of a mortgage taken out to purchase the principal residence (other than regular mortgage payments).
 - (3) Costs incurred to construct a principal residence
 - (4) Costs incurred to rehabilitate or repair a principal residence.
 - (5) Costs to improve or remodel a principal residence.
- (c) Amounts authorized under this program for a principal residence may not be lavish or extravagant and may be limited, as necessary in order to meet IRS requirements.
- (d) Program participants may defer or disclaim distributions under the Rabbi Trust to coincide with the timing of expenses eligible under Section 5(b), provided that all applicable deferral or disclaimer procedures of the trust are followed.

SECTION 6: ELIGIBILITY

- (a) This Program is limited to (1) enrolled members of the Tribe, (2) who have eligible balances as a primary or contingent beneficiary under the Trust, and (3) who agree to limit the use of eligible Trust funds to purchase, construct or improve a principal residence (as permitted in Section 5(b)).
- (b) Tribal members who are age 21 or older as of the date of any authorized payment shall be eligible to receive assistance payments under the program.
- (c) All qualified program expenses must be substantiated.

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SECTION 7: PROGRAM PRIORITIES AND EXPECTATIONS

- (a) The program may be utilized in conjunction with but may not duplicate costs provided by the Home Equity and Real Estate Assistance Loan Program authorized pursuant to Chapter TP 7-300 of the Redding Rancheria Tribal Government Policies.
- (b) Program benefits may not include any expenses that are lavish or extravagant under the facts and circumstances.
- (c) Program benefits must meet all requirements under the GWO and Code Section 139E.
- (d) The Tribe may place additional restrictions on Program benefits as necessary, depending on future guidance under Code Section 139E.

Legislative History:

Adopted by Tribal Council Resolution # 063-12-06-16, dated December 6, 2016.

Amended by Tribal Council Resolution # 008-02-13-18, dated February 13, 2018.