

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: 0096-19

SPONSOR: Jimmy Yellowhair

TITLE: An Action Relating To Budget And Finance; Approving The Write-Off Of \$6.728.72 In Personal Loans From The Personal Loan Program Administered By The Navajo Nation Credit Services Department

Date posted: April 25, 2019 at 10:30 AM

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LEGISLATIVE SUMMARY SHEET

Tracking No. 0096-19

DATE: April 22, 2019

TITLE OF RESOLUTION: AN ACTION RELATING TO BUDGET AND FINANCE;
APPROVING THE WRITE-OFF OF \$6,728.72 IN PERSONAL LOANS FROM THE
PERSONAL LOAN PROGRAM ADMINISTERED BY THE NAVAJO NATION CREDIT
SERVICES DEPARTMENT

PURPOSE: If approved, this resolution will write-off 7 personal loans in the amount of
\$6,728.72.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 2019
Website Posting Time/Date: _____
Posting End Date: 4.30.19
Eligible for Action: 5.1.19

PROPOSED STANDING COMMITTEE RESOLUTION
24th NAVAJO NATION COUNCIL -- First Year, 2019

INTRODUCED BY


(Prime Sponsor)

TRACKING NO. 00916-19

AN ACTION
RELATING TO BUDGET AND FINANCE; APPROVING THE WRITE-OFF OF
\$6,728.72 IN PERSONAL LOANS FROM THE PERSONAL LOAN PROGRAM
ADMINISTERED BY THE NAVAJO NATION CREDIT SERVICES
DEPARTMENT

BE IT ENACTED:

Section One. Findings

- A. The Budget and Finance Committee is a standing committee of the Navajo Nation Council. 2 NNC §300(A) (2012).
- B. The Budget and Finance Committee has oversight authority over loans “[t]o oversee and provide direction for lending programs within the Committee’s authority. 2 NNC § 300(C)(5) (2012).
- C. The Budget and Finance Committee has the power “[t]o provide legislative oversight over lending programs, including the promulgation of rules and regulations for lending money to members of the Navajo Nation.” 2 NNC § 301(B)(12) (2012).

Section Two. Findings

- A. Navajo Nation established the Navajo Nation Credit Services Department within the Division of Finance of the Navajo Nation Government. CF-13-85 and ACD-234-85.

- 1 B. The Budget and Finance Committee exercised its oversight authority and
2 power over the Navajo Nation Credit Services Department in approving
3 amendments to the Navajo Nation Credit Services Department Personal Loan
4 Program Operating Policies and Guidelines. BFD-44-18.
- 5 C. Personal Loan Program Operating Policies and Guidelines includes Section 14
6 regarding loan write-off procedures when the loan is determined uncollectable
7 after all collection efforts have been attempted or when a settlement has been
8 entered into between the borrower and the Department. Personal Loan
9 Program Operating Policies and Guidelines §14 (A).
- 10 D. The write-off is recommended by the Collections Officer and “shall require
11 review and concurrences by the Credit Manager, Controller of the Navajo
12 Nation, and Department of Justice for legal sufficiency.” *Id.* at §14 (C).
- 13 E. “Prior to granting final approval of a Write-off, the Controller shall provide a
14 report to the Committee regarding the proposed Write-Off.” *Id.*
- 15 F. Also, “[i]n order to avoid the existence and appearance of undue influence and
16 conflict of interest, Borrower(s) that are Department staff, or appointed or
17 elected officials or Judges of the Navajo Nation and are being considered for
18 Write-Off shall sign and notarize an Ethical Certification Form. By signing the
19 Ethical Certification Form, the Borrower(s) are attesting to refrain from
20 requesting any special consideration from any personnel/program of the
21 Navajo Nation Government and shall abide by the Navajo Ethics in
22 Government Law.” *Id.* at §14(B).
- 23 G. The Department determined that 6 of the borrowers were deceased and 1
24 borrower was discharged through bankruptcy. *See Exhibit A. See also* Death
25 Certificates and Court Order attached in **Exhibit B**.
- 26 H. Evaluators look at factors for consideration as to “whether an account is
27 appropriate for full or partial Write-Off, the Department and Committee may
28 consider factors such as, including but not limited to, disability, death,
29 Bankruptcy, an Amended Promissory Note or all previous agreements,
30 payment history, maturity date of loan agreement, employment status, current

1 value of pledged property, interest paid, reason for delinquency, or the
2 Borrower's financial circumstances." *Id.* at §14(D).

3 I. "Upon approval, of a write-off, the write-off portion shall be taken off the
4 active books of the Navajo Nation. *Id.* at §14(E).

5 J. The Navajo Nation Credit Services Collections Agent initiated write-off
6 procedures for \$6,728.72 after determining the accounts were uncollectable
7 and recommended the write-offs to the Credit Manager, Controller and the
8 Department of Justice. *See Exhibit A.*

9 K. "Stringent collection efforts were enforced with numerous phone calls, letters,
10 field contacts and Small Claims Proceedings." *Id.*

11 L. The \$6,728.72 comes from 7 individual loan accounts as follows:

12 \$2,245.49 from account # P1479705;

13 \$218.33 from account # H1516507;

14 \$860.20 from account #P1376218;

15 \$1,399.58 from account #P0938519;

16 \$789.91 from account #P1589612;

17 \$565.61 from account #P0725919; and

18 \$649.60 from account #1373415. *See Exhibit A.*

19 M. Copies of the original Promissory Notes for all 7 individual loans are attached
20 at **Exhibit B.**

21 N. The loan write-off request was sent to and concurred by the Controller of the
22 Navajo Nation, and Department of Justice. *See Exhibit A.*

23 O. The Budget and Finance Committee has final approval of all write-offs and
24 finds that writing off the loans referenced in Section L. for a total amount of
25 \$6,728.72 is in the Navajo Nation's best interest.

26 **Section Three. Acceptance and Approval**

27 A. The Navajo Nation accepts the recommendations from the Navajo Nation
28 Credit Services Department to write-off 7 loans which total \$6,728.72.

29 B. The Navajo Nation directs that loan accounts as follows be written off and
30 taken off the active books of the Navajo Nation:

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\$2,245.49 from account # P1479705;
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