Indian Business Talk

Qualifying for low interest rates from off-reservation credit sources

By Bruce Engle
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This information is for tribal member buyers of cars, appliances, and furniture from off-reservation sellers, and for tribal member business owners who need credit from off-reservation suppliers and lenders.

Your lenders need answers for two basic questions about you as a borrower—Can you Pay? Will you Pay?

Your goal is to provide the lender with evidence of your credit worthiness so that their answer to each question is a very definite "Yes."

Their analysis of your income and debts will determine your ability to pay. An analysis of your credit report will answer the question about your willingness to pay. In other words, your credit report and your credit score, both of which tell the lender about your past history of paying your obligations, in conjunction with the information about your income and monthly debt payments, will determine whether or not you will get a loan.

That information and some other factors will be considered to determine what your interest rate and term for repayment (the number of payments) will be. Here is where sovereignty becomes an issue.

Lenders look at a reservation as a foreign country with its own laws and courts. They are concerned about what happens when the borrower defaults on the loan and their security for the loan, the collateral, needs to be foreclosed upon.

They always consider the risk of default and they calculate the monetary costs and the time factors involved in recovering the collateral and their investment.

That is what makes your credit history and your income-to-debt situation, the parts you control, so important.

Some, but not all, lenders lose their fear of lending to Indian country borrowers when those borrowers show them a good steady income figure and high credit scores.

When a lender is reasonably confident that the borrower won't default, the lender might be encouraged to not worry quite so much about tribal law and tribal courts and how they differ from the laws and court systems the lender is accustomed to.

Credit Enterprise will be scheduling some credit workshops this year in our new building to talk about these things. They will be open to all tribal members. We hope to see you there.

In the meantime, community meetings will be held on January 14 and 16 to present the tribe's new commercial code sections that will affect your ability to access credit at most favorable rates and terms.

The new Secured Transactions Code for Personal Property will be one of those codes discussed. It is the primary section that the lenders depend upon for their security.

I encourage you to attend one of the meetings. It will be a great chance to learn how the system will work—for your benefit.

News from Indian Country

Tribe wants to put land in trust for casino

GROVE, Okla. (AP) – The Seneca-Cayuga Tribe has asked the federal Bureau of Indian Affairs to place into trust status land the tribe wants to use to build a proposed casino.

The move represents a shift for the tribe, which had said publicly for months that trust status for the land would not be necessary because it falls within the tribal historical jurisdictional area. Under federal law, any land that a tribe intends to use for a casino must be put into trust.

The Miami-based tribe bought the 33-acre tract near Sail Boat Bridge west of Grove for more than $1 million. Plans are to build a 100,000-square-foot lakefront casino on the land.

The casino would cost $60 million to build and would have about 1,000 gambling machines. It would employ about 450 people and include a five-story hotel with 125 rooms, three restaurants and a convention center.

Indian museum director had large travel budget

WASHINGTON (AP) – The former director of the National Museum of the American Indian spent more than a quarter of a million dollars in Smithsonian funds on first-class transportation and luxury hotels over four years.

In four years, W. Richard West Jr., was away from Washington for 576 days on trips that included speaking engagements, fundraising and work for other nonprofit groups. West recently retired from the director's post, but remains on the payroll until the end of the year.

West's travel often took him far from American Indian culture. There were more than a dozen trips to Paris, and there were also trips to New Zealand, Greece, Indonesia and Singapore.

West said all his trips were approved by supervisors and that part of his job was to be a global emissary for the museum.

"There is no point at which these activities were being carried on in anything but an open way and with the approval of the Smithsonian," he said.

Calif. tribes, horse tracks, unions bet big on February ballot

SACRAMENTO (AP) – For all the money presidential hopefuls might spend to win California's February primary, far more may be bet on a lesser-known battle to expand Indian gambling.

Four wealthy Southern California Indian tribes are preparing to spend as much as $80 million to defend deals they struck with Gov. Arnold Schwarzenegger and the Legislature.

The deals would give the tribes 17,000 new slot machines – enough to fill eight Las Vegas-sized casinos. In exchange, they would share profits with California's cash-strapped general fund, which faces a multibillion dollar deficit.

The tribes – the Pechanga Band of Luiseno Indians near Temecula, the Agua Caliente Band of Cahuilla Indians in Palm Springs, the Morongo Band of Mission Indians near Cabazon and the Sycuan Band of the Kumeyaay Nation near San Diego – already have contributed more than $44 million to promote their compacts.

Tribal leaders say they're convinced the deals will be a winner with voters, but they're not taking any chances. Opponents have put four referendums on the Feb. 5 ballot to overturn them.

The tribes are expected to add tens of millions of dollars to their campaign in the coming weeks and have purchased so much commercial air time that some political analysts say it could cut into the number of presidential ads voters see before the election.

Despite the onslaught, an unlikely band of opponents believes it can stop the tribes.

A racetrack owner, competing tribes and a casino-workers' union pooled their money for a signature-gathering drive to put the deals on the ballot. They're banking on an Indian-gambling backlash and say they can convince voters the deals aren't nearly as sweet as they sound on TV.

Voc-Rehab to conduct orientation at Celilo

Warm Springs Vocational Rehabilitation will be conducting an orientation in Celilo.

The orientation will be scheduled for Friday, Jan. 18.

The orientation will begin at 2 p.m.

The event will take place at the Celilo Longhouse.

For more information call the Warm Springs Vocational Rehabilition Office at (541) 553-4952.

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