



# Native Asset Building National Summit IV

## A Pathway to Economic Self-Determination

# Pathways Home: A Native Homeownership Guide



# Carousel Activity

1. What kind of homebuyer readiness programming does your community have and how is it structured?
2. What kinds of resources are you using to support homebuyer readiness (curriculum, partners, etc.)
3. What challenges are you having with homebuyer readiness?
4. What kinds of services would you like to provide to deal with those challenges?



PATHWAYS HOME: A  
Native Homeownership  
Guide



# Pathways Home

Homeownership is one of the first steps taken to build healthy and vibrant communities. *Pathways Home: A Native Homeownership Guide* is the beginning of a journey to bring Native communities the resources they need to make homeownership a reality. These guides are intended to provide the backbone for a Native homeownership program that can be tailored to each Native community's needs.

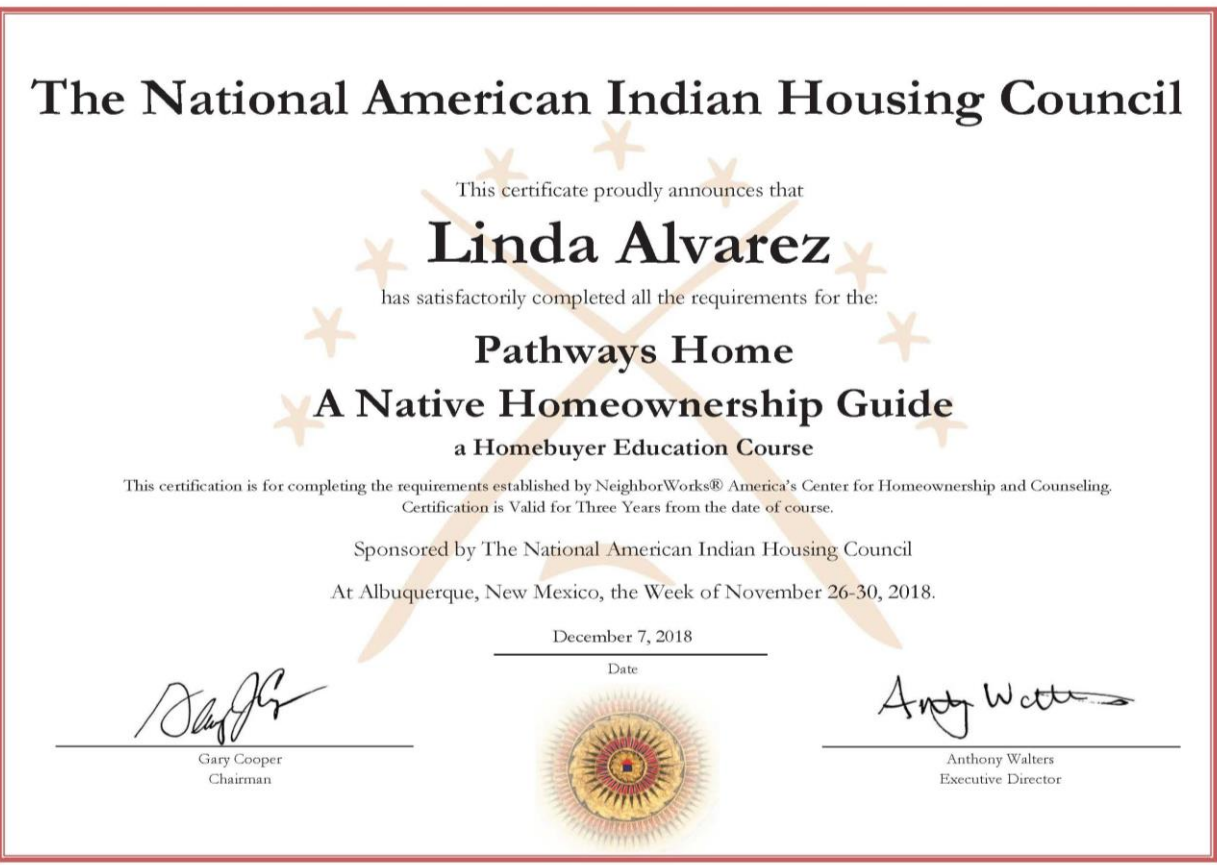
# Homebuyer Education Instructor Certification

Participate in 5 day  
Pathways Home Train the  
Trainer Course

Score 80% on exam

Oklahoma City, OK -  
October 21-25, 2019

Spokane, WA - November  
18-22, 2019



# Pathways Home:

## A Native Homeownership Guide

Instructor Guide

## Designed to Teach

- Affordability & budgeting
- Credit
- Finding a home
- Loan products
- One-on-One counseling
- Loan Process
- Protecting assets
- Foreclosure

Techniques for:

- Teaching adults
- Methods of training
- Facilitation best practices
- Graphics and audio visual usage
- Organizing trainings
- Program design and outreach
- Engaging participants

Lesson Plan 3

Module	Section	Pages	Time
<b>1</b>	Housing Options	5-9	
Objective	To increase awareness of housing options.		
Classroom Instructions	<p><b>1. LECTURETTE:</b> Explain NAHASDA.</p> <p><b>2. LECTURETTE:</b> Review the programs that support homeownership in the participants' community—mortgage financing assistance and lease with an option to purchase. Use the following questions to facilitate discussion:</p> <ul style="list-style-type: none"> <li>• What is mortgage financing assistance? What type of assistance do you think might be helpful?</li> <li>• What is a lease with an option to purchase?</li> <li>• Why would a lease with an option to purchase be an advantage for some homebuyers?</li> </ul> <p><b>3. LECTURETTE:</b> The advantages and challenges of homeownership</p> <ul style="list-style-type: none"> <li>• What are the pros and cons of renting?</li> <li>• What are the pros and cons of homeownership?</li> <li>• What are the pros and cons of a lease with option to purchase?</li> </ul>		
Preparation Tips	<ul style="list-style-type: none"> <li>• Review background information about NAHASDA.</li> <li>• Not all the programs listed are being provided by all tribes. Tribes or their TDHE must develop the programs based on need and the amount of NAHASDA funds allocated. Also, NAHASDA requires that funds first be spent on maintenance and management of existing 1937 Housing Act HUD housing.</li> <li>• HUD homes built prior to NAHASDA are referred to as '37 Act homes because they were built with funding authorized by the 1937 Housing Act.</li> <li>• The costs covered under mortgage financing assistance programs represent the costs associated with obtaining a mortgage.</li> <li>• You might consider explaining a lease with an option to purchase in comparison to the Mutual Help Program. Be sure to point out that most leases with an option to purchase must be exercised within one to three years, unlike 25 years in the Mutual Help Program.</li> </ul>		

