

Native homebuyer help

By Margaret Bauman
for the *Tundra Times*

A program aimed in increasing the number of Native American middle class homeowners is very attractive to borrowers, but still needs a lot of fine tuning, a federal housing administrator says. While educating potential home buyers on the federal legislation can help them, housing officials also hope to develop an Alaska version of the legislation, said Marlin Knight, who heads the Housing and Urban Development Department's Alaska Office of Native American Programs.

Knight was referring to Section 184 of the Housing and Community Development Act of 1992, which authorizes the Indian Housing Loan Guarantee Fund. The fund was set up to guarantee loans made to Native American families or Indian housing authorities to construct, acquire or rehabilitate one-to-four-family dwellings located on trust lands or in an Indian or Alaska Na-

tive area.

"One of the problems in trying to build in outlying areas is high cost," he said. "Many of the programs available couldn't reach those limits. The Federal Housing Authority's loan limits until recently maxed out at \$135,000, he said. But earlier this year, FHA increased that loan limit to \$190,000.

Knight was one of a number of speakers at an Anchorage conference on home ownership for Native Americans, held last month. This U.S. Department of Housing and Urban Development is holding a dozen similar sessions nationwide to boost the number of middle class Native American home owners.

"Some things we are trying to do here were not taken into discussion in the national program," Knight said. "There are other similar little things we are doing to try to accommodate rural conditions. Once we have all those worked out, I believe it will allow for smoother financial access for people in rural Alaska."

To date only two home loans in Alaska guaranteed by the section 184 have been closed in Alaska, but others are pending, he said.

This consolidated loan program will provide construction and long term mortgage loans, but banks want to know at what point they can turn the deal over to HUD if it goes sour.

"We are going to establish standards we expect the lender to follow," Knight said.

Increasing the number of middle class Native American home owners ties in with President Clinton's plan to improve the economy by strengthening families and communities, said Dominic Nessi, deputy assistant secretary of HUD's Office of Native American Programs.

During 1995, the program guaranteed \$25 million in loans nationwide, Nessi said. In 1996, the program is expected to guarantee \$36 million in loans.

Today we are trying to build bridges within the lending community, Nessi said. "All of you in this room are participating in history.

"In Indian country the main goal is to introduce, for the first time, the concepts of private financing for housing, leveraging of existing grant dollars, utilization of the secondary market and establishing the subject of housing in business terms rather than in just social welfare terms," he said.

"For the first time, we are talking about mortgage financing in Indian country," said Jacqueline Johnson, chairperson of the National American Indian Housing Council and executive director of the Tlingit-Haida Regional Housing Authority.

"It's important that we don't forget who we are and where we are going to," Johnson said. "For a long time, HUD recognized us only as impoverished people."

"The partnership starts at home," Johnson said. "We have to strengthen each other so we dictate how mortgage financing happens in our community."