



SOUTH DAKOTA

Native Homeownership
Coalition

www.sdnativehomeownershipcoalition.org

An Update on the USDA Section 502 Home Loan Relending Pilot

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National American Indian Housing Council

Legal Symposium

Presenter

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Lakota Funds

Kyle, SD

Fiscal Agent

SD Native Homeownership

Coalition



Overview

- Who is the Coalition?
- Benefits of 502 Relending Pilot
- Preliminary Results
- What next?

Coalition History

Convened in 2013 by:

- USDA Rural Development
- SD Housing Development Authority
- SD Department of Tribal Relations
- Great Plains Native Asset Building Coalition
- SD Governor's Office



Funder Support



Coalition Structure

Statewide coalition

Governed by executive committee

Volunteer working committees

Paid facilitators

Fiscal agent

Working Committees

- Physical Issues: *Land, Infrastructure, Housing Stock*
- Homebuyer Readiness
- Funding and Financing
- Policy
- Veteran's Homeownership

502 Relending Pilot Overview

- \$2 million pilot
 - \$1.6 million from Section 502 appropriations
 - \$400,000 from local match
- USDA lends capital to two Native CDFIs in South Dakota
 - 1% interest rate
- Native CDFIs relending to eligible 502 borrowers



502 Relending Benefits

Native CDFIS

Relationship and trust of community

Homebuyer education

Familiarity with trust land issues

USDA Rural Development

Capital

Staff reduction

Limited outreach resources

Preliminary Results

	USDA 502 loans on trust land from 2009-2017	502 relending loans on trust land in 4Q 2019	Number of homebuyers in the pipeline
Cheyenne River Indian Reservation	3 loans totaling \$229,800	5 loans totaling \$512,172	16
Pine Ridge Indian Reservation	4 loans totaling \$459,300	3 loans totaling \$335,623.29	6

Preliminary Results

- Each Native CDFIs have deployed as much (or nearly as much) 502 capital in one quarter as USDA did on the same reservations in nine years
- Most homebuyers:
 - Left overcrowded situations living with family
 - Single female head of household

What's Next?

- Pilot operated under USDA's demonstration authority
- Challenges with statutory amendments to expand USDA's authority
 - Push back from rural housing advocates
 - OMB scoring of relending program
- Strong support from Senator Thune
 - Looking for other congressional supporters