

**Loan Insurance Agreement**  
**Agreement Number \_\_\_\_\_**

This Loan Insurance Agreement (“Agreement”) is entered into between the United States Department of the Interior, acting through the Bureau of Indian Affairs (“BIA”), and \_\_\_\_\_ (“Lender”), as of the date established below. The Agreement governs the Lender’s use of loan insurance made available under BIA’s Loan Guaranty, Insurance, and Interest Subsidy Program, 25 U.S.C. §§ 1481 *et seq.* and 1511 *et seq.*, and 25 CFR Part 103 (the “Program”).

1. Except as specified by statutes or regulations governing the Program, or as otherwise specified in this Agreement, BIA will insure payment of the Lender’s loss on any loan made to a qualified Borrower, up to the lesser of (a) 90% of the unpaid principal and accrued interest due on the loan; (b) the percentage limitation specified by BIA in an approval letter (in the case of insured loans that BIA must individually approve); or (c) 15% of the aggregate outstanding principal amount of all loans the Lender has insured under the Program as of the date the Lender makes a claim under its insurance coverage.
2. The Lender must comply at all times with statutes and regulations governing the Program, and with the terms of this Agreement (collectively, the “Program Terms”). The Federal Government may change the Program Terms from time to time, but if it does, the Lender will remain responsible for complying only with those Program Terms in effect on the date BIA’s loan insurance becomes effective. The Lender also must comply at all times with any Conditions of Approval attached to a BIA approval letter (in the case of insured loans that BIA must individually approve).
3. BIA’s approval of the Lender under the Program will entitle the Lender to designate itself a “BIA Insured Lender.” BIA’s approval of a Lender extends only to the distinct legal entity of the Lender seeking approval, and does not extend to any parent entities, subsidiaries, or affiliates of the Lender. Execution of this Agreement does not authorize the Lender to issue loans guaranteed under the Program; guaranteed loans are subject to a separate Loan Guaranty Agreement.
4. In the event the Lender undergoes (a) a change in corporate structure; (b) a merger with any other entity; or (c) any legal proceeding in which substantially all of its assets may be subject to disposition through laws governing bankruptcy, insolvency, or receivership, this Agreement will be deemed suspended as of the date of change or the commencement of the legal proceeding. The Lender, or its successor in interest, must enter into a new Agreement with BIA in order to issue new loans insured by BIA.

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Expires:

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5. During the term of this Agreement, and for such time thereafter as the Lender may hold one or more loans insured under the Program, the Lender agrees to allow representatives of BIA to inspect the Lender's records concerning any and all loans insured under the Program at any reasonable time, including any time during the Lender's normal business hours. The Lender agrees to supply whatever information BIA may request, as long as it reasonably relates to any BIA-insured loan or the Lender's participation in the Program. For example, BIA may ask for copies of all organizational documents of the Lender, including amendments, since those documents may bear upon the Lender's qualification to continue participating in the Program.
6. Except as otherwise specified in the Conditions of Approval for a specific loan, the Lender must submit loan transaction history reports quarterly, within 30 days after March 31, June 30, September 30, and December 31 of each year.
7. In the event the Lender makes a specific application for loan insurance pursuant to 25 CFR §§ 103.13 or 103.21, BIA must transmit its approval to the Lender before the loan closes. Absent a specific agreement to the contrary, BIA's approval will become void if closing does not occur before 60 days after the date of BIA's approval notification.
8. Except as expressly indicated in writing by a duly authorized BIA official, BIA bears no responsibility for any failure of the Lender to comply with Program Terms or any Conditions of Approval, regardless of the circumstances.
9. Except as expressly indicated by Program Terms or any applicable Conditions of Approval, the Lender should direct all correspondence with BIA under the Program to the BIA \_\_\_\_\_ office serving the area in which the Borrower's business is located. In particular, the Lender must direct the following requests and notifications to the appropriate BIA \_\_\_\_\_ office: (a) all requests for loan insurance approval (25 CFR § 103.13); (b) all loan insurance premium payments (25 CFR § 103.19); (c) all requests for loan modification approval (25 CFR § 103.34); (d) all notices of Borrower default (25 CFR §§ 103.35); (e) all notices electing a remedy under the Program (25 CFR §§ 103.36); and (f) all claims for loss (25 CFR §§ 103.37). The Lender may seek assistance from the BIA field office serving the Borrower's business area with respect to finalizing a loan application under the Program, and with respect to meeting the requirements of Federal law outside the scope of the Program.
10. This Agreement remains in effect unless and until otherwise indicated under the Program Terms, or until either party provides the other with written notice that it wishes to withdraw from this Agreement as of a stated future date. BIA may terminate this Agreement for cause at any time, without prior notice to the Lender. Termination of this Agreement will not, in and of itself, affect the insurance outstanding under the Program on any loan held by the Lender.

