

News Release

National American Indian Housing Council



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Barriers to the Pathway for Homeownership High for Native Americans, NAIHC Chair Testifies —Bureau of Indian Affairs Hindering Homeownership with Slow Title Process

Camp Verde, Arizona—July 31, 2006—In testimony today the chairman of the **National American Indian Housing Council (NAIHC)** outlined the staggering barriers to homeownership in Indian Country. One is the continuing saga of tribal members **waiting months and even more than a year** for their land Title Status Reports (TSRs) to be processed by the Bureau of Indian Affairs (BIA), according to a recent **NAIHC** survey of lenders.

There is a well-known deficiency of homes on reservations, estimated at 200,000, (U.S. Commission on Civil Rights) and homeownership is one logical way of delivering this housing, **NAIHC Chairman Marty Shuravloff** told the House Committee on Financial Services Subcommittee field hearing “Removing Barriers to Homeownership for Native Americans.” **Shuravloff** cited a recent **NAIHC** survey of lenders which showed that BIA TSR delays are hurting homeownership.

“It is clear that one of the major obstacles to homeownership on trust land is the difficulty lenders and tribes face in securing clear title to the land from BIA,” said **Shuravloff**, who is also **Executive Director of Kodiak Island Housing Authority** in Alaska. “Without a clear, consistent and effective system to comprehensively deliver the TSRs in a timely fashion, homeownership opportunities are being stymied or lost.”

NAIHC has been alerted that some major banking institutions are abandoning the Housing and Urban Development Department (HUD) Section 184 loan guarantee program for Native American homebuyers, possibly because of frustrations with obtaining TSRs.

BIA Not Implementing MOU in a Timely Manner

While a Memorandum of Understanding (MOU) was signed by BIA jointly with HUD and the Agriculture Department approximately 18 months ago, some of the commitments (such as an effort by the BIA to process TSRs in 30 days), apparently was not communicated to its own personnel, according to knowledgeable lenders that **NAIHC** surveyed. The very BIA personnel who would be processing TSRs were unaware of its existence.

“**NAIHC** is disappointed with BIA’s continued lack of compliance with this MOU, which was a highly publicized and long-desired breakthrough in the Indian housing arena,” **Shuravloff** said.

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One bank surveyed that serves Indian Country suggested that the BIA return to its previous procedure of offering informational TSRs which, while not certified, allowed banks to process the mortgage without delays.

“We urge BIA to immediately incorporate the informational TSR into its process to prevent delays of 6 months to a year,” said **NAIHC Executive Director Gary L. Gordon**. “Lenders report that because of BIA delays, Native American homebuyers have been forced to pay higher rates. This makes homeownership unnecessarily costly.”

Tribes Starting Title Plants

The lack of consistency among BIA local and regional offices has led tribes to try to solve this problem themselves by opening their own title plants: the Confederated Tribes of the Salish & Kootenai Tribe (Montana) and the Confederated Tribes of the Colville Reservation (Washington) have taken over the BIA function.

“We applaud these tribes for their self-determination in taking control of the process themselves,” said **Gordon**. “However, we know not all tribes have the resources or economies to offer such services cost-effectively, so we look to BIA to solve the processing problems.”

Housing Insurance Difficult to Obtain

Another challenge facing many rural tribal members in Indian areas is the lack of adequate insurance that is required for a home mortgage. For years, housing insurance in Native communities has been provided largely by AMERIND, a Federally-chartered, not-for-profit tribal risk pool that provides insurance only to tribal members in Indian Country. Increasingly, Native American Housing Block Grant funds and home loan guarantees made under HUD’s Section 184 are being used to finance homes in Indian service areas but outside of Indian Country. With few if any private insurance providers willing to insure Indian homes, and AMERIND blocked from doing so, many of Indian families are being prevented from acquiring mortgage loans.

NAIHC Helps Native Americans on Path to Homeownership

One major focus of **NAIHC** training and technical assistance has been to help tribes promote homeownership, particularly on reservations. **NAIHC**’s nationally recognized homebuyer education program, “Pathways Home,” trains hundreds of tribal housing staff each year, who then provide counseling for their own tribal communities. **NAIHC** offers training on the mortgage process at our Annual Convention, Legal Symposium and a new conference, “Planning for Homeownership Projects.” **NAIHC** also works with private lenders to break down barriers to homeownership via its Mortgage Partnership Committee.

“There is a good reason that **NAIHC** focuses many resources on promoting homeownership,” said **Shuravloff**. “It is because the rate of homeownership on the reservation still lags at 33%, or half that of the U.S. population in general (General Accounting Office.) While our membership is still aspiring to levels of homeownership that are typical of mainstream America, **how long are we expected to wait?**”

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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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