Mortgage Terminology Bingo Card

Good Faith Estimate	1 percent of the loan amount	Underwriting	The process of paying off a loan with payments over a fixed period of time	The outstanding balance of a loan, not counting interest
Buy-Downs	The amount of time you have to pay off a loan	The cost of borrowing money	Down Payment	PITI
A document in which the borrower promises to repay the loan	Annual Percentage Rate	Truth-In-Lending Statement	The ratio of the loan balance you owe, compared to the appraised value of the house	Mortgage Insurance
Interest Rate	Costs associated with loan processing	The amount of cash you pay towards the purchase price	Amortization	A special account set up by the lender to collect and pay for taxes and insurance
The process of analyzing a borrower's finances in order to deny or approve a loan	Escrow Account	A document that discloses all of your settlement costs	Loan-to-Value	Prepayment

# Exploring Homeownership

- Module 1 provides an opportunity for participants to:
  - Explore the traditional housing perspectives unique to the Native community
  - Gain understanding of how Native community housing needs evolved
  - Introduces mortgage-based homeownership



# Exploring Homeownership



*Pueblo of Picuris*



*Pueblo of San Juan*



*Pueblo of Acoma*

# Considering Mortgage-Based Homeownership

- Module 2 provides an opportunity for participants to:
  - Build an understanding of the basics of mortgage financing

Mortgage Amount	Interest Rate	Term	Monthly Payment	Cost of Credit
\$70,000	9%	15 Years	\$709.98	\$ 57,797
\$70,000	9%	30 Years	\$563.24	\$132,764

# Finding the Factor

Interest Rate	15 Year Mortgage	30 Year Mortgage
6.00%	\$8.44	\$6.00
6.50%	\$8.71	\$6.32
7.00%	\$8.99	\$6.65
7.50%	\$9.27	\$6.99
8.00%	\$9.56	\$7.34
8.50%	\$9.85	\$7.69
9.00%	\$10.14	\$8.05
9.50%	\$10.44	\$8.41
10.00%	\$10.75	\$8.78

- 1 Locate interest rate desired
- 2 Locate desired term
- 3 Intersection of term and interest = factor of \$6

## Maximum Mortgage Amount Example

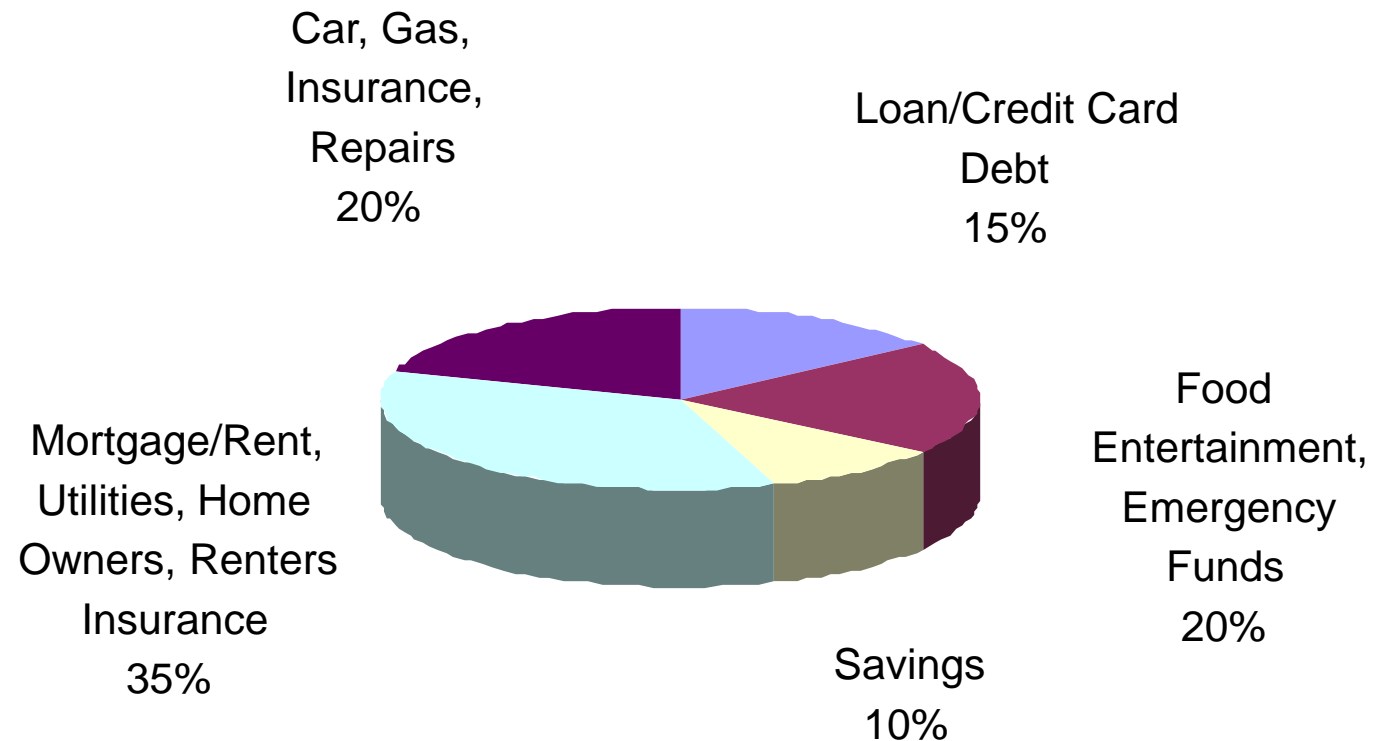
Interest Rate	Mo. Mortgage Pmt	÷	30yr	Answer	X	\$1000	=	Maximum Mortgage Amount
7%	340	÷	6.65	51.127	x	\$1000	=	\$51,127

