**If the Model Document is adopted by the Lender, the executed version SHOULD NOT INCLUDE the HUD and Office of Native American Programs Logos.**

**Section 184 Program Indemnification Agreement**

Indemnification Type: Indemnification for the period between the issuance of a Section 184 Loan Guarantee Certificate and certified final Title Status Report.

The U.S. Department of Housing and Urban Development (HUD), Office of Public and Indian Housing, Office of Native American Programs and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Lender), Section 184 Lender ID [XX-XXXXXXX] agree as follows.

1. Lender agrees to indemnify HUD, as provided below, for losses which have been or may be incurred at any time in the future with respect to HUD Section 184 loans authorized under Section 184 of the Housing and Community Development Act of 1992, Public Law 102-550, as amended, and identified below or in Appendix A (each, the Section 184 Loan).

* Lender Loan Number:
* Section 184 Case Number:
* Section 184 Cohort Number:
* Borrower Last Name, Borrower First Name:
* Co-Borrower Last Name, Co-Borrower First Name:
* Loan Amount:
* Loan Closing Date:
* Property Address (Street Address, Unit Number, City, State and Zip Code):
* BIA Land Area Code:
* BIA Tract Number:

1. As of the date Lender executes this Agreement, Lender represents and warrants the following:
   1. Lender possesses the Section 184 Loan promissory note, a mortgage instrument (executed by the borrower but not BIA approved and recorded), and, if required, a residential lease that has been executed by the borrower and the tribe and that has been submitted to the United States Department of Interior, Bureau of Indian Affairs (BIA) for recordation.
   2. The Section 184 Loan is not delinquent.
   3. Each payment due for the Section 184 Loan was made in the calendar month due or, if a payment was made outside the calendar month due, at least six consecutive payments have been made within the calendar month due.
   4. The Lender has paid to HUD the upfront loan guarantee fee, monthly installments of the annual premium, and late charges due on any fees for the Section 184 Loan.
   5. Lender meets any and all other requirements to obtain the Loan Guarantee Certificate for the Section 184 Loan except for the following:

(i) a certified final Title Status Report (TSR) that identifies the BIA approved and recorded mortgage instrument and residential lease, if required, related to the Section 184 Loan;

(ii) the documentation for endorsement is within sixty days after loan closing;

(iii) if applicable, the recorded executed mortgage release documents for all prior mortgages identified on the initial certified TSR; and

(iv) any BIA approved and executed subordination agreements.

1. The Lender agrees HUD has no responsibility for obtaining the clear final certified TSR and HUD makes no assurances as to whether the final certified TSR will be free from any defects. The Lender agrees HUD assumes no responsibility for resolving title defect(s), if any, identified in or discernable from the final certified TSR issued by the BIA pursuant to 25 CFR Part 150 or any successor regulations. The defects in title may include but are not limited to incorrect legal descriptions of a tract of Indian land, incorrect current ownership information, incorrect exceptions, restrictions, rights-of-way or encumbrances on record, incorrect calculation of ownership interest and land status (such as unrestricted, restricted, trust, and other status).
2. Lender shall continue to comply with all HUD Section 184 requirements for servicing, including all applicable servicing time frames, and payment to HUD of any applicable fees, including the Section 184 Upfront Loan Guarantee fees and monthly installments of the annual Loan Guarantee fees.
3. Lender agrees to not voluntarily transfer servicing rights of the Section 184 Loans to any other party until the expiration of the Indemnification Agreement with respect to the Section 184 Loan. The Lender must provide advance notification to HUD of a pending Ginnie Mae required transfer of issuer responsibility and receive acknowledgement from HUD prior to the transfer.
4. Where, as of the date HUD executes this Indemnification Agreement, the Section 184 Loan default claim has not been submitted to HUD.
5. Lender agrees to not submit a claim to HUD for the Section 184 Loan, regardless of the reason of default, until the expiration of the Indemnification Agreement with respect to the Section 184 Loan.
6. Lender shall indemnify HUD by paying HUD the amount of HUD’s Investment, as defined below, minus HUD’s Recovery (in the case of conveyance or assignment claims), as defined below, plus interest, penalties, and administrative fees as may be permitted by law if Lender does not pay HUD timely.