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- 11. By executing this Agreement, the Lender represents to BIA that it meets or exceeds the basic requirements for making insured loans under the Program, including without limitation the requirements specified at 25 CFR § 103.10.
- 12. This Agreement permits the Lender to make some kinds of insured loans without any prior BIA review, thereby increasing the possibility that the Lender will make mistakes that could void or reduce the value of BIA's insurance. For instance, BIA will deny an otherwise valid claim if the Borrower was never eligible under the Program in the first place. The Lender is responsible for understanding the Program thoroughly, and adhering strictly to its requirements.
- 13. BIA has an appropriations limit to the cumulative total of loans it may insure or guarantee each fiscal year under the Program, and must correspondingly limit the cumulative total of loans made by the Lender. Unless modified by written notice from BIA, the Lender is authorized to make loans totaling no more than \$\_\_\_\_\_ in original principal amount in each consecutive year commencing October 1 and ending the following September 30 during the term of this Agreement, subject to annual written authorization by BIA in accordance with federal appropriations. BIA may extend additional lending authority to the Lender upon written request. Conversely, if any portion of the Lender's yearly allocation is not used by June 1, as evidenced by BIA Forms 5-4754a actually received by BIA, then in BIA's discretion BIA may withdraw any part of the balance of the Lender's allocation for the current year and give the authority to another lender, or apply the funds to other Program functions.

This Agreement is effective as of the latest of the dates specified by the signature lines below:

Date: \_\_\_\_\_, 20\_\_

Lender: \_\_\_\_\_

ABA No: \_\_\_\_\_

Tax ID No: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

United States Department of the Interior  
Bureau of Indian Affairs

By: \_\_\_\_\_

Title: \_\_\_\_\_

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**Paperwork Reduction Act Statement:** This form is covered by the Paperwork Reduction Act. It is used to establish the respective rights and responsibilities of the respondent and the Federal government. The information is provided by respondents to obtain or retain a benefit. In compliance with the Paperwork Reduction Act of 1995, as amended, the collection has been reviewed by the Office of Management and Budget and assigned a number and an expiration date. The number and expiration date are at the top right corner of the form. An agency may not sponsor or conduct, and a person is not required to respond to, a request for information collection unless it displays a currently valid OMB Control Number.

**Burden Estimate:** The public reporting burden is estimated to average *2 hours per respondent*. This includes the time needed to understand the requirements, gather the information, complete the form, and submit it to BIA. Comments regarding the burden or other aspects of the form may be directed to the Information Collection Control Officer, Bureau of Indian Affairs, 1849 C Street NW, MS - 4603 MIB, Washington, DC 20240. Note: comments, names and addresses of commentators are available for public review during regular business hours. If you wish us to withhold this information, you must state that prominently at the beginning of your comment. We will honor your request to the extent allowable by law.

**Privacy Act Statement (5 U.S.C. 552(a)):** The authority for collecting this information is 25 U.S.C. 1511. The information will be used to administer the interest subsidy provisions relating to the Loan Guaranty and Insurance Program, 25 U.S.C. 1481 *et seq.* Disclosures of this information may be made to consumer reporting agencies; Federal, State, or local governments; law enforcement personnel responsible for investigating or prosecuting violations of, or for enforcing or implementing, statutes, rules, regulations, orders, or licenses; the U.S. Department of Justice; courts of law or adjudicative bodies; Members of Congress; the U.S. Department of the Treasury; and other Federal agencies responsible for collecting debts or detecting and eliminating fraud.