## Maximum Monthly Payment Amount Example

Interest Rate	Mortgage Loan Amount	÷	1000	Answer	X	Factor for 30 Years	=	Maximum Payment
7.5%	\$85,000	÷	1000	85.00	x	\$6.99	=	594.15
8.5%	\$85,000	÷	1000	85.00	x	\$7.69	=	653.65

# Budgeting & Affordability

- Module 3 provides an opportunity for participants to:
  - Calculate affordability
  - Connect the results of good budgeting with homeownership goals
  - Understand the need for long-term money management practices



# Evaluating Credit for Homeownership

- Module 4 provides an opportunity for the participants to understand:
  - The 4 C's of credit
  - Types of credit reported
  - Negative activity
  - Reasons for denial
  - Reading & analyzing a credit report

# Finding a Home

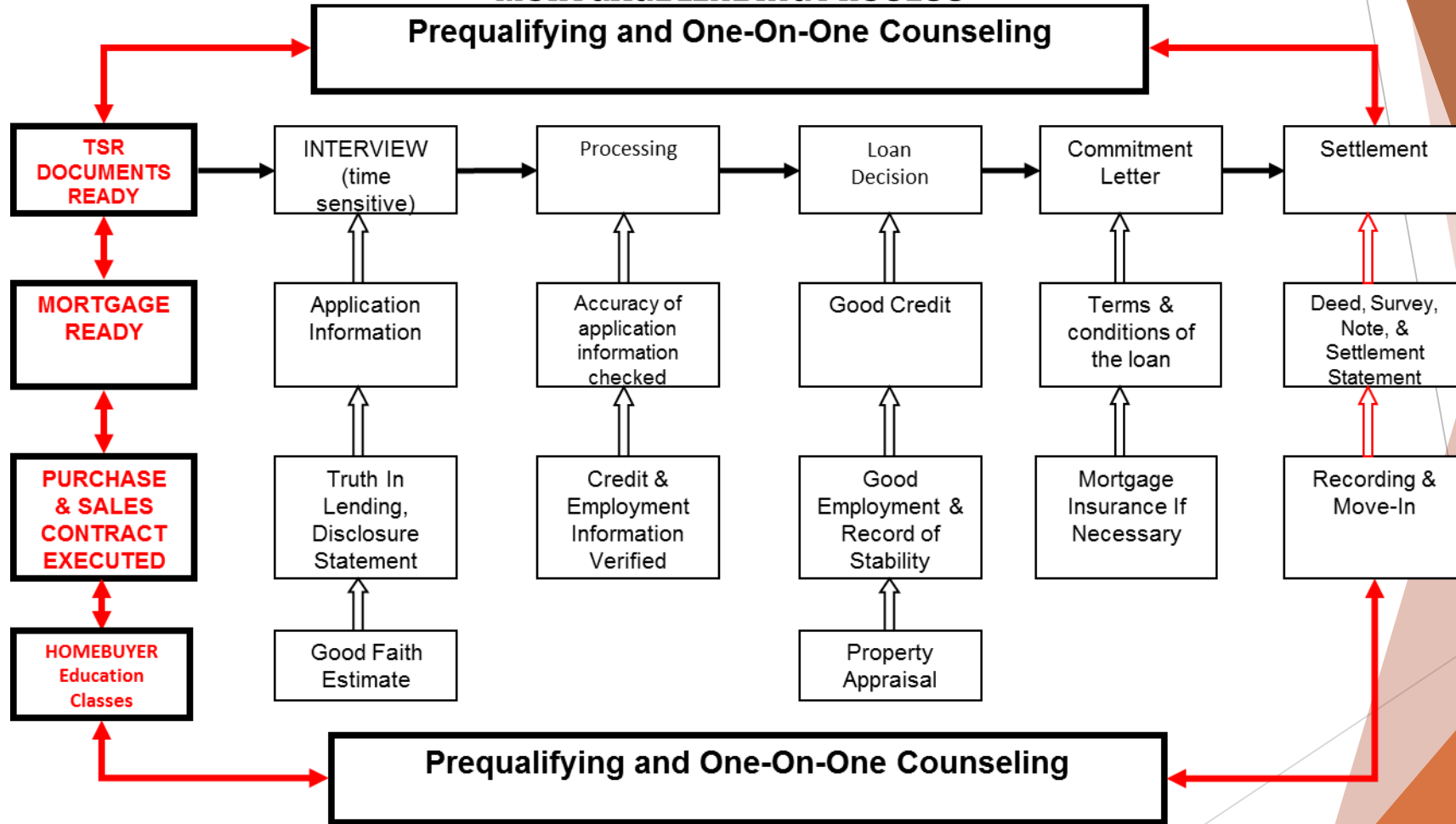
- Module 5 provides an opportunity for participants to:
  - Learn about land issues
  - Learn about the issues associated with acquiring or building a home in a Native community

# Applying for a Home Loan

- Module 6 provides an opportunity for participants to understand:
  - The process for obtaining a home
  - Lender requirements on trust property
  - Income verification and documentation
    - Traditional enterprises
    - Trust income, other



# MORTGAGE LENDING PROCESS



# Meeting Financial Obligations

- Module 7 provides an opportunity for participants to learn:
  - Importance of meeting financial obligations
  - Preventive measures to avoid foreclosure

# Protecting Your Investment

- Module 8 provides an opportunity for participants to:
  - Learn about the ongoing obligations of homeownership
  - Learn about insurance, maintenance, housekeeping

# Glossary

- This module provides an opportunity for participants to:
  - Learn about common mortgage financing terms



