

INDIAN AFFAIRS DIRECTIVES TRANSMITTAL SHEET

(modified DI-416)

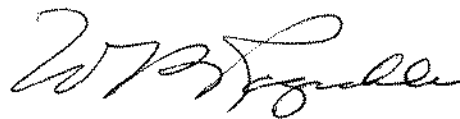
DOCUMENT IDENTIFICATION NUMBER NPM-TRUS-7	SUBJECT Life Estate Policy for Indian Land Consolidation Program	RELEASE NUMBER 75
FOR FURTHER INFORMATION Indian Land Consolidation Center, BIA		DATE JAN 03 2007

EXPLANATION OF MATERIAL TRANSMITTED:

Pursuant to the 130 DM 3.4, the Indian Land Consolidation Center is responsible for establishing land consolidation polices, providing technical advice and assistance to Regions with regard to the implementation of the land acquisition program. The Center is also responsible to provide oversight, direction, monitoring and program evaluation for the Indian Land Consolidation Program.

Attached is a policy concerning the land consolidation program that is effective as stated in the memorandum. The attached policy applies only to land sale transactions involving the Indian Land Consolidation Program pursuant to the 1983 authority of The Indian Land Consolidation Act, as amended in 2000 and 2004. Please assure that the appropriate Agency Superintendent, BIA and contract staff receive a copy of the policy (policies) and implement them immediately.

Please direct any questions to the Indian Land Consolidation Center at (715) 682-0310.



W. Patrick Ragsdale
Director, Bureau of Indian Affairs

FILING INSTRUCTIONS:

Remove: None

Insert: NPM-TRUS-7 (New)



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Washington, D.C. 20240



National Policy Memorandum

Bureau of Indian Affairs
Director

Number: NPM-TRUS-7
Title: Life Estate Policy for Indian Land Consolidation Program

Effective: JAN 03 2007
Expires: JAN 03 2008

1. Purpose

The purpose of this policy is to establish criteria for the purchase of a life estate/dower interest/dower rights and its remaindermen by the Indian Land Consolidation Program (ILCP).

In April 2003, the Bureau of Indian Affairs (BIA) established the Indian Land Consolidation Center (ILCC) to provide policy guidance, establish procedures and manage the LCP as it expanded nationally. Section 213 of P. L. 108-374, the American Indian Probate Reform Act of October 27, 2004 (118 Stat. 1773), amended the P. L. 106-462, the Indian Land Consolidation Act of November 7, 2000 (114 Stat. 1991), and made the Indian Land Consolidation Program (ILCP) permanent. ILCC is leading the efforts to purchase fractional interests (both surface and subsurface) in trust or restricted land from willing sellers at the direction of the Secretary of the Interior.

The Secretary of the Interior has the authority to acquire fractionated ownership interests in trust or restricted lands from individual owners. The acquired interest(s) shall have a lien on any revenues accruing to that purchased interest until the purchase price has been repaid or the Secretary provides for its removal.

An ownership interest in real or personal property may consist of a present interest such as a life estate or dower or future interest such as a remainderman. A life estate is measured by the duration of the holder of the interest or another person designated as the measuring life. The duration of a dower interest is measured by the life of the holder of the interest. Both a life estate and dower may be held in trust or in fee status. The future interest holder is the receiver of the interest in the property upon the termination of the life estate or dower. The life estate and dower holders may receive some or all of the income generated from the property for the term of the life estate or dower. If the Program purchased a remainderman's interest, the Program may be unable to begin recoupment of the purchase price of the remainderman's interest until the demise of the person designated as the measuring life for the life estate or dower holder. Thus, considerable additional time may elapse before the purchase lien is satisfied. The goal of this policy is to establish standards for the acquisition of life estates and dowers and future interests by the Program.

2. Scope

This policy applies to all regions where the ILCP is acquiring fractional interests.

3. Policy

Effective immediately, the following policies will be implemented with regard to the purchase of a fractional remainderman interest

- a. The ILCP recommends having the life estate holder relinquish the life estate/dower interest so that all the remainderman or future interest holder affected by the life estate/dower could then sell their interests along with any other ownership interests without special handling. In general, ILCP will acquire a remaindermen interest only if the holder of a life estate/dower agrees to relinquish/sell the life estate/dower. Payment will be made according to 25 C.F.R. § 179.
- b. If the holder of the life estate/dower does not wish to sell/relinquish, the remainderman interest will only be purchased if the person who is the measuring life of the life estate/dower is at the age of 80 years or above. Payment will be made to the remainderman according to 25 C.F.R § 179.
- c. If remaindermen does not wish to sell and the holder of the life estate/dower does, the ILCP will not acquire that life estate/dower.

4. Roles and Responsibilities

Director, Bureau of Indian Affairs (BIA). The BIA Director is responsible for the development of national policy affecting Indian Lands.

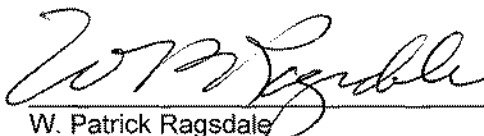
Director, Indian Land Consolidation Center. The ILCC Director is responsible for coordinating the Bureau's nationwide program to consolidate fractional interest in Indian lands pursuant to statutory requirements

Deputy Director, Field Operations, BIA. The BIA Deputy Director of Field Operations is responsible for overseeing the Regional Directors and disseminating policy to them.

Deputy Director, Trust Services, BIA. The BIA Deputy Director of Trust Services is responsible for assisting in the dissemination of trust resource policy and information to the regional Directors.

Regional Directors, BIA. The BIA Regional Directors are responsible for carrying out policy as directed, and for overseeing the implementation of policy either directly or via Agency Superintendents.

5. Approvals



W. Patrick Ragsdale
Director, Bureau of Indian Affairs

1-03-07

Date