

News Release

National American Indian Housing Council



FOR IMMEDIATE RELEASE

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Homeownership Rising but Still Low Among Native Americans, Especially in Tribal Communities

NAIHC reflects on June as Homeownership Month

WASHINGTON—June 29, 2006: Home purchase loans to Native Americans tripled from 14,844 in 2003 to 45,375 in 2004, according to the most recent Home Mortgage Disclosure Act (HMDA) data, but how much of that increase took place in tribal communities is unclear, the National American Indian Housing Council (NAIHC) points out, because HMDA data is not broken down to show on versus off tribal lands. NAIHC says tribal communities likely are not seeing proportionally high gains. The homeownership rate on reservations is still low at 41 percent, compared to about 68 percent in the nation at large (latest figures reported by Fannie Mae).

“More of the benefits of homeownership need to go where the housing conditions are most substandard and the barriers most severe,” says Marty Shuravloff, NAIHC Chairman. “It is in these communities that we are promoting training for homeownership.”

“NAIHC has a multi-pronged approach to its national role in working with reservation communities,” explains Gary L. Gordon, Executive Director. The organization sponsors (among other things):

- “Pathways Home” train-the-trainer program, which since its September 2004 inception has certified more than 250 homebuyer counselors, who assist Native families along the path to homeownership;
- Some 10 to 15 mortgage finance–related panel sessions each year at NAIHC’s Annual Convention as well as its Legal Symposium;
- Two “Planning for Homeownership Projects” seminars in 2005, with a combined attendance of nearly 200;
- Native American Homebuyer website (coming soon), which will guide Native American homebuyers through basic considerations such as how much home they can afford, and steer them away from predatory lenders and toward their tribe’s homebuyer counselors;
- Individual Development Account (IDA) conference (coming in October) to teach tribal housing staff how to run saving programs for homeownership.

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These continually updated offerings are designed for tribal housing professionals to create successful homeowners in their communities, also benefiting the financial institutions that take part.

“In the long run, it will pay dividends, although people may not always see immediately what’s in it for them,” says Luke Toyebo, NAIHC Field Services Director.

HUD Native American Mortgage Program Shows Increases

The capacity-building benefit of these programs is reflected in the increased loan activity that has been documented in Indian Country. Since 1995, more than 2,800 loans amounting to more than \$300 million have been issued to tribal borrowers by lenders insured under the “Section 184” Indian Housing Loan Guarantee program of the Department of Housing and Urban Development (HUD). This year alone, the program is on pace to back 1,000 loans worth \$120 million, HUD stated in a recent press release. An Administration-proposed funding increase from \$4 million to \$6 million for FY 2007 would more than double the dollar volume of loans—to \$251 million—that this HUD program could guarantee, according to the agency.

Lending Disparities Still Abound

More than half (53 percent) of Native applicants were denied loans in 2004, while only 42 percent of whites (as identified in the HMDA data) were so denied. Only 27 percent of Native loan applications were approved and processed, compared to 37 percent among whites.

The disparity was seen even with government agencies including Federal Home Administration (FHA), Farm Service Agency, and Rural Housing Service, and Veterans Administration home-purchase loans, on 1- to 4-family homes and manufactured homes. For example, 17 percent of loan applications from Native Americans were denied and 65 percent were approved and processed. Among white applicants, the comparable figures were 11 percent and 75 percent.

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NAIHC assists tribes and tribal housing entities in reaching their self-determined goals of providing culturally relevant, decent, safe, sanitary, and quality affordable housing for Native people in Indian communities and Alaska Native villages.

NAIHC...A Tradition of Native American Housing

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