



The Homeownership Path

**“Section 184 – Making Homeownership a
Reality for Native Families”**

- Overview of the Homebuying Process
- Overview of the Section 184 Indian Home Loan product

Educate Yourself

- Buying a home is the biggest financial obligation most families make
- Learn what you need to make a strong financial decision – are you ready to buy at this point?
 - Renting v. Buying
 - Pros & Cons of each
- Remember the additional costs involved
 - Utilities
 - Appliances
 - Landscaping/yard maintenance
 - Maintenance

Prepare for the Financing

- What are your financing options?
- What does your credit report look like?
- Do you have funds for down payment?
- Is your job stable?

Plan for the Future

- Revise your budget to reflect the additional costs involved
- Don't make any major purchases
- Pay your bills on time
 - Pull together the necessary documents that you'll need to provide the lender



Section 184 Indian Home Loan Product

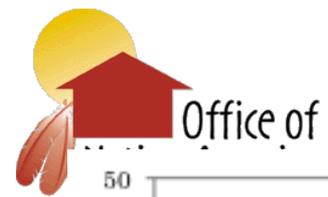
An Overview

What is Section 184?

- **A home loan product** for Native families
- With ***low down*** payment
 - 2.25% for mortgages over \$50,000
- **Loan Guarantee Fee**
 - There is a **1.5% loan guarantee fee** that is added on to your mortgage
 - Effective November 15, 2014 a **.15% fee** on the loan balance will be added
- Section 184 Financing is available on and off reservation

