

Promoting Tribal Economies Through Homeownership

A Guide to HUD's
Office of Native American Programs



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U.S. Department of Housing and Urban Development
Office of Native American Programs
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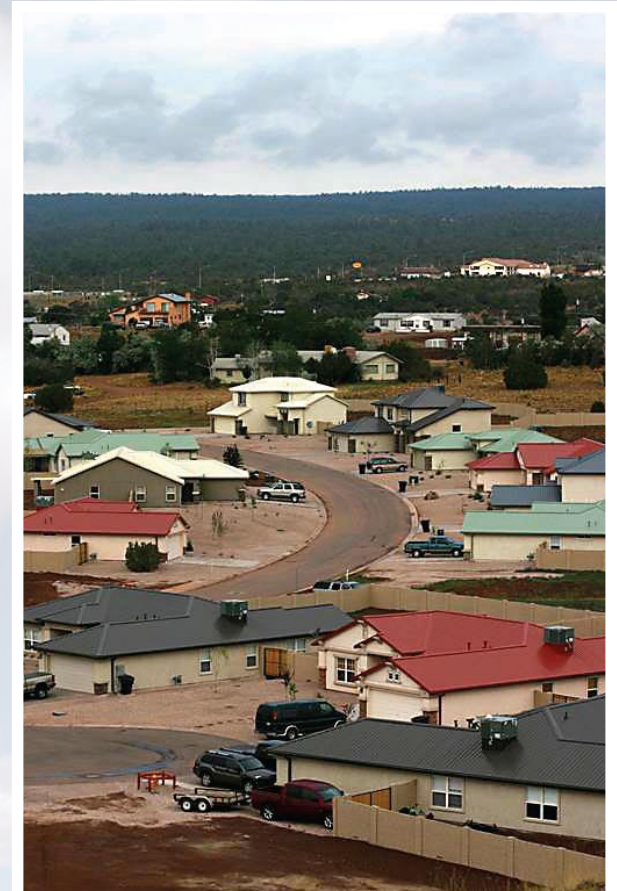
Indian Housing Block Grant (IHBG) Program

The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) recognizes the right of tribal self-governance and the unique relationship between the federal government and the governments of Indian tribes.

NAHASDA provides annual housing funds to Indian communities through the Indian Housing Block Grant (IHBG) program. These funds are provided directly to a tribe or a tribally designated housing entity (TDHE). The primary purpose of the IHBG is to provide low-income Indian families with housing assistance.

Eligible IHBG recipients are federally recognized Indian tribes or their TDHE, and a limited number of state recognized tribes that were funded under the Indian Housing Program authorized by the United States Housing Act of 1937 (USHA). With the enactment of NAHASDA, Indian tribes are no longer eligible for assistance under the USHA.

Eligible activities include: housing development, acquisition, new construction, reconstruction, and moderate or substantial rehabilitation of affordable housing; modernization and operating assistance to housing developed under the Indian Housing Program; housing services to eligible families and individuals; housing management services for affordable housing; crime prevention and safety; and model activities that provide creative approaches to solving affordable housing problems. Please refer to the insert for more details.





Title VI of NAHASDA

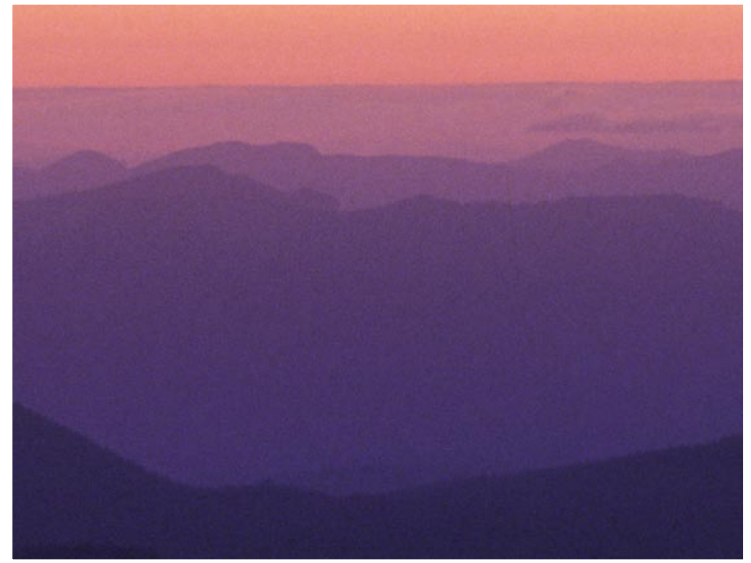
One of the primary objectives of the Native American Housing Assistance and Self-Determination Act is to ensure better access to private capital markets for Indian tribes. In pursuit of that goal, the Title VI program provides a federal loan guarantee to assist Indian Housing Block Grant recipients that want to finance eligible affordable housing activities, but are unable to secure financing without the assistance of the federal guarantee. The federal guarantee is a pledge by the federal government to repay 95% of the unpaid balance and accrued interest to a lender in the event of a default. Using the Title VI program, the tribe or TDHE leverages IHBG funds to finance affordable housing activities today by pledging future grant funds as security for the repayment of the guaranteed obligation.

Tax Exempt Financing

NAHASDA Indian Housing Block Grant funding is the largest source of housing capital on trust land today. The NAHASDA bond financing initiative provides the tribes a means to leverage their Indian Housing Block Grant dollars to address their housing needs immediately. The ability of tribes to issue bonds to implement affordable housing activities promotes self-sufficiency and supports the development of sustainable tribal economies while addressing the basic needs of the community. The issuance of bonds (taxable or tax exempt) backed by a pledge of cash flow from Indian Housing Block Grant funding is a core objective of NAHASDA, which seeks to promote the development of public-private partnerships.

