



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Date: May 10, 2021

Dear Lender Letter 2021-05

To: All Tribes
All Tribally Designated Housing Entities
All Section 184 Approved Lenders and Servicers

Due to continued low interest rates and huge housing demand, Fiscal Year (FY) 2021 has been a record year for the Section 184 Indian Home Loan Guarantee Program. Between October 1, 2020 and April 30, 2021, the program has issued approximately 3,000 case numbers. This is great news as it highlights the incredible interest in the program as well as your outreach efforts.

However, this unprecedented level of program demand means that, prior to the end of FY 2021 (September 30, 2021), the Section 184 program may reach the \$1 billion maximum loan limitation level that Congress set in the Consolidated Appropriations Act, 2021. To ensure that the program does not exceed the maximum \$1 billion loan limitation level, we are tracking the issuance of case numbers and firm commitments on a daily basis. As the program reaches its loan limitation level, we will need to begin a phased in suspension of program activity as specified and required by our internal financial monitoring plan.

Should strong program demand continue, we project that we will have to stop issuing case numbers for all new **fee simple refinance** transactions within the next 30-60 days. After that, if we continue to see strong program demand, we will be required to stop issuing case numbers for all new fee simple transactions, followed by trust land transactions. Should HUD have to suspend certain program activities, we will provide as much advance notice as possible to all lenders.

Our goal is to keep the program running as long as possible until we reach the maximum loan limitation level set by Congress, without unnecessary disruption. We will continue to brief HUD senior leadership and Congress and explore alternative solutions, including the possibility of additional authority to guarantee loans beyond the \$1 billion loan limitation currently set by law.

We will post any updates to our Section 184 Lender page (www.hud.gov/Section184) and send notice(s) via email to our Lender mailing list. If your organization sponsors any other Section 184 Lenders, please make sure that they are aware of the program's possible suspension. We strongly encourage you to have your staff check our website daily. We appreciate your patience during this time and please know that we are working diligently to ensure smooth delivery of the program.

Thank you for your continued partnership and support of Native American borrowers.

Sincerely,

Krisa M Johnson

Krisa M. Johnson
Director, Office of Loan Guarantee
Office of Native American Programs