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May 24, 2023

Senator John Hoeven
338 Russell Senate Office Building
Washington, D.C. 20510

CC: John Simermeyer (John.Simermeyer@hoeven.senate.gov)

Re: Calling on Senator Hoeven to Support Passage of the Native American Direct Loan (NADL) Improvement Act of 2023

Dear Senator Hoeven,

I hope this finds you well.

On behalf of the Native CDFI Network (NCN), I am reaching out to you regarding S. 185, the Native American Direct Loan (NADL) Improvement Act of 2023. As you know, this bill was part of a package of five veterans bills that went to the Senate floor on April 26. Unfortunately, the cloture vote failed, so the bill did not move forward. Needless to say, NCN and its 72 member Native community development financial institutions (CDFIs) were extremely disappointed to come so close to advancing this critical legislation for Native veterans.

We were also surprised to see you voted against allowing debate to proceed on the veterans package. We know there is always a reason for these types of decisions, but is there any chance you would reconsider his position if the package were to go to the floor again?

We know you have always supported Native veterans and Native CDFIs, so we wanted to make sure you knew how important S. 185 is for improving access to mortgage financing for Native veterans. Among other things, it includes a relending provision similar to the successful USDA 502 relending pilot in South Dakota and North Dakota!

The S. 185 NADL reform bill would:

- Create a \$5 million NADL relending program that would allow Native CDFIs, who are more familiar with Native communities and the mortgage lending process on trust land, to obtain a loan through the Native American Direct Loan program at a 1% interest rate and relend those funds to qualified Native veteran borrowers. The CDFI would repay the loan to the VA Department.
- Expand VA's NADL outreach program by partnering with tribes, tribally designated housing entities, Native CDFIs, and local nonprofits to conduct outreach, homebuyer education, housing counseling, post-purchase

education, and other technical assistance as needed. It would also require VA to attend conferences and conventions conducted by the network of Native CDFIs and other Native American homeownership organizations to provide information and training to Native CDFIs about the availability of the relending program.

- Direct the VA Secretary to assign a sufficient number of personnel to the newly created Native American Direct Loan staff, including construction analysts who assist Native veterans with financing for new construction and rehabilitation.
- Allow veterans to use NADL to refinance non-VA mortgages so that Native veterans have the same opportunity as non-Native veterans to use their VA loan benefit to refinance any existing mortgage loan.
- Remove the statutory requirement for tribes to enter an MOU with VA to participate in the NADL program by providing the authority to rely on agreements or determinations of other Federal agencies to guarantee, insure, or make loans on trust land.

Given these important benefits, we kindly ask you to reconsider your position to support the veterans package, and also ask you to consider becoming a co-sponsor of S. 185. Interested co-sponsors should contact Senator Rounds' Legislative Assistant Liam MacDonald at Liam_MacDonald@rounds.senate.gov.

We would certainly appreciate having your support on this critical legislation. Thanks so much for considering our request. Please let me know if you have any questions.

Sincerely,



Pete Upton
CEO/Board Chair
Native CDFI Network