2018

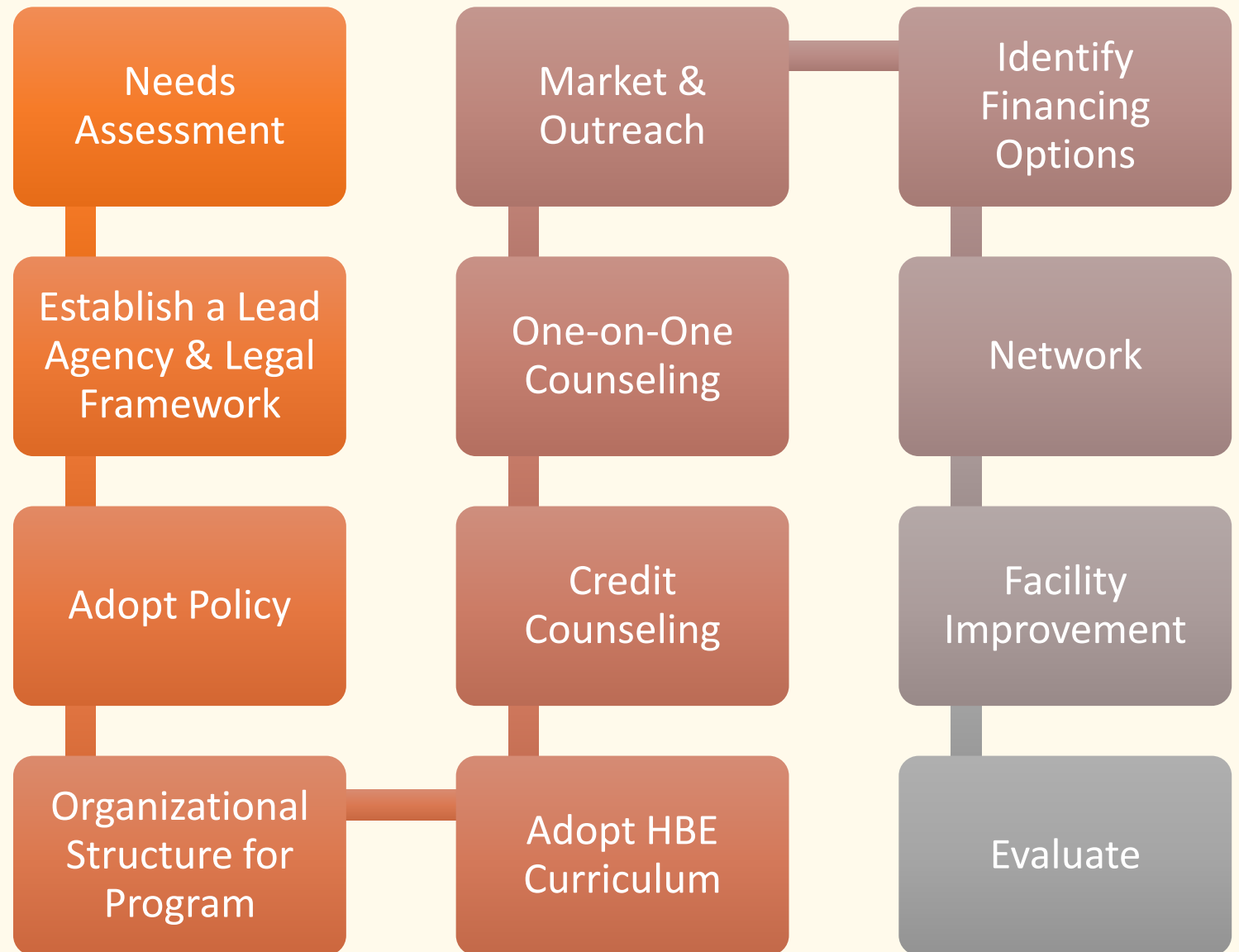
IAIHC

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# Report Out!

Types of Homebuyer Readiness Programming

# Program Development



# Step 1. Needs Assessment

- ▶ Survey results & data analysis provide direction of housing counseling program. For example,
  - ▶ Prequalifying, credit repair, renter's rights
- ▶ Program design should also reflect needs of the following:
  - ▶ Services for existing programs
  - ▶ Services for new programs or development

## Step 2. Establish a Lead Agency & Legal Framework

Tribe designates entity to operate housing

Board of Commissioners reaffirms

Tribe re-evaluates mortgage and foreclosure ordinance to broaden scope to include various loan products





# Step 3. Adopt Policy to Legitimize Program

- ▶ Adopt a housing counseling policy to
  - ▶ Facilitate the development of qualified applicants for mortgage-based homeownership
  - ▶ Enable families to meet the financial obligations associated with renting or purchasing a home
  - ▶ Enable families to improve home maintenance skills

## Step 4. Establish Organizational Structure for Program

Create an appropriate  
division or department

```
graph TD; A[Create an appropriate division or department] --> B[Prepare appropriate positions & job descriptions]; B --> C[Hire and train]; C --> D[Inform community of organizational changes];
```

Prepare appropriate  
positions & job descriptions

Hire and train

Inform community of  
organizational changes

**GENERAL COUNCIL**

**COEUR D'ALENE TRIBAL HOUSING AUTHORITY**  
2008

**COEUR D'ALENE TRIBAL EXECUTIVE COMMITTEE**

**BOARD OF COMMISSIONERS**

**CDTHA (TDHE) ADMINISTRATION**

**DEVELOPMENT REHAB SERVICES**

**Property Management**

**Housing Management Services**

**Homeownership Services**

**FINANCE**

**MAINTENANCE**

**CONSTRUCTION**

**ADMISSIONS**

**OCCUPANCY**

**OPERATIONS**

**LOAN SERVICING**

- Prequalifying
- Debt Management
- Loan Packaging
- Credit Counseling
- Homebuyer Education
- Asset Building

