



**SECTION 184 INDIAN HOUSING
LOAN GUARANTEE PROGRAM**

**Bureau of Indian Affairs
Presentation**

PROGRAM OVERVIEW

- 1992 Housing and Community Development Act
- 1996 NAHASDA (Title VII)
 - New Reg cite: 24 CFR Part 1005
- Annual funding by Congress
- Nationwide program

184 PARTNERS

- HUD 184 Program Staff
- Lenders
- Tribes
- TDHEs (Tribally Designated Housing Entities)
- BIA (Bureau of Indian Affairs)

WHAT DOES BIA DO?

- Serves as a trustee for tribal trust land
- Approves lease/mortgage
- Provides/updates title status reports
 - Records mortgage/lease
- Underwrites/reviews loan package (if allotted/restricted)

ELIGIBLE BORROWERS

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

LAND REQUIREMENTS

- Tribal trust land
- Allotted individual trust land
- Fee simple land in an Indian operating area

HOMEOWNERSHIP OPPORTUNITIES

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

LAND OWNERSHIP IN INDIAN COUNTRY

- Program requirements and processing procedures vary depending upon how land is held
- Land in an Indian Area = area in which a Tribe/TDHE is authorized to provide housing
- Types of Land Ownership
 - Fee Simple
 - Allotted Trust
 - Tribal Trust

FEE SIMPLE LAND

- Estate in land that is absolute or unrestricted
- Owner can dispose of land
 - Subsequent sale of home and/or foreclosure; land and home sold together
- Located on reservation or within Tribe's operating area for housing

ALLOTTED TRUST LAND

- Land or interest in land held in trust by the BIA for an individual Indian
- Tribe has no interest in land
- Subject to restrictions against alienation or encumbrance

TRIBAL TRUST LAND

- Land or interest in land held in trust by BIA for a Tribe
- Land may not be encumbered or alienated (leasehold)

184 LENDING ON FEE SIMPLE

- Lease not required
- Title policy is required
- Property must be in area designated Indian Operating Area (Tribal certification)



184 LENDING ON INDIVIDUAL ALLOTTED TRUST LAND

- Generally no lease
- BIA approval is required
- BIA issues Title Status Report with recorded mortgage & approval no older than 6 months



184 LENDING ON INDIVIDUAL ALLOTTED TRUST LAND

- Fractionated ownership
- Leases
- Foreclosure can result in loss of land
- Excess land

184 LENDING ON TRIBAL TRUST LAND

- Leasehold interest must be established between borrower and tribe
- Title Status Report from BIA no older than 12 months
 - Certified TSR
 - Certified TSR or endorsement with recorded lease and mortgage
 - Cancellation of previous recorded leases and satisfaction of mortgage; if applicable

184 LENDING ON TRIBAL TRUST LAND (cont.)

- Parties to lease: BIA, Tribe, Borrower
 - HUD approval/review

Note: Leasing instrument normally approved when tribe submits documentation to participate in 184 program

184 LEASING REQUIREMENTS

- Not to exceed 50 year term
- Provision preventing termination without HUD approval
- Language indicating lessee can mortgage the leasehold, and foreclosure is allowed
- Language preventing transfer or assignment of leasehold interest without HUD/Tribe approval

Roles and Responsibilities of BIA

- BIA Issues Certificate of Mortgage Approval
- BIA Title Plant completes certified Title Status Report
 - OR
- BIA Realty Staff completes endorsement document

THANK YOU!

- More information on the 184 program:
 - <http://www.codetalk.fed.us/loan184.html>
 - HUD/Office of Native American Programs
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