

## NAHASDA Modernization Section by Section

### Senator Murkowski – Senate Committee on Indian Affairs

**Sec. 1 - Short Title; Table of Contents:** Establishes the short title as the Native American Housing and Self-Determination Modernization Act of 2026 and lays out the table of contents.

**Sec. 2 - Definitions:** This section clarifies which definitions apply throughout the text, including Tribal definitions from NAHASDA.

**Sec. 3 - Flexibility for Community Compass Technical Assistance:** Directs the Secretary to approve technical assistance requests in a way that ensures Tribes, Tribally Designated Housing Entities (TDHEs), and the Department of Hawaiian Home Lands have maximum flexibility in determining what they need technical assistance funding for.

**Sec. 4 - Consolidation of Environmental Review Requirements:** This section allows Tribes/TDHEs to satisfy the environmental review requirements of other federal agencies using the HUD environmental review, when they are using one or more sources of federal funding in addition to NAHASDA or the Indian Community Development Block Grant (ICDBG); those other sources do not exceed 49% of the federal funds used in the project; and the Tribe has assumed responsibility for the environmental review.

This section also exempts activities from environmental review requirements where the activity is affordable housing and costs no more than \$250,000; the acquisition of property funded using non-Federal sources; or involves rehabilitation and costs less than fifty percent of the market value of the structure before rehabilitation and involves no ground disturbance, footprint change, or historic structure.

There are also provisions detailing flexibilities and options for radon testing, lead testing in remote areas, flood risk management and flood insurance, and siting projects near residential and community bulk fuel tanks. Lastly, the section allows recipients to satisfy wetland requirements by complying with existing U.S. Army Corps of Engineers permits.

**Sec. 5 - Authorization of Appropriations:** Reauthorizes the Indian Housing Block Grant (IHBG) for six years, through 2033.

**Sec. 6 – Eligible Families:** This provision allows Tribes to raise the income ceiling for homeownership activities to 120 percent of Area Median Income (AMI), provided that less than half of their grant funding goes to this expanded family population. This flexibility supports homeownership while preserving the statute’s focus on low-income Native families and aligns with the Road to Housing Act and HOME program framework.

**Sec. 7 - Student Housing Assistance:** Clarifies that IHBG funds can go towards college housing assistance (building housing, rental assistance, etc.). This is already an allowable use but stakeholders requested statutory clarification.

**Sec. 8 - Clarification of Application of Rent Rule to Units Owned or Operated by Indian Tribe or Tribally Designated Housing Entity:** This section clarifies that the current maximum rent rule (30% of income rule) only applies to units owned or operated by a NAHASDA recipient. It allows recipients to establish their own maximum and minimum rent policies to promote Tribal self-determination and address nuances related to promoting economic development and self-sufficiency.

**Sec. 9 - De Minimis Exemption for Procurement of Goods and Services:** This section updates the de minimis exemption for procurement and ties it to the Micro-Purchase Threshold set in the Code of Federal Regulations, to prevent it from getting out-of-date due to inflation.

**Sec. 10 - Procurement Policies:** Allows NAHASDA recipients to set their own policies and procedures regarding procurement of goods and services, provided that they make these written and publicly available, and that they follow their policies and procedures.

**Sec. 11 - Total Development Cost Maximum Cost:** HUD sets limits on total development costs, to regulate the amount of public housing funds that may be used to subsidize housing developments. This provision raises the limit on total development cost maximums from 10% to 20% for IHBG recipients, to account for the high material and development costs in rural, remote areas.

**Sec. 12 - Homeownership or Lease-to-own Low-income Requirement and Income Targeting:** Allows families that are currently residing in NAHASDA-assisted rental units to purchase those units if they are made available for purchase or as a rent-to-own property, so long as they were low-income at the time of their initial occupancy.

**Sec. 13 - Lease Requirements and Tenant Selection:** Clarifies that adequate written termination of a lease must be given for projects and programs funded in part through NAHASDA, and that this notice cannot be given for a period less than that required under State, Tribal, or local law.

**Sec. 14 - Housing Counseling Certification Exemption:** This section exempts Tribes, TDHEs, and the Department of Hawaiian Home Lands carrying out housing counseling services from HUD's housing counseling certification requirements.

**Sec. 15 - Statutory Authority to Suspend Grant Funds in Emergencies:** Under current law, HUD can suspend NAHASDA grants if HUD finds a recipient is not in compliance with the law. This section clarifies that HUD can immediately take action to limit payments and creates

procedural requirements that prevent HUD from continuing to withhold funds if they fail to conduct a hearing within 180 days of a recipient's request.

**Sec. 16 - Streamlining Reporting Requirements:** Directs the HUD Secretary to develop policies that allow Tribes to submit only one performance report to HUD for its HUD sources of funding.

**Sec. 17 - Reports to Congress:** This section changes the requirement that the annual HUD Indian Housing report and Native Hawaiian Housing report be provided to the entire Congress and instead specifies the committees of jurisdiction that should receive these annual reports. It also requires HUD to make these reports publicly available.

**Sec. 18 - 99-year Leasehold Interest in Trust or Restricted Lands for Housing Purposes:** Current law only permits up to 50-year leases for trust land. This provision would change the maximum lease to 99 years to provide stability.

**Sec. 19 - Innovative Readiness Training Program Coordination:** This section directs DOD and HUD to enter an MOU and work together to maximize the benefit of the DOD's Innovative Readiness Training Program for housing-related activities in partnership with recipients of IHBG funding.