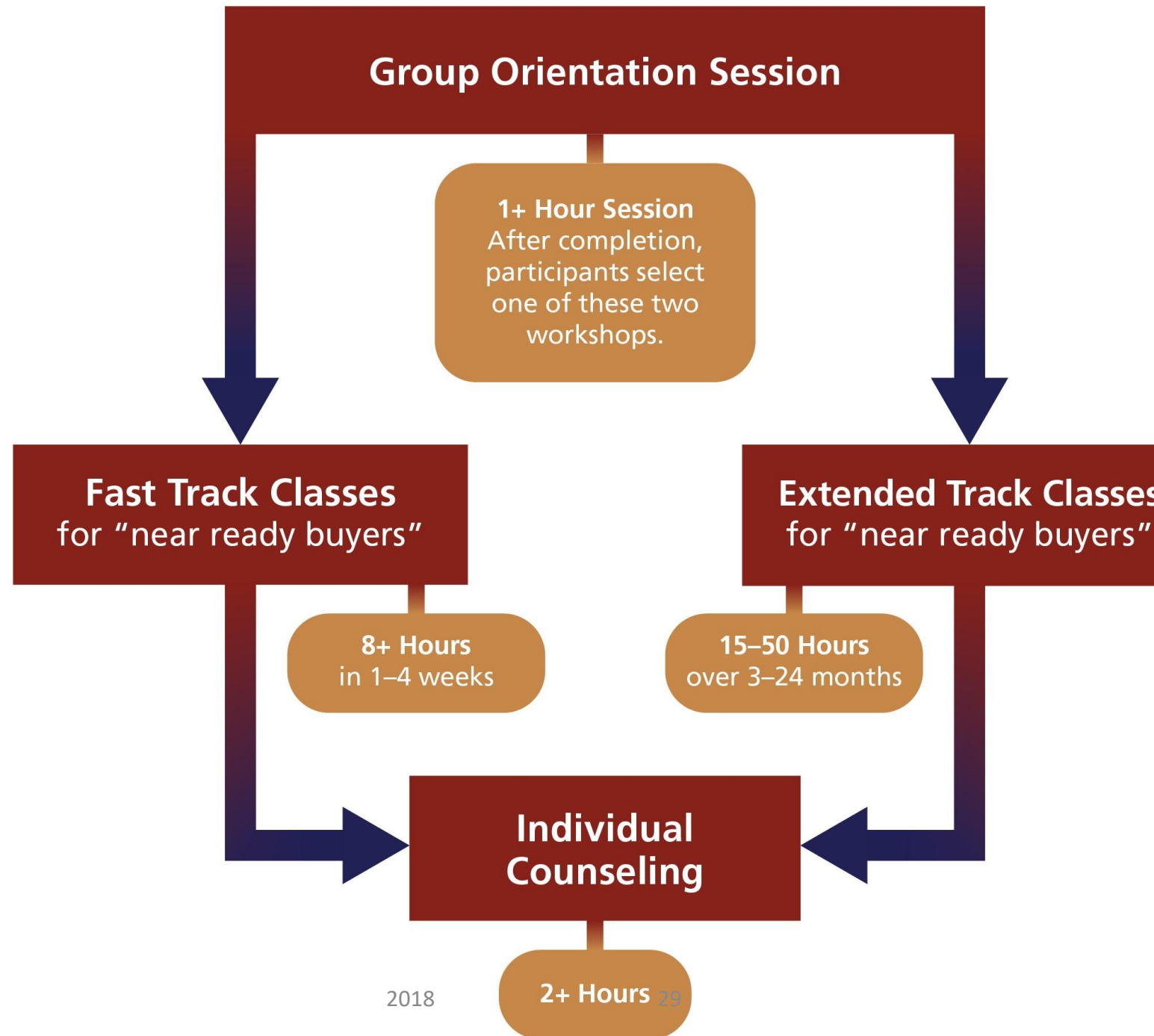
# Step 5. Adopt HBE Curriculum

## PILOT TEST



# HBE Recommended Standards

NAIHC



# Step 6: Credit Counseling

- ▶ Develop capacity to directly access tri-merged reports
- ▶ Develop tracking component
- ▶ Acquire Fannie Mae Online Counselor
- ▶ Strengthen capacity to provide credit counseling

# Step 7. One-on-One Counseling

- ❑ Client Action Plan
- ❑ Budgeting
- ❑ Affordability
- ❑ Credit
- ❑ Advocacy
- ❑ Down Payment Assistance
- ❑ Housing program options
- ❑ Loan application process
- ❑ BIA & land documents
- ❑ Saving for down payment
- ❑ Home maintenance
- ❑ Asset building



# 10% HBE, 90% 1-On-1





# Step 8. Market & Outreach

- Newsletter
- Flyers
- Monthly calendar
- Brochures
- Home Fair
- Presentations at community meetings/General Council
- Radio announcements
- Notices in tribal and surrounding newspapers
- Public hearings

