

# Understanding the Model Tribal Secured Transactions Act (MTSTA)

A Foundation for Tribal Lending & Business Growth

- The Model Tribal Secured Transactions Act (MTSTA) is designed to support economic development within tribal nations.
- By establishing clear rules for secured transactions, the MTSTA encourages lending and investment on tribal lands.
- The Act helps build trust between tribal businesses and external lenders, fostering a stronger business environment.
- Adoption of the MTSTA can lead to increased business opportunities, job creation, and long-term financial stability for tribal communities.



# What is the MTSTA?



## Clear, Fair Framework for Lending & Borrowing

Establishes transparent rules for secured transactions within tribal lands, balancing interests of borrowers and lenders for fairness and trust.



## Legal Toolkit for Access to Loans & Investment

Enables tribal businesses to use assets as collateral, supporting access to capital and promoting economic development through structured financing.

Need

# Why We Need It

## Lack of Banking Access

Approximately 85% of tribal lands do not have banks, creating significant barriers for residents and businesses to obtain financial services.

## Limited Loan Offerings

Only about 30% of banks provide loans to tribal small businesses and startups, restricting opportunities for economic development.

## Unclear Lending Rules

Without clear and trusted legal frameworks, lenders hesitate to extend credit, limiting capital flow to tribal borrowers.

Solution

# The Solution

## Trusted Rules for Borrowers & Lenders

The MTSTA sets clear, fair rules for secured lending, building trust between lenders and tribal borrowers by defining rights and responsibilities.

## Reduces Risk, Increases Lending

By providing a predictable legal framework, the MTSTA lowers lenders' risks, encouraging more loans and investments in tribal businesses.

## Tribal Courts Retain Authority

The MTSTA ensures all secured transactions are governed by tribal courts, preserving tribal sovereignty and cultural protections.

Mechanics

# How It Works: Secured Transactions

## Loans Backed by Collateral

- Secured transactions use collateral to protect lenders, reducing their risk and encouraging lending. Borrowers pledge assets such as equipment or inventory as security for the loan, which can be repossessed if payments are not made.  
Example: A catering business pledges its kitchen equipment as collateral to secure a loan for business expansion.  
This framework builds trust between lenders and borrowers, facilitating smoother access to funding. Collateral-based loans promote responsible borrowing and help tribal businesses grow sustainably.

# Key Tribal Protections

## Cultural Items Excluded

The MTSTA explicitly excludes cultural and sacred items from being used as loan collateral, preserving tribal heritage and respecting spiritual values.

## No Self-Help Repossession

Repossession of collateral cannot be done without court involvement, preventing unauthorized seizure and ensuring due process through Tribal Court.

## Tribal Court Authority

All enforcement and dispute resolution related to secured transactions are handled exclusively by Tribal Courts, reinforcing tribal sovereignty.

## Borrower Protections & Fairness

The Act includes provisions to protect borrowers from unfair practices, promoting transparency, fairness, and consumer rights within the tribal lending framework.

Growth

# Economic Growth Benefits

## Attracts Lenders & Investors

The MTSTA creates clear lending rules that build lender confidence, encouraging more banks and investors to provide capital to tribal businesses.

## Improves Loan Terms

With reduced risk, lenders offer better loan conditions such as lower interest rates and longer repayment periods, making credit more accessible.

## Supports Jobs & Entrepreneurship

Increased access to capital enables tribal members to start and grow businesses, creating jobs and fostering a vibrant local economy.

# Comparison: MTSTA vs. State UCC

## MTSTA Strengths

- + Ensures tribal court jurisdiction, respecting tribal sovereignty.
- + Protects cultural and sacred items from being collateralized.
- + Requires enforcement through tribal courts, preventing self-help repossession.
- + Balances borrower protections with fair lending practices.
- + Supports tribal economic development with tailored legal framework.

## State UCC Limitations

- Primarily lender-friendly, favoring creditor rights over borrower protections.
- Subject to state court jurisdiction, which may not understand tribal cultural contexts.
- Less consideration for tribal sovereignty and cultural protections.
- Allows self-help repossession, which can be more aggressive and less fair.
- May discourage lenders from engaging with tribal businesses due to unfamiliarity.



Customization

# From Model Law to Wind River Code

- 2017-2018- Tribal Attorneys reviewed model law and adapted to SALOC (91 pages)
- Fall of 2017 had 4 public meetings (10 or less each meeting)
- Placed on GC agenda December 2017 (no quorum)
- Was bundled with other code revisions (Family Domestic Violence (VAWA), Game Code, Removal of “JBC” references in SALOC for referendum vote. Failed 121-104
- No changes to model since that time

Customization

## From Model Law to Wind River Code

- The Wind River Code customizes the Model Tribal Secured Transactions Act to reflect the specific needs and values of the Wind River Reservation.
- It integrates tribal sovereignty protections ensuring that economic development respects cultural and legal autonomy.
- The code incorporates local economic priorities to expand access to capital for tribal members and support sustainable growth.
- Adaptations include exclusive tribal court jurisdiction and recognition of trust land and leaseholds in financial transactions.
- This tailored approach balances federal regulations with tribal governance to create a trusted legal framework for lending and investment.

Sovereignty

# Protecting Sovereignty

## No Waiver Without Tribal Council Resolution

Any waiver of rights under the MTSTA must be explicitly approved by a resolution from the Tribal Council, preserving tribal decision-making authority.

## Limited Monetary Relief

Remedies provided under the MTSTA are limited to monetary relief up to the amount specified in the contract, protecting tribal resources from excessive claims.

## Exclusive Tribal Court Jurisdiction

All disputes and enforcement actions under the MTSTA are handled solely by the Tribal Court, reinforcing tribal legal authority and cultural integrity.