**Sec. 20 - Amendments for Block Grants for Affordable Housing Activities:** This section clarifies that Native Hawaiian Housing Block Grants can be sub-awarded to subrecipients (except for for-profit entities), giving them parity with the Indian Housing Block Grant Program.

**Sec. 21 - Reauthorization of Housing Assistance for Native Hawaiians:** Reauthorizes the Native Hawaiian Block Grant program for six years, through 2033.

**Sec. 22 - Community-based Development Organizations and Special Activities by Indian Tribes:** Fixes an old drafting error and ensures that Tribes, TDHEs, and Tribal entities can use Indian Community Development Block Grant funding for new housing construction without having to separately qualify as a Community-Based Development Organization.

**Sec. 23 - Eligibility for Housing Counseling Grants:** Gives Tribes and TDHEs parity with state housing finance agencies by allowing them to be eligible for HUD housing counselor grants without being a HUD-approved housing counseling agency.

**Sec. 24 - Section 184 Indian Home Loan Guarantee Program:** This section reauthorizes the Section 184 Indian Home Loan Guarantee Program, through which HUD guarantees home mortgages. This section also makes improvements to promote private lending, including:

- Expands where Section 184 loans can be used to land nationwide and land not located “in an Indian or Alaska Native area”

- Clarifies that Community Development Financial Institutions (CDFIs) are approved lenders
- Gives Secretary authority to delegate authority to directly endorse loans, with indemnification provisions that allow HUD to be repaid when there are fraudulent loans or loans that do not meet HUD's standards
- Allows for up to 40-year loan terms for loan modifications, giving Indian Housing parity with the Federal Housing Administration
- Expands HUD's oversight of lenders in the Section 184 program

**Sec. 25 - Loan Guarantees for Native Hawaiian Housing:** This section reauthorizes the Section 184A Native Hawaiian Housing Loan Guarantee program and contains very similar changes to the above section. It expands the program to cover anywhere in Hawaii, not just Native Hawaiian Home Lands parcels.

**Sec. 26 - Rental Assistance for Homeless or At-Risk Indian Veterans:** This section codifies the existing Tribal HUD-Veterans Affairs Supportive Housing (VASH) program and dedicates at least 5% of HUD-VASH funds to serve homeless or at-risk Indian veterans. It clarifies that the placement of eligible Indian veterans in housing should not be included in a Tribe's IHBG allocation formula.

**Sec. 27 - Continuum of Care:** This section makes changes to facilitate Tribal participation in the Continuum of Care (CoC) program, which is the largest federal grant program to specifically assist people experiencing homelessness. These changes include civil rights exemptions to align with self-determination, waiver authority for the Secretary, and clarification that projects carried out with CoC grants must be consistent with approved Indian Housing plans. Tribes and TDHEs were made eligible to participate in this program in the Consolidated Appropriations Act of 2021.

**Sec. 28 - Application of Build America, Buy America Requirements:** Exempts federally funded Tribal and Native Hawaiian housing projects from Build America, Buy America Requirements.

**Sec. 29 - Formula Negotiated Rulemaking:** Ensures that this reauthorization won't trigger a costly and burdensome negotiated rulemaking for the IHBG formula, but maintains HUD's ability to conduct negotiated rulemaking on any other regulations.

**Sec. 30 - Pilot Program for Housing Assistance for Homeless Native Americans and Alaska Natives:** This section establishes a demonstration program based on Tribal HUD-VASH to offer housing assistance and supportive services to Native Americans who are experiencing or at risk of experiencing homelessness. Prioritization will be given to youth experiencing homelessness, families with children, and survivors of domestic violence. Indian tribes and TDHEs

participating in this program must partner with Tribal Health Organizations and Tribal Organizations to provide case management and supportive services to eligible individuals and families.

**Sec. 31 - Pilot Program for Housing Assistance for Homeless Native Hawaiians:** This section establishes a similar program to the program in Section 29, to offer housing assistance and supportive services to Native Hawaiians who are experiencing or at risk of experiencing homelessness. The Department of Hawaiian Home Lands, Native Hawaiian Organizations, and Native Hawaiian community-based organizations are all eligible recipients.

**Sec. 32 - Tribal and Rural CoC Builds Program:** This section establishes a competitive grant program under the Continuum of Care Program (Subtitle C of Title IV of the McKinney–Vento Homeless Assistance Act, 42 U.S.C. 11381 et seq.) for the construction, acquisition, or rehabilitation of permanent supportive housing for individuals and families experiencing homelessness, where at least one member of the household has a disability. 75 percent of the funding is reserved for Tribes, Tribal organizations, the Department of Hawaiian Home Lands, Native Hawaiian organizations, Native Hawaiian community-based organizations, and non-profits serving Tribes or Native Hawaiians. 25 percent of the funding is reserved for rural states with populations less than 2.5 million residents.

**Sec. 33 - HUD Tribal Intergovernmental Advisory Committee:** This section codifies the Tribal Intergovernmental Advisory Committee (TIAC) at HUD, which since 2022 has provided Tribal leaders with a forum to provide input on Departmental policies.

**Sec. 34 - Housing Supply Chain Challenges:** Directs HUD’s TIAC to create a report on housing supply chain challenges in Tribal communities and to work with the Department of Hawaiian Home Lands on a report on housing challenges impacting Native Hawaiian communities, and submit to Congress, with recommendations for Congressional and HUD action.

**Sec. 35 - Report on Housing in Alaska:** Directs HUD’s TIAC to compile background, issues, recommendations, and other information relevant for Alaska and Hawaii and submit to as two separate reports to Congress.