



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Navajo Nation Council approves refinancing of Nation's loan

WINDOW ROCK— The Navajo Nation Council voted 15-1 in support of Legislation No. 0195-15 during a special session held on Tuesday.

If signed into law, the bill will allow for the Navajo Nation to refinance a \$60 million loan that the Nation received in 2010. The loan was used along with stimulus funds from the American Recovery and Reinvestment Act for the construction of public safety and judicial complex facilities in several communities including Kayenta, Tuba City, Crownpoint, Ramah, and others.

Legislation sponsor Council Delegate Alton Joe Shepherd (Jeddito, Cornfields, Ganado, Kin Dah Lichíí, Steamboat) explained that refinancing the loan would prevent the Nation from having to pay a lump sum of over \$53 million in July, in accordance with the terms of the 2010 loan.

Delegate Shepherd previously stated that refinancing the loan will likely result in a lower interest rate, thereby saving the Nation millions of dollars over the life of the extended loan.

The Navajo Nation will authorize the issuance of bonds to be sold in order to refinance the loan through Key Bank — the financial institution that provided the initial loan — which will allow the Nation to issue bonds for the first time in history.

Despite support from the majority of Council members, Council Delegate Leonard Tsosie (Baca/Prewitt, Casamero Lake, Counselor, Littlewater, Ojo Encino, Pueblo Pintado, Torreón, Whitehorse Lake) asked his colleagues to vote against the measure to protect Navajo sovereignty, affirming his position that the Nation was waiving its sovereign immunity.

Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí', Rock Springs, Tsayatoh) disagree with Delegate Tsosie and said he believes issuing bonds will move the Nation in a new direction and allow more financial options for the Nation to fund future projects.

Following Tuesday's special session, Speaker LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse'Daa'Kaan, Upper Fruitland) said that Key Bank worked with the Nation's investors to provide for a loan to the Navajo Nation with competitive favorable terms for the Nation, adding that the loan refinancing agreement was reviewed by the Navajo Nation Department of Justice.

Speaker Bates also emphasized that the Navajo Nation Arbitration Act requires that in the event of a dispute concerning the loan refinancing agreement the parties will bring the issues to Navajo courts.

“The loan financing document specifically states that Key Bank and the Navajo Nation consent to enforcement of an arbitration decision before the Window Rock Navajo Nation District Court — an important exercise of Navajo sovereignty,” stated Speaker Bates. “The Navajo Nation Council is using the Navajo Nation Arbitration Act in a meaningful, well-thought out manner.”

President Russell Begaye will have ten calendar days to approve or disapprove the resolution once it is sent to the Office of the President for review.

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