

# DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

## Office of Public and Indian Housing

### Indian Housing Loan Guarantee Fund (Section 184)

#### SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carry over	Adjustments	Total Resources	Obligations	Net Outlays
2024 Appropriation	1,500	8,840	-	10,340	714	1,987
2025 Appropriation	1,500	11,000	-	12,500	6,000	3,000
2026 President's Budget	1,400	9,000	-	10,400	5,000	4,000
Change from 2025	(100)	(2,000)	-	(2,100)	(1,000)	1,000

a/ The table above reflects only discretionary budget authority; mandatory budget authority for upward re-estimates and interest is excluded.

#### PROGRAM PURPOSE

The Indian Housing Loan Guarantee Fund (also known as the Section 184 program) is a loan guarantee program that facilitates homeownership and increases access to private capital for American Indian and Alaska Native families, Indian Tribes, and Tribally Designated Housing Entities (TDHEs). The Section 184 program provides an incentive for private lenders to make home mortgages available to Native Americans on favorable terms by providing a 100-percent guarantee in the event of a loan default. By providing this loan guarantee, the Section 184 program helps to address the major housing challenges for many Tribal communities, as noted by the 2017 HUD report, *Housing Needs of American Indians and Alaska Natives in Tribal Areas*: overcrowding and a lack of available housing.<sup>1</sup>

#### BUDGET OVERVIEW

The 2026 President's Budget requests \$1.4 million for the Section 184 program, which is \$100 thousand less than the 2025 Enacted level. The Budget is comprised of \$1 million for credit subsidy and \$400 thousand for administrative contract expenses. The Budget requests \$1.2 billion in loan commitment authority. In 2026, the credit subsidy rate is 0.74 percent. Over its history, the Section 184 program has experienced very low claims. This is partly because Tribes continue to proactively provide housing counseling and support to keep families in their homes and to provide critical support to families to avoid defaults and unnecessary foreclosures.

The administrative contract expenses request will support needs, such as data integrity efforts to improve oversight and resolve outstanding Office of Inspector General findings related to risk mitigation, costs associated with data management for subsidy rate analysis, contractual needs for legal information services, information services, underwriting, and property and preservation services.

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<sup>1</sup> <https://www.huduser.gov/portal/publications/HNAIHousingNeeds.html>

## JUSTIFICATION

The 2017 HUD report *Mortgage Lending on Tribal Land* found that the Section 184 program has helped address the functional market barrier to private lending presented by Tribal trust land.<sup>2</sup> Historically, American Indians and Alaska Natives have had limited retail banking opportunities and limited access to private mortgage capital primarily because much of the land in Indian Country is held in trust by the Federal Government and cannot be used as collateral. Before a lien can be placed on a property on trust land, it must receive Federal approval through the U.S. Department of the Interior's Bureau of Indian Affairs. Prospective homeowners can find mortgage lending to be challenging for properties located on fee simple land as well. Native American families may also have limited experience dealing with mainstream financial institutions and have limited incomes, assets, and credit histories.

The Section 184 program maximizes the Federal investment by insuring thousands of loans each year and enabling the private mortgage market to serve Indian Country. HUD expects to receive and process approximately 1,600 loans in FY 2026, potentially helping the same number of Tribal families, Tribes and TDHEs finance homes.

### Key Assumptions

The 2026 Budget assumes the 2026 credit subsidy rate is 0.74 percent. In addition to the \$1 million in new budget authority requested for subsidy costs, the Budget assumes the use of \$2.47 million of carryover subsidy BA to support 2026 loans. HUD estimates that the program will support approximately \$484 million in mortgages in 2026.

### Stakeholders

Stakeholders include American Indian and Alaska Native borrowers, Tribes, TDHEs, and Section 184-approved lenders. ONAP works with financial institutions to encourage private lending, which provides a path for Native American families to become homeowners.

### Operational Improvements and Efficiencies

HUD continues to make progress towards modernizing the Section 184 program using prior year Information Technology (IT) Fund appropriations, which will help reduce potential risk to the Federal Government. Under the Office of the Chief Information Officer's leadership, the Office of Public and Indian Housing (PIH) is developing *Native Advantage*, which is a multi-year information technology modernization initiative. The Claims Module is now fully automated, and the Origination Module is currently in development. HUD will continue to provide the Congress with progress updates on the development of the system.

In March 2024, HUD published a final rule that updated the Section 184 regulations. HUD is currently working on developing a Handbook with Tribal input to implement the regulations.

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<sup>2</sup> <https://www.huduser.gov/portal/publications/NAHSC-Lending.html>

**SUMMARY OF RESOURCES BY PROGRAM**

(Dollars in Thousands)

Budget Activity	2024 Budget Authority	2023 Carryover Into 2024	2024 Total Resources	2024 Obligations	2025 Appropriation	2024 Carryover Into 2025	2025 Total Resources	2026 President's Budget
Loan Guarantee Credit Subsidy	1,500	5,029	6,529	348	1,500	6,219	7,719	1,000
Administrative Contract Expenses	-	2,084	2,084	366	-	1,718	1,718	400
Skilled Workers Loan Credit Subsidy	-	1,727	1,727	-	-	1,727	1,727	-
<b>Total</b>	<b>1,500</b>	<b>8,840</b>	<b>10,340</b>	<b>714</b>	<b>1,500</b>	<b>9,664</b>	<b>11,164</b>	<b>1,400</b>

a/ Table totals may differ from Budget Appendix due to rounding.

**APPROPRIATIONS LANGUAGE**

The 2026 President's Budget includes the appropriations language listed below.

*For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a), \$1,000,000, to remain available until expended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a): Provided further, That an additional \$400,000, to remain available until expended, shall be available for administrative expenses, including management of the loan guarantee program: Provided further, That amounts made available in this and prior Acts for the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a), that are unobligated, including recaptures and carryover, may be available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$1,200,000,000, to remain available until September 30, 2027.*

*Note.—This account is operating under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Division A of Public Law 119–4).*