HUD's Investment includes, but is not limited to: the full amount of the insurance claim actually paid, including any loss mitigation claim(s), all taxes and assessments paid or payable by HUD, all maintenance and operating expenses paid or payable by HUD (including costs of rehabilitation and preservation), expenses associated with the servicing and sale of a note, and all sales expenses and any other expenses HUD may incur in connection with the disposition of the property.

HUD’s Recovery is the net proceeds HUD receives from the sale of the property or loan, plus any discount provided by HUD to the purchaser. If HUD’s Recovery exceeds HUD’s Investment, HUD will retain this excess.

1. In lieu of paragraph 8, in the event that a claim is paid, HUD may, at its option, assign Section 184 Loan to Lender or convey to Lender a property securing such mortgage. In the event of such assignment or conveyance, Lender agrees to pay HUD the amount of HUD’s Investment, as described above.
2. The indemnification for each Section 184 Loan shall expire when: (a) HUD confirms receipt of the final certified TSR that includes the recorded mortgage and the lease; and the release of all prior mortgages and leases, if applicable; (b) Lender and HUD determine, based on the final certified TSR, the title is free and clear of any adverse claims and free of any defects that would make the title unmarketable or non-transferrable; (c) Lender certifies to HUD that conditions (a) and (b) of this paragraph are met.
3. Prior to HUD receiving the final certified TSR from Lender, HUD agrees that upon Lender’s submission of an endorsement package for a Section 184 Loan in accordance with the Section 184 requirements HUD shall promptly issue the Loan Guarantee Certificate for the Section 184 Loan.
4. In the event the Section 184 Loan defaults and Lender is no longer the owner, HUD agrees to accept from Ginnie Mae, or any successor owner and pay an otherwise eligible guarantee claim for the Section 184 Loan notwithstanding the omission from the claim package of:

a. a certified final Title Status Report (TSR) that identifies the BIA approved and recorded mortgage instrument and residential lease, if required, related to the Section 184 Loan;

b. if applicable, the recorded executed mortgage release documents for all prior mortgages identified on the initial certified TSR; and

c. any BIA approved and executed subordination agreements.

1. Lender agrees to engage in quarterly conference calls with HUD, and any other party mutually agreeable to HUD and Lender, to discuss the status of the Section 184 Loans missing final certified TSRs. Lender shall provide detailed updates on its activities with BIA and the anticipated date, if known, of when the final certified TSRs would be received by lender. Lender further agrees to update HUD on any issues that may arise with respect to the Section 184 Loans, and any other loans subject to the Section 184 requirements.
2. Any material breach of the terms and conditions of this Indemnification Agreement shall constitute independent grounds for imposition of administrative sanctions permitted under the Section 184 Indian Home Loan Guarantee Program.
3. This Indemnification Agreement may be amended from time to time by the Lender and HUD, in writing by mutual agreement and consent, provided that no such amendment shall adversely affect the Loan Guarantee Certificate for the Section 184 Loan.
4. The Lender has provided a certification that its assets and anticipated stream of future cash flow are sufficient security to provide HUD with the indemnification amounts, as provided in Paragraphs 8 through 9 of this Indemnification Agreement for each loan identified above or in Appendix A.
5. The Authorized Representative below certifies to the truth and accuracy of each of the statements above as to each loan identified below or in Appendix A.

WHEREFORE, the parties hereto have duly executed this Indemnification Agreement, effective when signed and dated by HUD.

**Lender** **United States, Department of Housing and Urban Development**

BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Representative Director, Office of Loan Guarantee

Office of Native American Programs

DATED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Attachment**

Appendix A