# Formal Classes

🎯 Homebuyer Education

🎯 Financial Literacy

🎯 Renters' Obligations

🎯 Budgeting

🎯 Loan Application Process



# Step 9. Identify Financing Options



*Application Fee  
DP/Buy Down Assistance  
Appraisal, Closing  
Costs, Etc.*

Down Payment Assistance



# Obtain Lot & Build Your Own Home





Develop

Sell

Assume



# Buy an Existing Home with Section 184

- ▶ Prequalify
- ▶ Loan Application
- ▶ Closing Assistance



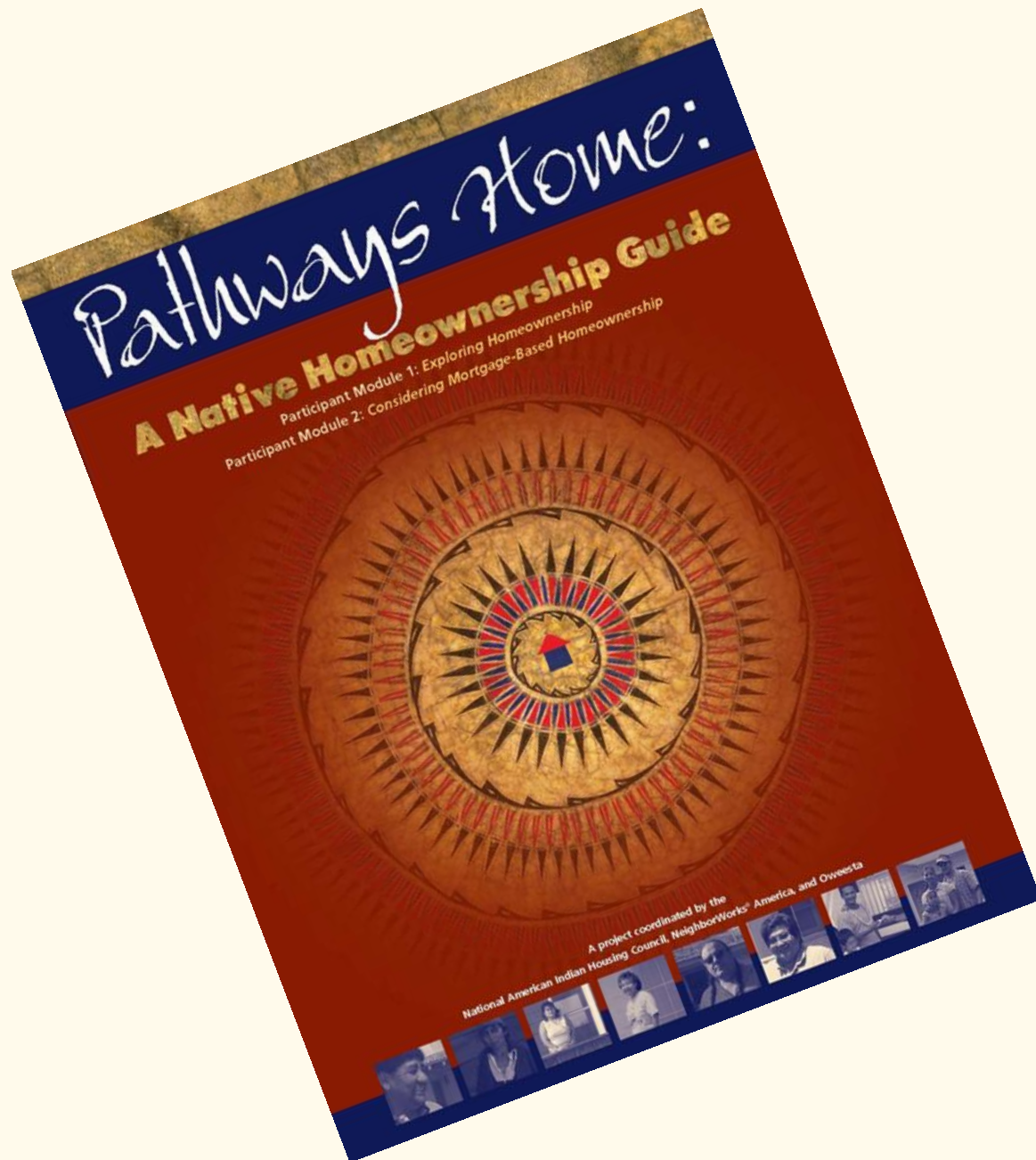
# LIHTC Development: LP 15 Years



# Report Out!

Resources





Module 1: Exploring Homeownership

Module 2: Considering Mortgage Based Homeownership

Module 3: Budgeting for Homeownership and Calculating Affordability

Module 4: Evaluating Credit for Homeownership

Module 5: Module Finding a Home

Module 6: Applying for a Home Loan

Module 7: Meeting Your Financial Obligations

Module 8: Protecting Your Investment  
Glossary

# Areas Requiring Adaptation

- Community needs
- Programs
- Traditions, stories
- Government
- Plans
- Codes

# Step 10. Network (Partnership Building)



# Step 11: Facility Improvement

- ▶ Acquire funding to expand office to add classroom facility
- ▶ Furnish to accommodate various workshop designs
- ▶ Equip to use various media to enhance presentations
- ▶ Develop distance learning capacity

# Step 12: Evaluate

- ❑ Conduct surveys
- ❑ Track participants
- ❑ Obtain participant evaluation of each class or activity
- ❑ Complete community projects
- ❑ Track delinquent clients via database
- ❑ Take before & after pictures
- ❑ Track work order charges

# Value of Evaluation



## *Pathways Homeownership Prayer*

*Creator who watches over us, please help us to achieve our dream of living with our families in homes that are filled with love, respect, kindness, warmth from the cold, cool from the heat and sheltered from wind, rain, snow, and ice. Help us Creator, to learn how to take care of our money and plan how we will survive like our ancestors did. Our homes with your blessing will be filled with traditions and the ways our ancestors once lived and passed our culture on to us. The old ways of our people are still the way we need to live our lives, that is, to provide a place to share with others. We will treat each person who enters our home as if they were our Creator! Our home will be a place to share our dreams and visions, a place to have fun and learn from our relatives and friends. A place to teach our young and a place to help our elders. A place for us to take care of so that when the time comes we can pass our home on to the next family. Please Creator, help us also, to listen to the messages that Mother Earth and all of her creatures have to teach us. Help us to learn ways of planting, sowing, cooking, and sharing our native foods. Coupled with our self-determination and love and respect for ourselves, all of these things are possible, Creator, with your love and guidance.*

