

Mortgage Lending Process on Trust Land

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HUD 184 Program

Brief Program Description: The Section 184 Indian Home Loan Guarantee Program is a home mortgage product specifically designed for American Indian and Alaska Native families, Alaska villages, tribes, or tribally designated housing entities. Congress established this program in 1992 to facilitate homeownership and increase access to capital in Native American Communities.

With Section 184 financing borrowers can get into a home with a [low down payment and flexible underwriting](#). Section 184 loans can be used, both on and off native lands, for new construction, rehabilitation, purchase of an existing home, or refinance.

Section 184 is synonymous with home ownership in Indian Country.

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This example is purchase only, assumes free and clear property, that the borrower is pre-approved, and that the financing entity is a certified direct guarantee lender.

- Lender verifies applicant and tribe are eligible to participate in the program.
- Lender verifies land status and eligible to mortgage.
- Lender determines whether to lend funds against a Leasehold Mortgage on Tribal Trust Land or a Trust Mortgage on Allotted individual trust land.

Process for lending via Leasehold Mortgage on Tribal Trust Land:

- Step 1 – Lender pre-approves borrower
- Step 2 – Borrower picks a property to lease and obtains its accurate legal description
- Step 3 – Tribe authorizes leases by resolution and send to BIA for approval.
- Step 4 – BIA Superintendent provides approved lease to tribe.

- Step 5- Tribe/Lender contacts BIA to obtain a *Certified TSR* to verify the leasehold interest in land, legal description, and existing liens/encumbrances.
- Step 6 – Lender reviews executed lease by Tribe, BIA, and borrower for program compliance.
- Step 7 – Lender prepares credit package
- Step 8 – Lender orders appraisal

- Step 9 – Lender underwrites loan package
- Step 10 – Lender issues loan commitment
- Step 11 – Lender closes loan
- Step 12 – Lender or closing agent files loan documents with BIA and County Recording Clerk as required

- Step 13 – BIA Superintendent or Realty Officer at the Area of Region Office issues an *Endorsement* or updated Certified TSR that includes a summary of all activity since the initial *Certified TSR* was issued, satisfaction and cancellation of existing liens and encumbrances, and approval of lease and mortgage documents.
- Step 14 – Lender reviews closing package for program compliance and submits closing package to HUD for issuance of guarantee certificate.

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