



MORTGAGES

Land, Leasehold, and Working with Agencies

Presented by:

Freida Satepehtaw

For Sharlene Round Face, Division Chief

Bureau of Indian Affairs,

Office of Trust Services

Division of Real Estate Services

Washington, D.C.

In General

- Mortgage Handbook for two transaction types:
 - Mortgages of allotted land
 - Leasehold mortgages
- Drive to Streamline Mortgage Applications from outside Agencies
 - HUD - USDA - VA



Discussion Today: MORTGAGES

- Status of the Mortgage Handbook
- Locating points of contact
- Key players in a mortgage process and basic obligations/responsibilities to an application process
- Recording the mortgage



Who Are the Points of Contact

CONTACT GUIDE FOR MORTGAGE LENDING IN INDIAN COUNTRY

- The Primary Contact is the Agency Office which has jurisdiction over the lands involved
- The contact guide can assist in identifying the offices involved.
- Using this guide will expedite the lending process in Indian Country.
- The guide can be found online at indianaffairs.gov



Mortgage Handbook

Status of the Draft

The Mortgage Handbook

- Leasehold Mortgages
 - Regulations provided within 25 CFR 162:
 - Residential (25 CFR §§ 162.357-360)
 - Business (25 CFR §§ 162.457-460)
 - WEEL (25 CFR § 162.535)
 - Wind and Solar (25 CFR §§ 162.584-585)
 - Subleasehold (25 CFR § 162.009)
 - Agricultural (25 CFR §§ 162.244)
 - Hearth Act tribes

The Mortgage Handbook

- Allotted land mortgages
 - Recently handled by Indian Energy and Economic Development (IEED)
 - Mortgages “pulled back” to BIA
 - Handbook provisions to be completed by Central Office and team members as authorized by each Region

Streamlining Mortgage and TSR Requests

- Goal: “Cover Sheet” from HUD, VA, USDA to BIA
 - Effort evolved during efforts to satisfy HUD’s 2014 request to resolve almost 800 “backlogged” TSRs
 - HUD spreadsheets
 - Difficult to track progress
 - Clean-up on the backlog is ongoing



First Step to Streamlining A Request for Leasehold Mortgage

1. If you are a borrower or Lender and want to submit a proposed mortgage to the BIA for approval, it is critical that you contact the BIA Realty to commence the process, which nearly always requires obtaining a BIA approved lease prior to other commitments.



Additional Steps to Streamlining A Request for Leasehold Mortgage

2. Borrower requests a lease for intended purpose.
3. Borrower provides legally defensible legal description for proposed lease site.
4. Borrower provides environmental documentation.



Additional Steps to Streamlining A Request for Leasehold Mortgage Requests

5. Borrower provides appraisal
6. Other pre-lease conditions as required
7. Upon receipt of all clearances, BIA Realty processes a lease for the intended purpose
8. Once the Borrower or Lender has a BIA approved lease, they can enter into the mortgage processes of the leasehold interests.

Allotted Mortgages

- Lenders/Borrowers can request a checklist.
- Provide a complete package to the BIA Agency point of contact.
- An independent review and analysis will be performed
- Approval Letter/Disapproval Letter

CHECKLIST	NOTES
<input type="checkbox"/> Commitment Letter Stating Loan Terms and Conditions	
<input type="checkbox"/> Copy of Borrower's Application (signed by borrower(s))	
<input type="checkbox"/> Copy of the Appraisal	
<input type="checkbox"/> Authorization/Consent to Share Information with BIA (if applicable)	
<input type="checkbox"/> NEPA Documentation (if applicable)	
<input type="checkbox"/> Survey(s)/Site Reports/Site Assessments (if applicable)	
<input type="checkbox"/> Credit Report	
<input type="checkbox"/> Preliminary Site Plan Drawings (if applicable)	
<input type="checkbox"/> ROW Mortgage Language (if applicable)	
<input type="checkbox"/> Lender's Credit Analysis/Term Sheet/Repayment Analysis	
<input type="checkbox"/> Loan Estimate Document (Terms and Conditions of Mortgage Note)	
<input type="checkbox"/> Title Status Report (TSR)	
<input type="checkbox"/> Loan Purpose (Rehab, New Construction, Refinance, Consolidation)	
<input type="checkbox"/> Loan Conditions (interest rate and term)	
<input type="checkbox"/> Loan Program Utilized (HUD 184, VA, etc.)	
<input type="checkbox"/> Business Plan (if applicable)	
<input type="checkbox"/> Copies of Tax Return (if applicable)	
<input type="checkbox"/> Statement: Borrower is not delinquent on Federal debt (HUD 184 only)	
<input type="checkbox"/> Mortgage Filed to TSR	
<input type="checkbox"/> Approval/Disapproval Letter (attach Disclosure Statement)	
<input type="checkbox"/> Completed Credit Memorandum.	



WHO DO I CONTACT?

1. The first step is determine which of BIA's 12 Region's has jurisdiction over the land in question.
2. Generally easily determined by which State the land is located, however, in some cases more than one Region may have oversight of the same State.
3. It is also helpful to know the Land Title and Records codes associated with the land (called Land Area Codes)



MORTGAGE RECORDING

The Indian Land Record of Title is the official record of title documents and instruments affecting Indian land. The LTRO is the official Federal office-of-record for all documents affecting title to Indian lands, and for the determination, maintenance, and certified reporting of land title ownership and encumbrance on Indian trust and restricted lands. All title documents affecting Indian land are to be recorded in the Indian Land Record of Title. The LTRO is the office responsible for maintaining the Indian Land Record of Title and for examining and determining the completeness and accuracy of the records, certifying the findings of examination and reporting the status of title to Indian trust and restricted lands.

Following is a checklist setting out the requirements for recording of trust mortgages.

(Routing Slip should have the “Lender” 10 digit business entity-Lender’s Address is: from Deed of Trust and Note should be correct in TAAMS as well)

RECORDING REQUIREMENTS

1. Original documents or “Certified True and Correct”
If a copy is being certified, certifier is required to have full name ***not initials.***

2. “Certificate of Approval” (Land Mortgage)
Borrower and Lender information
Dollar Amount of Loan
Allotment Number
Delegation of Authority
Approval Signature and Date
Notary Acknowledgment

3. “Certificate of Approval” (Leasehold Interest Mortgage)
Borrower and Lender information
Dollar Amount of Loan
Allotment Number
Lease Number
Delegation of Authority
Approval Signature and Date
Notary Acknowledgment
Lender Information

RECORDING REQUIREMENTS

4. Deed of Trust/Mortgage

Borrower and Lender information match certificate of approval.

Property (legal description) and Acreage from title status report (may have allotment number on deed of trust below where it reads: Parcel ID Number):

Signed Security Instrument

Notary Acknowledgment

5. Promissory Note

Borrower information matches the “Certificate of Approval” and Deed of Trust

Property Address matches the Deed of Trust

Signed by the Borrower

RECORDING REQUIREMENTS

6. Rider for Section 184 Mortgage

Property described in the Security Instrument and located at:

(Property Address)

Borrower signed and dated agreement

7. Construction Loan Rider

Property described in the Security Instrument and located at:

(Property Address) Borrower signed and dated agreement

8. Title Status Report (if included with mortgage package for recording)

Original Certified Title Status Report or “Certified True and Correct” Title Status Report



Thank You!