



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

OFFICE OF PUBLIC AND INDIAN HOUSING

January 26, 2023

SUBJECT: Section 184 Skilled Workers Demonstration Program

Dear Tribal Leader:

Many Tribes and Tribally Designated Housing Entities (TDHEs) have difficulty attracting skilled workers and professionals to their communities due, in large part, to the lack of rental housing in close proximity. To assist with this issue, the Consolidated Appropriations Act, 2017 (Public Law 115-31) made \$1.7 million available for the costs of guaranteeing Section 184 Indian Home Loans for the construction of rental housing for law enforcement, healthcare, educational, technical, and other skilled workers (Skilled Workers). The U.S. Department of Housing and Urban Development (HUD) has implemented this authority through the new Section 184 Skilled Workers Demonstration Program (Demonstration).

Through this Demonstration, Tribes and TDHEs may obtain a reduced fee loan from a Section 184 approved lender for the construction of rental housing for Skilled Workers. Tribes and TDHEs may utilize the Demonstration to build single-family housing with one to four rental units. To incentivize Tribal participation in the Demonstration, HUD is reducing the Section 184 Upfront Loan Guarantee Fee to \$1 and waiving the Annual Loan Guarantee Fee.

All units constructed under this Demonstration will be subject to a Use Restriction, requiring at the time of initial leasing that at least one member of the tenant's household is a skilled worker, as defined by the Tribes or TDHE's Skilled Workers Policy. The Skilled Worker does not have to be an enrolled member of the Tribe.

If you have any questions, please email Section184comments@hud.gov. You may also view [Dear Lender Letter 2022-06](#), which is posted on [Codetalk](#).

I encourage you to consider using this opportunity as another means to increase the number of housing units and attract/retain skilled workers and professional in your communities. Your continued commitment to Indian Country is vital to our collective efforts to ensure that Native American families have decent, safe, and affordable housing, as well as access to much needed skilled worker services.

Sincerely,

A handwritten signature in blue ink that reads "Heidi J. Frechette".

Heidi Frechette
Deputy Assistant Secretary
for Native American Programs