

For the reasons set forth in the preamble, the Department proposes to amend 25 CFR chapter ___ as follows:

1. Add Part ___ of Title 25 of the Code of Federal Regulations to read as follows:

PART ___ - FEE FOR SERVICE

Sec.

- X.1 What fees will be collected for account management of trust funds?
- X.2 How much will I be charged?
- X.3 How will you collect the fees from account holders?
- X.4 What information will you provide me about the fees that are charged?
- X.5 Under what circumstances will you waive fees?
- X.6 What if the funds in a trust account are insufficient to cover the amount of fees charged?
- X.7 What happens if the fees remain unpaid for ___ consecutive days?

§ X.1 What fees will be collected for account management of trust funds?

(a) IIM and tribal accounts will be assessed a fee on a monthly basis to recover reasonable costs for holding and managing trust funds.

(b) IIM and tribal investments will also be subject to a management fee based on the reasonable costs for investment services and pursuant to the investment services contract.

§ X.2 How much will I be charged?

Reasonable fees will be established by the Special Trustee and be based upon the total cost of holding and managing the trust funds. A schedule of fees will be published in the Federal Register and updated periodically.

§ X.3 How will you collect the fees from account holders?

(a) We will deduct the account maintenance fees from your account on a monthly basis.

(b) Investment fees will be charged against the investment returns.

§ X.4 What information will you provide me about the fees that are charged?

The statement of performance provided to you will contain a description of the fees that are charged, including the amount of the fees and the date assessed.

§ X.5 Under what circumstances will you waive the fees?

(a) We will waive the monthly account maintenance fees if you agree to have all disbursements from your account(s) made by direct deposit. Fees will be charged for each month in which you do not have direct deposit for all disbursements.

(b) If you wish to have IIM and tribal account disbursements deposited directly into your bank account, you may contact the Trust Beneficiary Call Center at (888) 678-6836 ext. 0 to obtain a direct deposit form or submit the following information to the Department:

(1) The account holder's name, social security number, and current address;

(2) Your trust account number;

(3) The name and address of the bank or financial institution that you would like your funds to be deposited, together with the account number and routing number for your bank or financial institution.

§ X.6 What if the funds in a trust account are insufficient to cover the amount of the fees charged?

The Department will continue to assess fees as long as the account carries a positive balance.

§ X.7 What happens if the fees remain unpaid for more than _____ consecutive days?

If the IIM or tribal account has had no activity for 18 months and the account balance is insufficient to cover the fee, the account will be closed by OST. Amounts that are owed based on the fees assessment may be waived by the Secretary/Special Trustee.

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