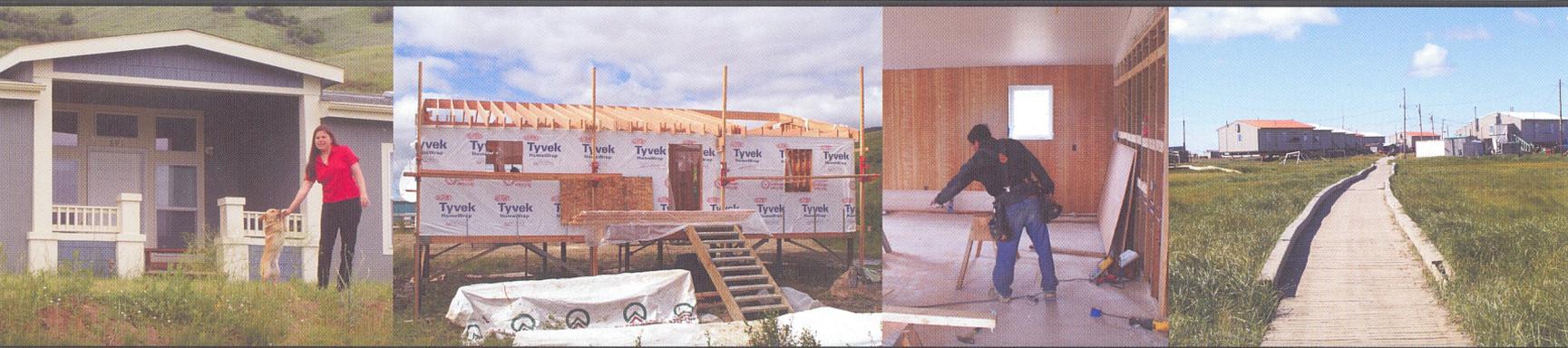


# Leveraging Your Indian Housing Block Grant Dollars

Title VI of NAHASDA Loan Guarantee Program  
Guarantees Financing of Tribal Housing Activities



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U.S. Department of Housing and Urban Development  
Office of Native American Programs  
Office of Loan Guarantee



Finance affordable housing activities

Meet a grow

Leverage NAHASDA funds

Build sustainable triba

## Title VI of NAHASDA

One of the primary objectives of the Native American Housing Assistance and Self-Determination Act is to improve access to private capital markets for Indian tribes. In pursuit of that goal, the Title VI Program

proceeds provided the bridge financing for a 28 home low income housing tax credit project. Using the Title VI Program, the tribe or TDHE leverages IHBG funds to finance affordable housing activities today by pledging future



provides a loan guarantee to assist Indian Housing Block Grant recipients that want to finance eligible affordable housing activities.

For example, The Passamaquoddy Tribe pledged their Indian Housing Block Grant funding to secure financing from the Maine Housing finance agency, Federal Home Loan Bank of Boston, USDA Rural Development, Bureau of Indian Affairs, Indian Health Services and HUD HOME funds. The Title VI Loan

grant funds as security for the repayment of the guaranteed obligation.

A private lender or investor provides the financing, and HUD provides the guarantee to the lender or investor. The tribe or TDHE repays the obligation. However, if a tribe or TDHE fails to repay the debt and a default is declared, HUD honors the guarantee and will seek reimbursement from the tribe's or TDHE's pledge of future IHBG funds.

### To be eligible the tribe or TDHE must:

- Be a Indian Housing Block Grant recipient
- Demonstrate administration, managerial and financial capacity

### Title VI Loan Guarantee projects must be affordable housing activities and may include:

- Real property acquisition
- Site improvements
- Roads and sidewalks
- Construction of utilities
- Building conversions
- Demolition
- Financing costs
- Planning and project administration

### Benefits to the tribe and TDHE:

- Create more housing NOW
- Annual grant funds are available for use (unless there is a default)
- Land and improvements are not used for collateral
- Assists in bringing a full range of banking services to the Tribe or TDHE

# Living housing demand economies      Improve living conditions

## Receive a full faith and credit guarantee



### Success Stories

#### White Mountain Apache, Arizona

The White Mountain Apache Tribe obtained two Title VI loans, totaling \$5 million to finance the construction of water and wastewater infrastructures for the \$25 million Apache Dawn housing project. The 300 units were built in the communities of Hon Dah, Cibequ, Turkey Creek, Chinatwon and Canyon Day.

#### Chippewa Cree Housing, Montana

The tribe and the Chippewa Cree Housing Authority have placed more than 60 families into new homes. The homes came to the

Box Elder and Bonneau Village sites from Malmstrom Air Force Base. The homes are part of Operation Walking Shield, which has assisted over a dozen tribes in the acquisition and use of excess military housing. Native American Bank of Denver provided a \$2.4 million loan to the Housing Authority for the transportation, rehabilitation, infrastructure and foundations of these units.

**For more information,  
please call 202-401-7914 or  
visit [www.hud.gov/codetalk](http://www.hud.gov/codetalk)**

#### Benefits to the lender:

- Limits risk exposure with 95% guarantee
- Title VI Loans are marketable
- No guarantee fee
- Avoids land issues
- Avoids difficulties of managing a default, (if lender chooses)
- Expands market opportunities

#### Maximum Title VI Financing

- Can be up to 5 times the need portion of the Indian Housing Block Grant (IHBG)
- Calculation:

$$\frac{\text{IHBG Formula allocation} - \text{Current Assisted Stock}}{\text{Need}}$$