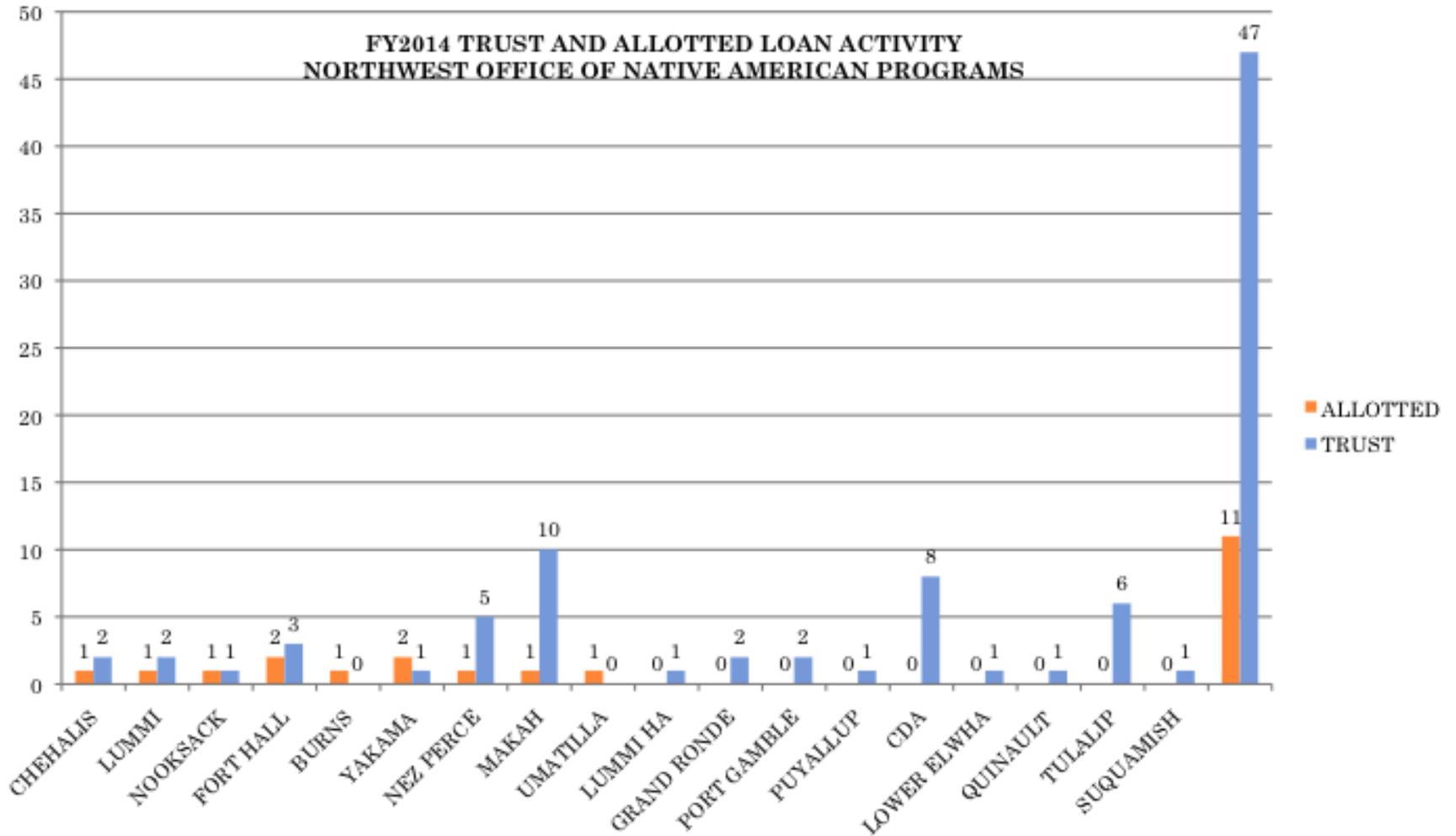
Purpose of Loan Guarantee

- Facilitate the flow of private financing in tribal communities
- Encourage lenders to make loans on trust and allotted lands
- Strengthen and support economic development
- Promote homeownership opportunities for Native families



Office of

**FY2014 TRUST AND ALLOTTED LOAN ACTIVITY
NORTHWEST OFFICE OF NATIVE AMERICAN PROGRAMS**



Eligible Borrowers

- Indian or Alaska Native individual or family
- TDHE/IHA (Indian Housing Authority)
- Tribe



Homeownership Options

- Purchase existing house
- Refinancing
- New construction
 - Manufactured
 - Modular/stick built
- Rehabilitation
- Purchase and rehabilitation



184 Goal

- Successful Homeownership
- Positive home buying experience
- Client Marketing

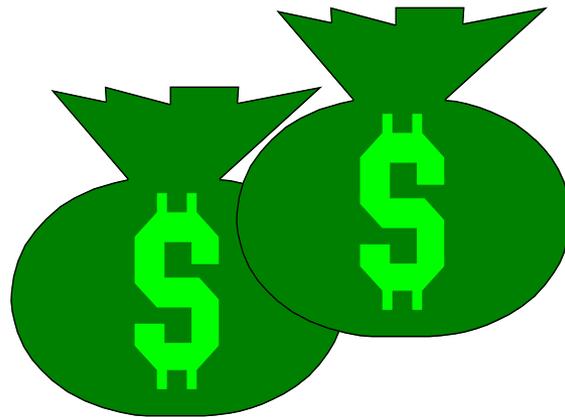


LOAN FEATURES

Buyer Benefits

- Fixed interest rate determined by lender
- 30 year maximum term
- Low Down Payment
 - 2.25 % for loans over \$50,000
 - 1.25% for loan under \$50,000

BORROWER'S ABILITY TO PAY



Self Assessment

- Have you reviewed your credit report recently?
- Do you have funds for down payment and closing costs?
- Do you have a budget/savings plan?

Documents you'll need

- Pay Stubs for self/co-borrower
- W-2 for most recent tax year for each wage earner
- Award letter from SSN, VA or retirement (if applicable)
- Verification of any additional income
- Most recent bank statements
- Mortgage/rental verification
- List of all outstanding debts, including credit cards, student loans, auto loans, child support
- Copy of tribal Identification

Credit Required for 184

- All liens, Collections, and judgments need to be paid off
- One year of on time payments for auto loans, credit cards, students loans, personal loans, and mortgages
- Explanations provided for any credit irregularities
- Credit scores are not reviewed – but your overall credit history is reviewed

Gather your paperwork

- If you've done your self assessment or worked with your housing counselor and all looks well you are ready to move on to the application process
- Gather your documents – most recent 30 day paystubs, recent checking and savings statements, w-2's, etc.

Next Step

- Develop your budget and include potential mortgage payment and utilities
- Meet with a Section 184 Approved Lender
- Determine how much you'll need for down payment and closing costs; if constructing a home you'll need contingency funds
- Follow up with your lender immediately on requested items