*— Donna Fairbanks Minnesota Chippewa Tribe Mississippi Band, Crane Clan*

# Report Out!

Challenges and Opportunities





**CREDIT  
BUILDERS  
ALLIANCE**

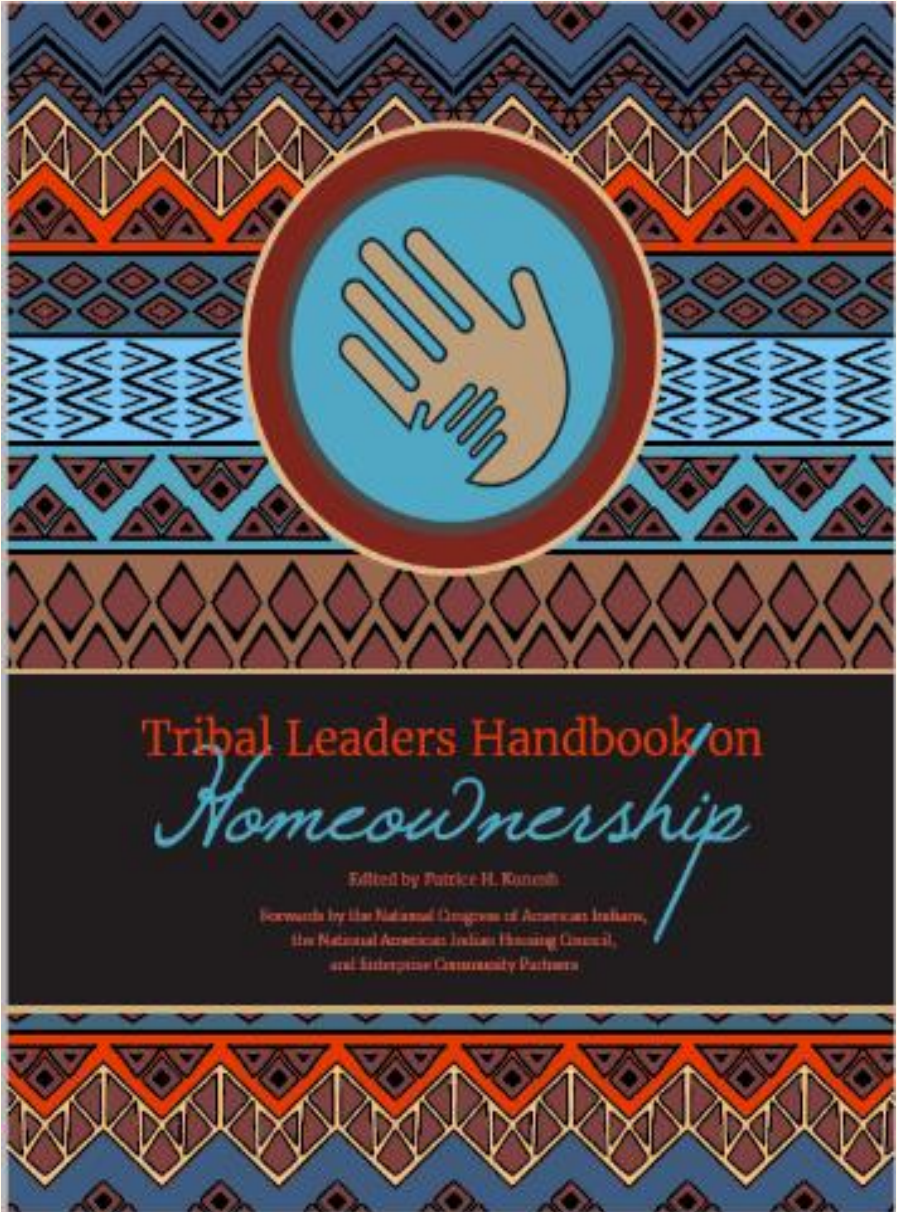


## Participate in an Opportunity to Help Renters Build Credit Through Rental Payments

With generous support from Freddie Mac, Credit Builders Alliance (CBA), in collaboration with National American Indian Housing Council (NAIHC), is working to assist five (5) Tribally Designated Housing Entities (TDHEs) or Tribal Housing Departments (THDs) in initiating rent reporting activities in order to help low-to-moderate income renter households living in tribal lands build credit histories.

**For more information of rent reporting, visit [CBA's Rent Reporting website](#) or contact us at [rentreporting@creditbuildersalliance.org](mailto:rentreporting@creditbuildersalliance.org)**

# Tribal Leaders Handbook on Homeownership



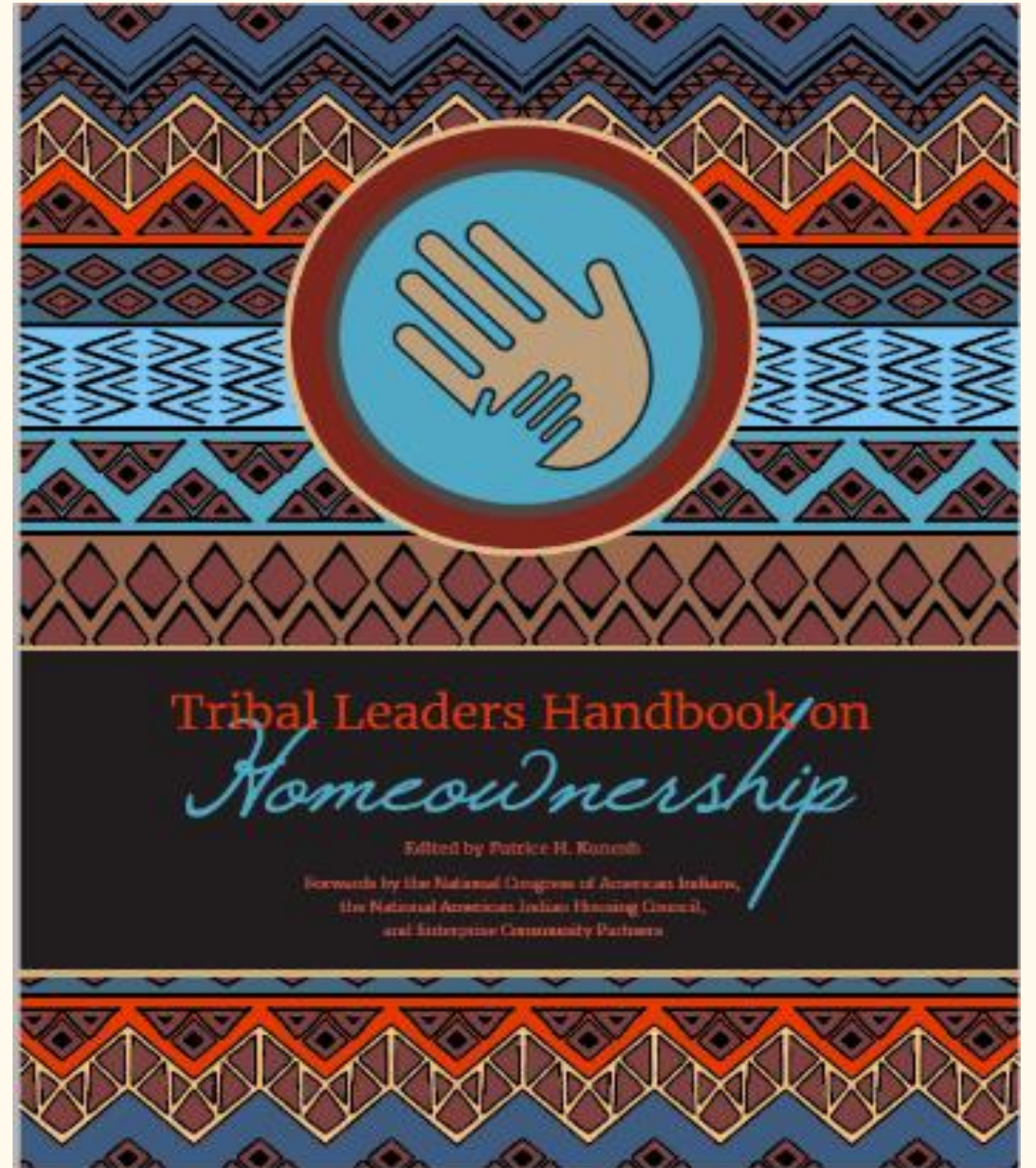
**A blueprint for tribal leaders, lenders, homebuyers, and their partners:**