# Focus on Local Development

## Alignment with Wind River Economic Goals

- Supports sustainable growth aligned with tribal priorities.  
Encourages entrepreneurship within the reservation.  
Promotes economic self-sufficiency for tribal members.  
Enhances local business environment and opportunities.

## Expanded Access to Capital

- Facilitates loans tailored to tribal members' needs.  
Improves availability of funding for startups and small businesses.  
Reduces barriers to investment on tribal lands.  
Strengthens financial inclusion within the tribe.

Sovereignty

# Trust Land & Tribal Property

- Recognizes the unique status of trust land and tribal leaseholds in secured transactions.
- Allows use of trust land and leasehold interests as collateral within federal limits.
- Ensures compliance with federal laws governing trust property to protect tribal sovereignty.
- Facilitates access to capital by enabling financing secured by tribal property.
- Supports economic development without compromising trust land protections.

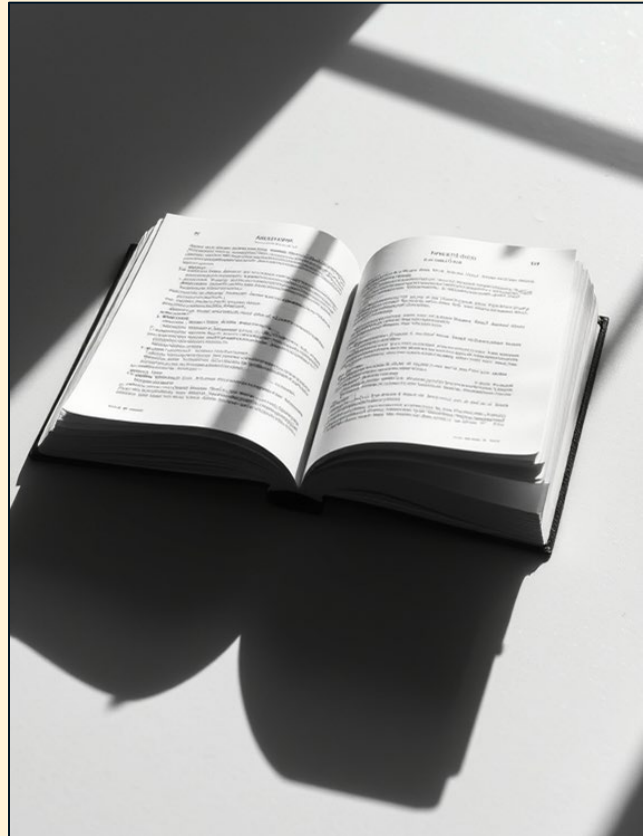
# Joint Tribal Governance

- Applies uniformly to both Eastern Shoshone and Northern Arapaho Tribes to maintain jurisdictional consistency.
- Establishes one consistent secured transactions code across the entire reservation, simplifying legal processes.
- Encourages joint governance and collaboration between the two tribes for economic and legal development.
- Ensures tribal sovereignty is respected while fostering unity in applying lending and borrowing frameworks.

	<div>Court Oversight</div> <div>Tribal Business Days &amp; Court Oversight</div>	<div>Key Points on Tribal Business Days &amp; Court Oversight</div>	<div><ul style="list-style-type: none"><li>○ Timelines for filing, notices, and enforcement actions are defined by tribal business days, respecting tribal holidays and customs.</li><li>○ This approach ensures clarity and predictability in transaction processes within the tribal community.</li><li>○ Enforcement and dispute resolution are conducted exclusively through Tribal Court, reinforcing tribal sovereignty.</li><li>○ No involvement of external courts preserves tribal legal authority and cultural integrity.</li><li>○ The system promotes fairness by providing a trusted, community-based forum for resolving secured transaction matters.</li></ul></div>	

Language

## Simplified Language



### Key Points on Simplified Language

- The code is written in straightforward, user-friendly language to make it accessible to non-lawyers.
- Technical and complex legal definitions that do not apply to tribal contexts have been removed for clarity.
- Simplifying the language facilitates better understanding and compliance by tribal businesses and lenders.
- This approach supports transparency and fairness in lending practices within the tribal community.



Impact

# Why This Matters for Wind River

## Protecting Sovereignty & Trust Lands

The MTSTA reinforces tribal sovereignty by ensuring all lending practices respect tribal authority and preserve trust lands from external claims.

## Strengthening Tribal Businesses

By providing clear, fair rules for secured transactions, tribal businesses gain better access to capital, fostering growth and economic self-sufficiency.

## Promoting Fair, Consistent Practices

The code establishes transparent and uniform lending standards, reducing uncertainty and building trust between lenders and tribal borrowers.

# MTSTA: Empowering Wind River Through Customization

## National Framework Meets Local Priorities

- The MTSTA combines a proven national framework with Wind River's unique needs to empower tribal sovereignty and economic growth.
- Built on a respected model law, ensuring legal credibility and adaptability.  
Supports tribal sovereignty by aligning with national best practices and local values.

## Wind River Customizations for Community Impact

- Highlight specific Wind River customizations and how they address local priorities to connect deeply with the audience.
- Carefully customized to protect tribal culture and traditions.  
Expands access to capital and supports local businesses, fostering economic opportunity.

# MTSTA: Implementation Options

## Phased Approach Option

- Post adapted code and model law on Tribal website for side by side comparison for 60 day comment period  
Hold 4 Public meetings in October-November
- Place on December General Council for final approve – per resolution 2010-10232 no quorum go to referendum vote within 30 days.

## Approval at this meeting

- Approve **“A Resolution of the Eastern Shoshone General Council to Adopt the Model Tribal Secured Transactions Act-UCC Secured Transaction Code and Direct the Eastern Shoshone Business Council to Implement and Integrate the Code into the Shoshone and Arapaho Law and Order Code”**