



Title 6. Property and Land – Chapter 601

REAL PROPERTY

Rule # 1 – Homeownership by Independent Purchase (HIP) Program

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1.1. Purpose and Policy

1.1-1. *Purpose.* The purpose of the Homeownership by Independent Purchase (HIP) Program is to expand the services being offered to Tribal member's by providing a program in which the Tribal member buyer initiates a purchase in which the buyer purchases the improvements and the Tribe purchases the land. These rules are developed pursuant to Real Property law, which requires all transactions adding property to the Tribal land base be administered through the Division of Land Management (DOLM).

1.1-2. *Policy.* The policy behind the HIP Program is to increase Tribal member homeownership and the land base available for the fee-to-trust process while simultaneously affording Tribal members greater independence in the purchase process by requiring the buyer to negotiate the purchase offer independent of the Tribe.

1.2. Adoption and Authority

1.2-1. This rule was originally a standard operating procedure and was grandfathered as rule in accordance with the resolution BC-02-24-16-C which adopted the Administrative Rulemaking law.

1.2-2. This rule may be amended or repealed by the joint approval of the Division of Land Management and Land Commission pursuant to the procedures set out in the Administrative Rulemaking law.

1.2-3. Should a provision of this rule or the application thereof to any person or circumstances be held as invalid, such invalidity shall not affect other provisions of this rule which are considered to have legal force without the invalid portions.

1.2-4. In the event of a conflict between a provision of this rule and a provision of another rule, internal policy, procedure, or other regulation; the provisions of this rule control.

1.2-5. This rule supersedes all prior rules, regulations, internal policies or other requirements relating to the Landlord-Tenant law.

1.3. Definitions

1.3-1. This section governs the definitions of words and phrases used within this rule. All words not defined herein are to be used in their ordinary and everyday sense.

(a) "Buyer" means the Tribal member entering into the offer to purchase.

(b) "Defect" means a condition that would have a significant adverse effect on the value of the property; that would significantly impair the health or safety of future occupants of the property; or that if not repaired, removed or replaced would significantly shorten or adversely affect the expected normal life of the premises.

(c) "Improvement" means buildings, other structures, and associated infrastructure attached to land.

- (d) "Offer to Purchase" means the written contract made by the buyer, accepted by the seller and approved by the Tribe in which the buyer agrees to purchase the improvements upon the land and the Tribe agrees to purchase to land.
- (e) "Reservation" means all the property within the exterior boundaries of the Reservation of the Oneida Tribe of Indians of Wisconsin, as created pursuant to the 1838 Treaty with the Oneida 7 Stat. 566, and any lands added thereto pursuant to federal law.
- (f) "Residential Lease" means the legal document issued by the Tribe pursuant to its applicable leasing laws and rules which establishes a buyer's right to occupy Tribal land for residential purposes.
- (g) "Tax Assessed Value" means the value the local taxing authority uses to distinguish the value of the land from the improvements.
- (h) "Tribe" or "Tribal" means the Oneida Tribe of Indians of Wisconsin.
- (i) "Tribal Member" means an individual who is an enrolled member of the Tribe.

1.4. General

- 1.4-1. *Program Education.* DOLM shall make these rules and all relevant educational pieces and required paperwork available electronically on its website and in hard-copy format at its office.
- 1.4-2. *Subject to Available Funding.* All offers submitted to the Tribe are subject to the Tribe's available funding.
- 1.4-3. *Tribe Determines Defects.* The Tribe reserves the sole right to determine whether defects exist in relation to the contingencies related to the title commitment, survey and environmental investigation required under 1.7-3(a)(4),(5) and (6).
- 1.4-4. *Tribe's Acquisition Financial Responsibilities.* The Tribe shall pay for the tax assessed value of the land and any costs associated with the environmental inspection required under 6-3(a)(4). All other costs are the responsibility of the buyer and/or seller.
- 1.4-5. *Real Estate Taxes.* Buyer will be responsible for all taxes assessed against the improvements and not the land. Buyer's real estate payment shall be the percentage of the total tax bill equal to the assessed value of the improvements divided by the assessed value of the improvements and the land combined.

1.5. Eligible Buyers

- 1.5-1. In order to be eligible to participate in the HIP Program, the buyer must:
 - (a) Be a Tribal member;
 - (b) Be eighteen (18) years of age or older;
 - (c) Have adequate funds available for the purchase of the improvements or be able to secure financing from Bay Bank;
 - (d) Meet the minimum down payment requirements established by Bay Bank and HUD's guidelines; and
 - (e) Not currently be a party to an existing residential lease.

1.6. Eligible Properties

- 1.6-1. In order for a property to be eligible for an offer to purchase pursuant to the HIP Program, it:
 - (a) Must be fee land located within Reservation;
 - (b) Must have a single family dwelling located on the property; vacant properties are not

eligible for this program;

- (c) Must be free of any and all environmental concerns to the satisfaction of the Environmental Health and Safety Division;
- (d) Must be free of any and all title defects to the satisfaction of the Oneida Law Office;
- (e) May not require mortgage loan for the improvements in excess of \$250,000; and
- (f) May not have a tax assessed value of greater than \$75,000 for the land.
- (g) May not have restrictive covenants which would prevent the Tribe from having the land taken into trust status. Subdivisions which may have such restrictive covenants include, but are not limited to: Thornberry Creek subdivisions, Tailwinds, Centennial Centre, and Polo Point.

