

Indian housing loan program set to continue

The new era in homeownership financing for Native American families is continuing with the Section 184 Indian Housing Loan Guarantee Program. During 1995, 477 Section 184 loans were processed nationally. Here in Alaska, 23 loans have been processed with 70 percent of the loans outside of Anchorage in the communities of Kotzebue, Ketchikan, Nome, St. George Island, Bethel, Metlakatla and Craig. Eight different banks and mortgage companies are participating in the program, with additional lenders expressing interest.

Initially there were questions surrounding the program's limitation to trust

lands; however, with authority given to include fee simple lands in Alaska, interest by lenders and Native American families has escalated.

The Section 184 Loan Guarantee Program is a new and innovative housing program to enable Native American families and Indian Housing Authorities to gain access to source of private financing. Under the Section 184 program, the U.S. Department of HUD will guarantee up to 100% of the home loan made by a private lender, thereby assuring lenders that their investment will be repaid in the event of default, as a result, they are more willing to make a loan. Homebuyers are required to have satisfactory credit, cash to close the loan, and income sufficient to make monthly mortgage payments.

There is still a tremendous need for new construction in rural Alaska", states Marlin Knight, Administrator, Alaska Office of Native American Programs, "therefore, a decision was made to develop an Alaska Supplement intended to provide guidance and clarification on process for new construction. It is our hope that this program will be the genesis of new housing construction in rural communities across Alaska." Once the draft supplement is finalized, copies will be provided to lenders and interested participants.