



HUD Office of Native American Programs Title VI Loan Guarantee Program Fact Sheet for Tribes and TDHEs



The Title VI Loan Guarantee Program was created to assist tribes, Alaska Native Villages and Tribally Designated Housing Entities (TDHE) with financing affordable housing as prescribed in the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). The tribe/TDHE leverages Indian Housing Block Grant funds (IHBG) by pledging grant funds to HUD, and HUD provides the guarantee to the lender.

Program Features	Program Requirements
Eligible Borrowers	Tribes, Alaska Native Villages, and their tribally designated housing entities that are Indian Housing Block Grant (IHBG) recipients, and that demonstrate administrative and financial capacity
Uses of Funds	Funds must be used for affordable housing activities under NAHASDA, including: <ul style="list-style-type: none"> ▶ Purchasing land and housing ▶ Designing building and site plans ▶ Constructing and rehabilitating housing ▶ Constructing infrastructure (roads, sidewalks, water, sewer, electric, gas) ▶ Financing loan costs ▶ Financing other activities approved by the Area Office of Native American Programs
Maximum Loan Amount	The maximum is five times the annual need portion of the tribe’s or TDHE’s annual Indian Housing Block Grant (IHBG). There is no minimum loan size.
Collateral	Pledge of annual IHBG to HUD <ul style="list-style-type: none"> ▶ Pledged funds are the collateral to HUD for issuing the guarantee ▶ Pledged funds may be used by the tribe/TDHE unless there is a payment default ▶ Title VI loan guarantee is the collateral for the lender’s loan ▶ No land or improvements are used as collateral
HUD Guarantee	95% of the outstanding principal and interest owed on each Title VI loan
Guarantee Fees	No guarantee fees are assessed.
Borrower Benefits	<ul style="list-style-type: none"> ▶ More housing is created at today’s costs ▶ Pledged IHBG funds are available (unless a default occurs) for project costs, debt service, or other IHBG-eligible activities ▶ Guarantee project rules are similar to IHBG requirements ▶ New opportunities for obtaining a full range of banking services

For More Information	Please contact: Carla Vance (907) 677-9873 carla.vance@hud.gov or Deb Alston (907) 677-9863 deb.alston@hud.gov
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