- Overview of land lease and mortgage lending processes
- Housing needs assessment and homebuyer readiness resources
- Resources on financing and making homeownership affordable

# Curriculum and training available in 2019!

*For announcements on training and resources subscribe to the CICD & NNHC!*

<https://www.minneapolisfed.org/indiancountry>

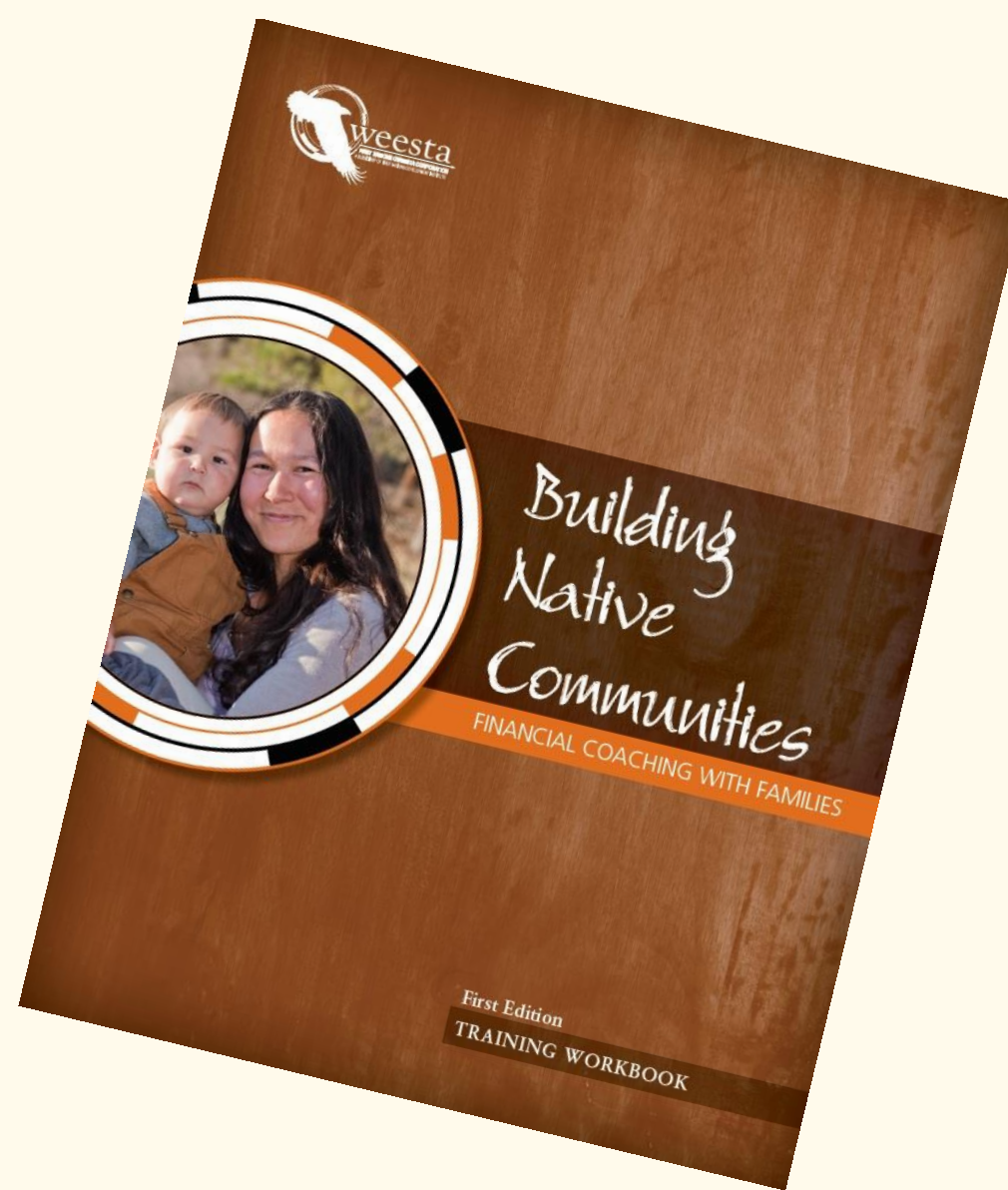




# National Native Homeownership Coalition

Homebuyer Readiness Working Group- 3<sup>rd</sup> Tuesday at 1 MT

# Financial Coaching Curriculum





# Youth Financial Education Curriculum

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