



## Office of Native American Programs Section 184 Indian Housing Loan Guarantee Program Tribal Consultation – Re-Ahead Document

The U.S. Department of Housing and Urban Development (HUD) is in the beginning stages of revising the regulations for the Section 184 Indian Housing Loan Guarantee (Section 184) program. HUD is committed to revising these regulations, and has placed these regulations as a top priority on its regulatory agenda. Each year, HUD gets to issue very few regulations, and for 2018, the Section 184 program has been selected for this process by the Department. As a top priority, these regulations have been placed on a fast-track within the Department. HUD anticipates publishing a proposed rule in the *Federal Register* by the end of fiscal year 2018. Since the Section 184 program impacts tribes and Native American families, HUD is conducting tribal consultation on the regulations in accordance with the Department's Tribal Consultation Policy.

To kick-off the tribal consultation process, HUD's Office of Native American Programs (ONAP) is conducting listening sessions at the National Congress of American Indians (NCAI) 2018 Executive Council Winter Session on February 13, 2018, and at the National American Indian Housing Council (NAIHC) 2018 Legislative Conference, March 5-7. Both conferences will be held in Washington, DC. ONAP hopes to hold additional listening sessions in other locations this spring. ONAP will consider tribal comments from these listening sessions, as well as comments sent to a dedicated email address, when drafting the new regulations.

Once HUD has finalized draft regulations, HUD will send a copy out to tribes for comment via a "Dear Tribal Leader letter." A copy of the draft will also be available on ONAP's webpage. [www.hud.gov/codetalk](http://www.hud.gov/codetalk). Once this tribal comment period is over and any comments received are considered, HUD will publish the proposed rule in the *Federal Register* for public comment. Once the *Federal Register's* comment period is over for the proposed regulations, HUD will publish a final rule for comment in advance of implementation.

### ***What is the Section 184 program?***

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

Section 184 loans can be used for new construction, rehabilitation, purchase of an existing home, or refinance. For example, an individual Native American or Alaska Native family may use the program to obtain a low cost, low interest mortgage to buy their first home, or a tribe may take out a Section 184 construction loan to develop new housing for its community.

### ***How does the program work?***

ONAP provides a federal guarantee to all the Section 184 home mortgage loans made to Native borrowers. The loan guarantee assures participating lenders that the loan will be repaid in full in the event of foreclosure. To obtain a loan, an eligible borrower applies for a Section 184



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loan directly with a participating lender. The lender then evaluates the necessary loan documentation and submits the loan for approval to ONAP. HUD approves the loan and then the loan is completed by the lender.

***Why New Regulations?***

The program has grown from fewer than 100 loans in 1994, to more than 4,000 loans worth over \$700 million in fiscal year 2017. However, the regulatory framework that governs the program has remained largely unchanged. Given the growth and maturity of the program, HUD finds it necessary to expand and revise the regulations to meet the program’s growing demands, and to hold participating banks accountable to both tribes and the federal government.

The program’s current regulations may be found at [24 CFR Part 1005](#). While considering the program’s regulations, the program is also bound by its authorizing legislation, the U.S. Housing and Community Development Act of 1992, as amended. This means that HUD cannot make any changes to the regulations that are outside the scope of the existing law.

ONAP is interested in hearing from the tribal community on what works and does not work with the Section 184 program. The goal is to make the program work the best it can for both HUD’s interests and the interests of Indian Country.

***What will HUD want feedback on?***

HUD is open to all tribal comments on the Section 184 program. In particular, HUD would like to get feedback on how tribes can play a more meaningful role in the program. Other topical areas include:

**GENERAL OVERVIEW:**

- What is working well with the program
- What challenges have your tribal members experienced

**PROGRAM ACCESS:**

- Availability of lenders
- Quality of service provided by lenders
- Barriers to access
- Unintended consequences

**DELINQUENCIES / DEFAULT / FORECLOSURE / SALE:**

- Tribe’s experience with loss mitigation for its members
- Tribe’s experience with the foreclosure process for its members
- Potential improvements to this process
- Increased (or decreased) tribal involvement in the process



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***How to submit comments***

ONAP has created an email address to receive input and comments from tribal leaders, tribal members, tribal housing entities, and lenders. Please send your feedback on the existing regulations and any proposed changes to [184consultation@hud.gov](mailto:184consultation@hud.gov). This email “box” will be open for the duration of the tribal consultation period, which will end with the publication of the proposed rule in the *Federal Register*. At that time, tribes may submit comments under the public comment period provided in the *Federal Register* notice.

Thank you for your commitment to improving the Section 184 program.