

RESOLUTION OF THE
NAVAJO NATION COUNCIL

20th NAVAJO NATION COUNCIL - Fourth Year, 2006

AN ACT

RELATING TO ECONOMIC DEVELOPMENT AND CONSUMER PROTECTION;
AMENDING THE NAVAJO NATION FINANCE CHARGE RATE LIMITATION
ACT BY ADJUSTING THE RETAIL INSTALLMENT CONTRACT RATE AT 5
N.N.C. §1155(A)

BE IT ENACTED:

1. The Navajo Nation Council finds that:

- A. The current Navajo Nation retail installment contract rate fixed at 1.5% per month multiplied by the number of months between the date of the contract and the due date of the last installment on the contract, does not take into account the Prime Interest Rate which fluctuates and is widely considered an indicator of condition of the economy;
- B. The Prime Rate is defined by the Wall Street Journal as, "The best rate on corporate loans posted by at least 75% of the nation's largest banks"; and
- C. Tying the Navajo Nation retail installment contract rate to the Prime Interest Rate reflects sound economic policy that is intended to make credit more available on the Navajo Nation.

2. The Navajo Nation hereby amends the retail installment contract rate at 5 N.N.C. §1155(A) as follows:

TITLE 5. COMMERCE AND TRADE
CHAPTER 7. CONSUMER PROTECTION
SUBCHAPTER 6. FINANCE CHARGE RATES

* * * *

§1155. Retail Installment Contract Rates

- A. In any retail installment contract, including retail installment accounts, a seller may contract for and if so contracted for, the holder thereof may charge, receive, and collect a finance charge which shall not exceed ~~one and one half percent (1 1/2%) per month multiplied by the number of months, including any fraction in excess of more than 15 days as one month, elapsing between the date of such contract and the due date of the last installment~~ an annualized rate equal to the prime interest rate, as indicated in the latest print edition of the Wall Street Journal, at the time the contract is executed plus fifteen (15) percentage points above the prime rate. For retail installment contracts, the rate which is stated in the contract may not be changed for any reason during the term of the contract. In the case of retail installment accounts, the finance charge shall ~~not exceed this rate~~ only be charged on the outstanding balances of the contract as it changes from month to month.
- B. For purposes of this Act, the term "finance charge" shall include all charges which are incident to, or a condition of, the extension of credit.

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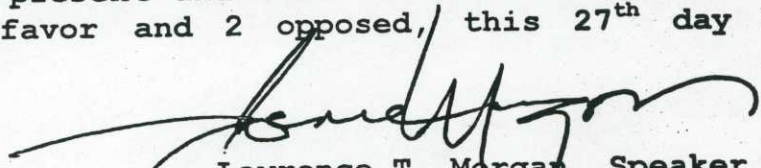
3. These amendments shall become effective immediately but shall not be applied retroactively to retail installment contracts executed prior to the date the President signs these amendments into law.

4. These amendments shall be codified in the Navajo Nation Code in its next supplement or updated publication.

5. Should any provision of these amendments be determined invalid by any court of competent jurisdiction, those provisions of the law which can still be given effect without the invalidated provisions, shall remain the law of the Navajo Nation, and to this end, these provisions are severable.

CERTIFICATION

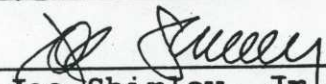
I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Council at a duly called meeting in Window Rock, Navajo Nation (Arizona) at which a quorum was present and that the same was passed by a vote of 53 in favor and 2 opposed, this 27th day of January 2006.


Lawrence T. Morgan, Speaker
Navajo Nation Council
31 Jan 06
Date

Motion: Amos F. Johnson
Second: Willie Johnson

ACTION BY THE NAVAJO NATION PRESIDENT:

- 1. I hereby sign into law the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (10), on this _____ day of FEB 09 2006 2006.



Joe Shirley, Jr., President
Navajo Nation

- 2. I hereby veto the foregoing legislation, pursuant to 2 N.N.C. §1005 (C) (11), this _____ day of _____ 2006 for the reason(s) expressed in the attached letter to the Speaker.

Joe Shirley, Jr., President
Navajo Nation