[place on your organization’s letterhead]

**Request for Co-Sponsorship of S. 2029/ H.R. 6331**

**Native American Rural Homeownership Improvement Act of 2021**

**July 11, 2022**

The U.S. Department of Agriculture (USDA) Rural Development offers the 502 single family housing direct loan program to borrowers in rural communities. Although this program is available on tribal land, of the 6,194 direct loans made nationally by Rural Development in FY 2019, only six of them were to borrowers on tribal land.

In 2018, the USDA and two Native community development financial institutions (CDFIs) in South Dakota – Four Bands Community Fund on the Cheyenne River Indian Reservation and Mazaska Owecaso Otipi Financial on the Pine Ridge Indian Reservation – implemented a successful $2 million demonstration, pursuant to 7 CFR §3550.7, which sought to improve the deployment rate of the 502 direct program in Native communities in South Dakota. The pilot made Native CDFIs eligible borrowers under the 502 direct loan program and enabled them to relend to qualified families for the construction, acquisition, and rehabilitation of affordable housing on trust land. Through this demonstration, the two Native CDFIs in partnership with USDA made 19 loans totaling $2.4 million, nearly double the volume of loans on these two reservations than USDA deployed on its own on the same two reservations during the previous ten years.

[S. 2092](https://www.congress.gov/bill/117th-congress/senate-bill/2092) and its companion bill [H.R. 6331](https://www.congress.gov/bill/117th-congress/house-bill/6331) would make the 502 home loan relending pilot program permanent by authorizing the USDA Secretary to use $50 million of the existing 502 Direct Loan appropriations for a national relending program for Native communities. This enhancement to USDA’s existing program provides an opportunity to leverage federal funds with private resources to do business on tribal land. While USDA has limited staff resources to originate Section 502 direct loans on tribal land, Native CDFIs are well-positioned to deploy mortgage capital efficiently. In addition, they provide extensive homebuyer education, post-purchase and foreclosure prevention counseling, and other technical assistance to their clients.

Senators Tina Smith (D-MN) and Mike Rounds (R-SD) first introduced this bi-partisan legislation (S. 2092) in the Senate, and it is co-sponsored by Senators Catherine Cortez Masto (D-NV), Kevin Cramer (R-ND), Ben Ray Lujan (D-NM), Brian Schatz (D-HI), Jon Tester (D-MT), John Thune (R-SD) and Elizabeth Warren (D-MA). Representative Dusty Johnson (R-SD) introduced the House companion bill H.R. 6331, which is co-sponsored by Reps. Ed Case, (D-HI), Sharice Davids (D-KS), Kai Kahele (D-HI), and Teresa Leger Fernandez (D-NM).

The legislation also enjoys the strong support of many national and regional tribal and rural housing organizations including:

*Enterprise Community Partners*

*Fahe*

*Great Plains Tribal Chairmen’s Association*

*Housing Assistance Council*

*Local Initiatives Support Corporation (LISC)*

*Minnesota Housing Partnership (MHP)*

*National American Indian Housing Council*

*National Congress of American Indians*

*National Low Income Housing Coalition*

*National NeighborWorks Association*

*National Rural Housing Coalition*

*Native CDFI Network*

*Opportunity Finance Network*

*Oweesta Corporation*

*Rural Community Assistance Corporation (RCAC)*

*South Dakota Native Homeownership Coalition*

*Sovereign Council of Native Hawaiian Associations*

*United Native American Housing Association*

We appreciate your consideration of our request to co-sponsor this legislation to improve access to affordable homeownership for Native American borrowers in your state and across Indian Country.

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| To co-sponsor S. 2092, please contact Adam Schiff at [Adam\_Schiff@smith.senate.gov](mailto:Adam_Schiff@smith.senate.gov) or Kathleen Gayle at [Kathleen\_Gayle@rounds.senate.gov](mailto:Kathleen_Gayle@rounds.senate.gov).  To co-sponsor H.R. 6331, please contact Hannah Kagey at [Hannah.Kagey@mail.house.gov](mailto:Hannah.Kagey@mail.house.gov). |