What is the significance of this type of financing?

- Tribes will be able to pledge up to one-third of their current NAHASDA annual appropriations to make principal and interest payments on tribal bonds; and
- The financing instruments are not guaranteed by the federal government and therefore are not subject to appropriated subsidy rates and caps.



The Section 184 Loan Guarantee Program

Created by the Housing and Community Development Act of 1992, the goal of the Section 184 Loan Guarantee program is to provide homeownership opportunities to Native Americans living on trust or restricted lands.

The Section 184 Loan Guarantee program was designed to offer homeownership and housing rehabilitation opportunities to eligible Native American individuals, families, tribes and TDHEs (including Indian Housing

Authorities) on their native lands or within an approved Indian area. The program provides Native Americans access to capital, acts as a credit enhancement mechanism for lenders, and provides private funding opportunities to tribal housing agencies. A major benefit of the program is a 100 percent guarantee for home loans. Eligible borrowers include Indian families from federally recognized tribes or Alaska Native Villages, TDHEs, Indian housing authorities and tribes.



Indian Community Development Block Grant (ICDBG) Program

The Indian Community Development Block Grant (ICDBG) program provides eligible grantees with grants for use in developing viable Indian and Alaska Native communities, including decent housing, a suitable living environment and economic opportunities, primarily for low- and moderate-income persons.

Eligible applicants for assistance include any Indian tribe, band, group or nation (including Alaska Indians, Aleutes, and Eskimos) or an Alaska Native village that has established a relationship to the federal government as defined in the program regulations. In certain instances, tribal organizations may be eligible to apply.

More details about the ICDBG program are provided in the insert.



Section 184A Loan Guarantee Program

This new program is patterned after the Section 184 Loan Guarantee program, but it includes changes to address the housing needs and circumstances of Native Hawaiians. The purpose of the loan guarantee program is to provide access to sources of private financing to Native Hawaiian families that could not otherwise acquire housing because of the

unique legal status of Hawaiian Home Lands or as a result of a lack of access to private financial markets.

Native Hawaiian Housing Block Grant (NHHBG) Program

The Native Hawaiian Housing Block Grant program is patterned after the Indian Housing Block Grant program, but it contains specific provisions to address the housing needs and circumstances of Native Hawaiians.



Resident Opportunity and Self-Sufficiency (ROSS) Program

Tribes and TDHEs are eligible for the ROSS grant program. The program provides funds for job training and support services to help public housing residents transition from welfare to work. ROSS also provides funding to link elderly and/or disabled residents to critical services that can help them continue to live independently.

As a response to the Quality Housing and Work Responsibility Act of 1998 (the Public Housing Reform Act), ROSS is a redefined and restructured combination of programs funded in prior years. They include: Tenant Opportunities Program (TOP), Economic Development and Supportive Services Program (EDSS) and Public Housing Service Coordinators. For more information on ROSS, visit our web site: www.hud.gov/codetalk.



Rural Housing and Economic Development (RHED) Program

The HUD Rural Housing and Economic Development Program was created in 1999 to build capacity at the state and local levels for rural housing and economic development and to support innovative activities in rural and tribal communities and reservation areas.

Grants are awarded for capacity building within

recipient organizations and to support innovative housing and economic development activities and projects. Indian tribes, state Housing

Finance Agencies (HFAs), state community and/or economic development agencies, local and rural nonprofits and CDCs are eligible to apply.

Tribal Colleges and Universities Program (TCUP)

The Tribal Colleges and Universities program is one of several initiatives administered by HUD's Office of University Partnerships (OUP). The purpose of the program is to assist Tribal Colleges and Universities (TCU) to build, expand, renovate and equip their own facilities, and to expand the role of the TCUs in the community through the provision of needed services such as health programs, job training and economic development.

The maximum amount that can be requested and awarded to a particular tribal college or university is \$600,000. The grant period is 36 months.

HUD recognizes the crucial role that America's higher education institutions can play in building communities, large and small. It established OUP in 1994 to encourage and expand the efforts of those institutions that strive to make a difference in their communities through funding opportunities.



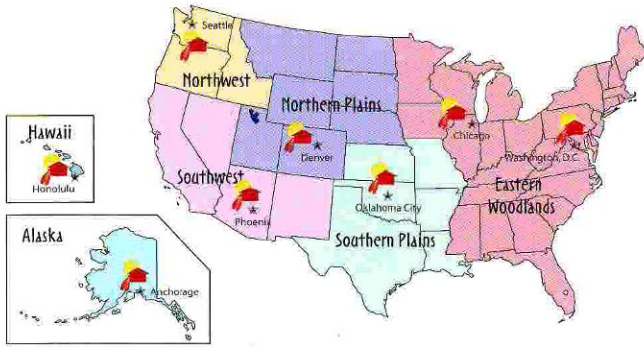


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About Code Talk
Code Talk is a federal inter-agency Native American Web site hosted by the U.S. Department of Housing and Urban Development, Office of Native American Programs. The site is linked to key federal agencies and resources important to Native American issues, key topics and events and American Indian, Alaska Native and Native Hawaiian resources.



Information about any HUD and ONAP program can be accessed through our Web site: www.hud.gov/codetalk.

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