1.7. Required Process

1.7-1. *Pre-Qualification from Bay Bank.* In order to initiate the HIP process, the buyer shall request a certificate of pre-qualification from Bay Bank which will provide the maximum amount of financing that Bay Bank is willing to offer towards a home purchase.

1.7-2. *Real Estate Agent Representation Optional.* Upon receipt of a certificate of pre-qualification from Bay Bank, the buyer may choose to be represented by a real estate agent, but representation is not required. The buyer may request a list of real estate agents familiar with the HIP Program from DOLM. DOLM shall maintain said list based on the real estate agents that have completed HIP Program training.

1.7-3. If the buyer finds a potentially eligible property they would like to purchase, the buyer shall make an offer to purchase to the seller using the offer to purchase form available with DOLM. The Tribe may not assist buyers in making and/or negotiating an offer to purchase.

(a) The offer to purchase form available with DOLM must, at a minimum, contain contingencies relating to:

- (1) The real estate condition report in the format required by Wisconsin law;
- (2) The home inspection, which is an examination of the improvements' construction, condition and internal systems to establish the structural and mechanical integrity completed by certified home inspector.
- (3) The environmental inspection, which must be completed by the Tribe at the Tribe's expense;
- (4) The title commitment, which is the document by which a title insurer discloses to all interested parties the liens, defects, burdens and obligations that affect the subject property;
- (5) The survey or plat map, which provides the measurement of the boundaries of land and its area and reveals building setbacks as well as any encroachments;
- (6) If the property is on a septic system, the septic system inspection;
- (7) If the property is served by a well, the well water testing, which must analyze the water's bacteria and nitrate levels, and, if in Outagamie County, the arsenic levels, to determine whether the water is safe for human consumption;
- (8) If the property is served by a well, the well system inspection, which reveals information such as the well depth, date of construction, protective clay layers, drilling stipulations; and
- (9) The closing papers and costs.

(b) All terms of the offer to purchase are non-negotiable with the exception of the following:

- (1) Whether the buyer or seller is responsible for paying for the reports and forms required by the contingencies, except the environmental report, which is the responsibility of the Tribe;
- (2) The closing date, provided that it must be a minimum of forty-five (45) calendar days from the date the offer is accepted by all required approving parties;
- (3) The purchase price for the improvements; the purchase price of the land must be determined by the tax assessed value of the land;
- (4) The items included in the purchase price;
- (5) The amount of the earnest money; and
- (6) The closing prorations.

1.7-4. *DOLM Approval.* If the buyer makes an offer to purchase that is accepted by the seller, the buyer shall present the accepted offer to purchase to DOLM within five (5) calendar days from the date of acceptance; this initiates DOLM's approval process. If the offer to purchase does not meet any of the following requirements for DOLM approval, DOLM or its designee shall notify the buyer of the issue and provide instructions as to whether the issue may be corrected and, if so, how the issue may be corrected.

- (a) DOLM shall verify the tax assessed value of the land.
- (b) If the tax assessed value of the land is correct, DOLM shall provide the property location to the GLIS department, which shall verify whether the property is within the Reservation.
- (c) All information related to the contingencies must be provided to DOLM and, upon receipt, DOLM shall forward the environmental inspection, the title commitment and the survey to the Oneida Law Office.
- (d) The Oneida Law Office shall determine whether any defects exist related to the environmental inspection, the title commitment and/or the survey.
- (e) If no defects exist, or if they have been resolved, and if all contingencies are satisfied, DOLM shall notify the Accounting Department and the buyer to prepare funds for the closing.
- (f) The Buyer shall notify DOLM of the date, time and location of the closing.

1.7-5. *Pre-Closing.* Prior to the closing date, the residential leasing specialist and DOLM's financing department shall obtain all required approvals and applicable signatures for the residential lease and the assignment of lease for financing respectively.

1.7-6. *Closing.* The acquisition manager shall attend the closing on behalf of the Tribe and shall bring a check for the amount of the tax assessed value of the land, the residential lease that has been signed on behalf of the Tribe, and the assignment of lease for financing that has been signed on behalf of the Tribe. The acquisition manager shall sign the closing statement on behalf of the Tribe. At the closing, the required parties shall sign all required documents, including, but not limited to, the following:

- (a) The deed;
- (b) The mortgage document and all documents required by Bay Bank and the title company;
- (c) The residential lease;
- (d) The assignment of lease for financing;
- (e) The closing statements for the land and improvements; and
- (f) Any required affidavits.

1.7-7. *Post-Closing.* Following the closing, DOLM shall ensure that the title company recorded

the deed with the county register of deeds and that a final title policy was provided. When the deed comes back from being recorded at the county register, DOLM shall record the deed, the Residential Lease and the assignment of lease for financing with the Oneida Nation Register of Deeds.

End.

Original effective date: 02-22-2016

Amendment effective date: