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2
3 **Act 20-26**

4 An Act amending Title 12, Chapter 4 to add a new section providing debt relief to Band member
5 elders 55 years of age or older who owe money on homes financed through the Band’s Home
6 Loan Program and meet certain requirements.

7
8 The District II Representative introduced the following Bill on the 22nd day of April, 2026.
9

10
11 **BE IT ENACTED BY THE BAND ASSEMBLY OF THE NON-REMOVABLE MILLE**
12 **LACS BAND OF OJIBWE:**

13
14 **Section 1. Amending Title 12, Chapter 4 to add § 314.**

15
16 **§ 314. Loan Forgiveness for Elder Borrowers.**

- 17
18 (a) A borrower under the Home Loan Program who has attained 55 years of age and has
19 repaid 50% or more of the original principal amount, exclusive of interest and fees,
20 shall have the full remaining principal balance of any outstanding loan issued under
21 the Program forgiven.
22
23 (b) This benefit is established pursuant to the authority vested in the Band Assembly by
24 3 MLBS § 3(a) to enact laws which promote the general welfare of the people and
25 pursuant to the Tribal General Welfare Exclusion Act of 2014, codified under
26 Internal Revenue Code Section 139E, which excludes from gross income, for income
27 tax purposes, the value of general welfare assistance that may be provided to Band
28 members eligible for the home loan relief described herein.
29
30 (c) This benefit is available only to borrowers who occupy the mortgaged dwelling as
31 their principal residence and who are current on mortgage loan payments and all
32 property taxes.
33
34 (d) Loan forgiveness shall occur on the borrower’s 55th birthday, without application or
35 request, provided the Housing Department determines the loan forgiveness is not
36 lavish or extravagant pursuant to 26 C.F.R. 1.139E-1(d)(4)(i), and if funded through
37 the appropriation process.
38
39 (e) All interest, fees, and any other charges associated with the forgiven loan are
40 extinguished upon forgiveness of the principal balance.
41
42 (f) An elder receiving loan forgiveness must retain his/her ownership interest and
43 continue to reside in the home for a minimum period of three (3) years before selling
44 the home.
45

- 46 (g) If an elder sells the home prior to the end of the three (3) year period, the elder must
47 pay back a pro-rata share of the forgiven portion of the loan. For example, if the
48 elder sells one (1) year after receiving the funds, that elder must pay two-thirds of the
49 total amount forgiven.
- 50
- 51 (h) Any misrepresentation, or any use of the property for nonresidential purposes or for
52 purposes other than the borrower’s principal residence within 12 months after loan
53 forgiveness, may result in recapture of the forgiven amount or denial of future
54 program benefits, subject to applicable due process procedures.
- 55
- 56 (i) The Housing Department shall establish policies consistent with this subsection and
57 Internal Revenue Code Section 139E to administer the loan relief described herein.
- 58
- 59 (j) Said procedures shall include an appellate process by which Elders denied loan
60 forgiveness may petition the Housing Board for relief. Decisions of the Housing
61 Board are final.
- 62
- 63 (k) Nothing in this subsection prevents a borrower from voluntarily repaying any amount
64 prior to attaining the age specified in paragraph (a).

65

66

67 **EFFECTIVE DATE.** This bill shall take effect immediately upon signature by the Chief
68 Executive, or lack of a veto, as provided in 3 MLBS § 17.

69

**Act 20-26
(Band Assembly Bill 22-01-20-26)**

Introduced to the Band Assembly on this
Twenty-second day of April in the year
Two thousand twenty-six.

Passed by the Band Assembly on this
Twenty-second day of April in the year
Two thousand twenty-six.


Sheldon Boyd, Speaker of the Assembly

APPROVED

Date: _____

Virgil Wind, Chief Executive

OFFICIAL SEAL OF THE BAND

VETO

 

Virgil Wind, Chief Executive

4/29/2024

Date



Mille Lacs Band of Ojibwe Indians

*Executive Branch of Tribal Government
Office of the Chief Executive*

Hand-delivered and via email

April 29, 2026

Sheldon Boyd, Speaker of the Assembly
Carolyn Beaulieu, District I Representative
Wendy Merrill, District II Representative
Harry Davis, District III Representative

Re: Veto of Band Assembly Act 20-26

Dear Honorable Members of the Band Assembly:

Aaniin. I am in receipt of Band Assembly Act 20-26 (Bill 22-01-20-26), dated April 22, 2026. Miigwech to the Band Assembly for bringing forward this proposal. Although I support the concept of a mortgage loan forgiveness program for our qualified Elders, I believe this Act is in need of more work before I can sign it into law. Therefore, until we can reach a point of compromise, I have issued my veto.

The primary reason why I have vetoed this Act is that the financial impact to the Band has not yet been adequately determined. As I understand the Act, it forgives up to 50 percent of the remaining balance of a borrower's mortgage under the Band's Home Loan Program, provided the borrower has "attained 55 years of age and has repaid 50% or more of the original principal amount, exclusive of interest and fees[.]" Since the Act would take effect immediately upon my signature, preliminary calculations show that 52 Elders would immediately have their mortgage loans forgiven at a total cost to the Band of approximately \$2.5 million. Over the next five years, an estimated 67 additional Band Elders would have their mortgage loans forgiven at a total cost of approximately \$4.1 million.

All this means that, if I were to sign this Act as written, the Band would forgive approximately \$6.6 million over the next five years. It's not clear to me within the Act how these foregone amounts will be replenished for use by future borrowers on the Home Loan Waiting List.¹ Prior to signing this Act into law, I prefer to have a plan on file that shows the estimated financial impact to the Band over the next 20 years, as well as a plan to ensure that the Home Loan Program is sufficiently funded for future borrowers. I also prefer to know in advance whether the Elder Mortgage Loan Forgiveness Program will be funded by Housing Initiative Funds or Long-Term Savings. Since Housing Initiative Funds should be dedicated for use by *all* Band members, my preference is that Long-Term Savings be used to fund the costs of this Program.

A final condition for obtaining my signature on this Act is that the Band must obtain a legal opinion from outside tax counsel affirming that the proposed Elder Mortgage Loan Forgiveness

¹ As of April 22, 2026, there are 101 applicants on the Home Loan Waiting List.

Letter from Chief Executive Virgil Wind to Band Assembly
Re: Veto of Act 20-26
April 29, 2026
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Program does not impose a tax burden on any Band member beneficiaries. The final Act should describe the Band's *individual circumstances* and why the Program should not be considered "lavish and extravagant" by potential IRS auditors.

(In its current form, the Act imposes the duty to define what "lavish and extravagant" means on the Housing Department. The Act also requires that the Housing Department adopt appellate procedures allowing the Housing Board to hear appeals for Elder applicants denied under the Program. If the applicant is not current or does not meet the minimum 55-year age requirement, it's not clear to me what the grounds for the appeal are. These types of procedures should be more specifically set forth by the Act.)

Given the high stakes of what a potential IRS audit might look like, I prefer that the Act itself make key findings as to why the Program is appropriate for qualified Elders (e.g. explanation of Band member life expectancy, average income, and costs of living). If the Band is to adopt this Elder Mortgage Loan Forgiveness Program, it is crucial that we do so in a manner that avoids unnecessary taxes to our Elders.

I look forward to further discussions and believe we can reach a compromise that responsibly manages the housing needs of both our Elders and younger Band members.

Miigwech,



Virgil Wind
Chief Executive

CC:

Anita Fineday, OSG Managing Attorney
Jared Miller, Legislative Counsel
Erin Anderson, Legislative Staff Attorney
Reen Reinhardt, Revisor of Statutes
Danielle Smith, Parliamentarian / Clerk of the Assembly
Mel Towle, Commissioner of Finance