Native American Direct Loan Program

What Is A VA Direct Loan?

- **The Department of Veterans Affairs serves as the principal lender and directly lends the funds to an eligible Native American Veterans for the purpose of purchasing, constructing or improving a home on trust lands, or to refinance a prior NADL to reduce the interest rate.**

Who is Eligible

- **Veterans (after 9/15/1940)**
    - **90 days (wartime)**
    - **181 continuous days (peacetime)**
    - **Discharge under conditions other than dishonorable**

*A greater length of service required

- **Enlisted after 9/7/1980**
- **Officers after 10/16/1981**
    - **24 continuous months or**
    - **Full period for which called or ordered to active duty**

Who is Eligible Continued..

- **Active Duty Service Members**
  - **At least 90 days**
- **Reserve/National Guard Members**
  - **At least 6 years**
  - **Under Honorable Conditions**
- **Un-remarried Surviving Spouses**

NADL Requirements

- **The tribal organization has a *standing Memorandum of Understanding* with the Secretary of Veterans Affairs.**

- **The home is on trust/lease/allotted land.**

- **The Veteran or a Veteran who is married to a Native American non-Veteran and is a member of the tribe.**

Eligible Loan Purposes

- **To purchase, construct, or improve a home on Native American trust land.**

- **Manufactured Home on permanent foundation**

- **To simultaneously purchase and improve a home.**

- **To refinance another NADL direct loan and lower the interest rate.**

Requirements For Loan Approval

- The Veteran intends to occupy the home as his/her primary residence.

- The Veteran and, if applicable, the spouse are satisfactory credit risks

- The Veteran and, if applicable, the spouse have stable and reliable income that is sufficient to meet payment obligations and provide enough left over for family support

Direct Loan Benefits

- **No down payment**
- **No private mortgage insurance**
- **Minimal closing costs**
- **No prepayment penalties**
- **Freddie Mac single-family conventional conforming loan limit (currently $417,000)**
- **Interest rate may be lower than conventional mortgages.**
  - **Current interest rate is 4%.**

Closing Costs

- **VA Funding fee**
  - **1.25 % Active duty**

  - **2% Guards/Reserves**
  - **Some are exempt**
- **VA appraisal**
- **Inspection Fees**
- **Pre-paid Interest**
- **Recording fees, if applicable**
- **Survey, if applicable**
- **Hazard insurance premium**

Tribal Documents

- **Certified Title Status Report**
- **Lease Agreement (heirs must approve)**
- **Proof of Tribal Membership**
- **IHS/Water/Sewer Report**
- **Environmental/Archeological Survey**

The Loan Process

- **Determine if the tribal organization or appropriate Native American group has a standing *Memorandum of Understanding (MOU)***

- **The Veteran will need to submit or apply for a Certificate of Eligibility (COE)**

- **Contact the Denver Regional Loan Center and apply for the loan**

- **VA Preliminary Credit Review**

- **Find a home to buy or a construction contract with the builder to build the home**

- **Appraisal/Inspections are completed**

- **Close the loan and move into the new home**

Approved Tribes

ALASKA (1)

Metlakatla Indian Community

COLORADO (2)

Southern Ute Tribe

Ute Mountain Ute Tribe

IDAHO (2)

Nez Perce Tribe

Shoshone-Bannock Tribe

MONTANA (6)

Assiniboine-Sioux of the Fort Peck Reservation

Blackfeet Nation

Chippewa Cree Tribe of Rocky Boy

Crow Agency

Fort Belknap Assiniboine & Gros Ventre Tribes

Northern Cheyenne Tribe

OREGON (2)

Confederated Tribes of the Umatilla Indian Reservation

The Confederated Tribes of the Warm Springs

UTAH (1)

Ute Indian Tribe Uintah and Ouray Reservation

WASHINGTON (9)

The Confederated Tribes of the Colville Reservation

Lummi Nation

Nooksack Indian Tribe

Spokane Tribe of Indians

Quinault Indian Nation

Tulalip Tribes

Yakama Nation

Swinomish Tribe

Suquamish Tribe of Indians of the Port Madison Reservation

Contact Information

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NADL (On-line Version)

- **Native American Direct Loans (On-line version) http://www.benefits.va.gov/homeloans/nadl.asp**