

**NWX-DOI-BUR OF IND AFFAIRS**

**Moderator: Elizabeth Appel  
February 18, 2015  
12:00 pm CT**

Coordinator: ...standing by. At this time all participants are in a listen-only mode until the question-and-answer session of today's call. Today's conference is being recorded. If you have any objections, please disconnect at this time.

At that time if you'd like to ask a question, please press Star-1. I would now like to turn the meeting over to Mr. Kevin Washburn. You may begin. Thank you.

Kevin Washburn: Hi. Good morning, everyone, or afternoon if you're on this part of the country. This is Kevin Washburn, Assistant Secretary for Indian Affairs, and Liz Appel who runs our regulatory offices here as well. And Deputy Assistant Secretary Larry Roberts is here, and we also have a representative from the Solicitor's Office, and Les Jensen on the phone out in Alaska.

We are very happy to be conducting a tribal consultation on our Housing Improvement Program Proposed Rule.

And this is an important part of a broader initiative. Les is going to walk you through the - what we've got in mind is an important part of our Tiwahe initiative. And he will explain that a little bit more.

But basically what we are trying to do is to underscore the importance of housing for Indian communities. You know, our housing budget is not nearly the size of the budget over at HUD, but our monies are very, very important to tribes. We've heard over and over and over from tribes how important our HIP money is and so we need to make sure that we've got adequate flexibility to - and tries that adequate flexibility in how they use that money.

And so, that's what these proposed revisions are about, and Les is going to walk through them. And after Les walks through our proposal there will be a Q&A session and Les will handle that Q&A session too. We're really grateful for his work and his expertise on these issues.

So, Les, why don't we go ahead and get started running through your presentation?

Les Jensen: Thank you, Kevin. My name is Les Jensen. I'm the National Housing Program Officer for the Bureau of Indian Affairs Housing Improvement Program. I'm located in Juneau Alaska.

My presentation today, the objective of the presentation is to present to you - providing a background information of the program and where we're proposing to go through the - and collect comments.

So, this is a different format than some of the other presentations that I've done and we've conducted too. The first one was early in February in

Washington, D.C. at the National American Indian Housing Council. And then the second one was in Anchorage, Alaska. And this is the third session.

We'll have another session that's been posted for February 26 at the National Congress of American Indian's Winter Executive Session. And that is located at the Capital Hilton Building.

There was a Dear Tribal Leader Letter that was sent out by Mr. Washburn notifying tribes of that session in D.C. on February 26. So, look out for the letter notifying you of that session.

So the objective, again, today is to provide you a background and then as we crosswalk into the proposed rule.

So, to notice to tribal nations, the first proposed rule notice was provided January 2 in the Federal Register. That will close March 6 of 2015.

There was been, again, a proposed rule correction providing notice to tribes of those consultation sessions that I just briefly talked about. And then on February 9, the Dear Tribal Leader Letter was mailed out notifying you of the Capital Hilton session in D.C. on February 26.

So, we will provide you a background and a crosswalk to the proposed rule and collect comments.

The HIP will continue to provide funding based on our methodology - our current methodology which is priority ranking to identify the individuals and families most in need of housing assistance -- which is directed primarily to elderly and the disabled. The FY '15 budget includes HIP at about 8 million.

So, if I may ask, if those that have questions or comments, please note those down and we will take those comments at the close of my presentation.

So forward thinking, in 2010 the BIA started talk in the tribes about the HIP Program. We didn't call these discussions consultation; we merely conducted dialogue through meetings held at regular training sessions. The first session was held in Anchorage, Alaska, and other subsequent meetings held across the country at regional offices as we talk to tribes about the aspects of HIP -- the likes, dislikes, improvements needed, and so forth.

Through these discussions it was apparent at the program needed some improvements. Needed change to better serve the neediest of the needy and yet be flexible.

So, continuing the forward-thinking in this effort of an increased assistance for American-Indian and Alaska Native families, the BIA will be implementing the Tiwahe initiative. Tiwahe means family in the Lakota language.

In 2017 Tiwahe includes a proposal for additional funding to increase the number of HIP participants served and to enhance collaborative efforts with other complementary housing programs -- which will increase program benefits. For instance we have a pilot project that we're currently doing in three regions. The biggest one is in the Great Plains Region where they have - they're collaborating with other federal agencies, private lending institutions, travel entities.

These entities offer access to homebuyers' training and technical assistance. This effort demonstrates how the BIA can effectively leverage housing funds,

increase and improve sustainable housing, and make housing affordable on tribal lands.

So the proposed rule to the HIP regulations will recommend a redesign of the program. It will continue to provide the same level of services while still do what we do. However, it will align HIP with other federal program income requirements -- allowing us to do leveraging.

It will provide flexibility for tribes to better address large waiting list in their service scenarios. It will foster relationships with other federal agencies on ways to leverage housing funds. It will improve sustainable affordable housing on tribal lands and it will increase the number of individuals, families served. And it will increase the number of projects funded. And as we go through my presentation we can see how that could be done.

So the crosswalk.

We will increase the Category A which is emergency repair. Those limits are inadequate. They currently are at 2500. So we're proposing to raise that to 7500. If your comments suggests higher then we will consider that, but it currently is proposed at 7500.

Increase Category B which is renovation. Those limits are also inadequate. They are capped right now at 35,000. We're proposing to raise that to 60,000 with the idea that we can save a home rather than tear it down and build a new one for 60,000 versus 120,000.

But it will increase the payback period from five years to ten years. It will add down payment assistance -- category D -- which we can use to leverage

USDA direct loans or leverage HUD Section 184 loans or any other conventional loan.

We're hoping to look with CDFIs which is a community development financial institution. We're currently working that with our - in the Great Plains Region.

It will add new ranking factors -- which are homelessness, overcrowded conditions, dilapidated conditions -- but it will cap those at 10 points.

It will update the current selection criteria incomes -- the first one. It will increase the income guidelines from 125% to 150% of the federal poverty income guideline. Essentially, those thresholds at 125 are extremely low income families going to 150 which is very low income families.

Age. It will increase the age requirements from 55 to 62, and it will incorporate 1 point for every year up to 15 points. So, for instance if a family has a dependent of one dependent, you'll get 3 points. If you have two dependents it'll be 6 points, three dependents 9, and so on up to a maximum of 15.

It will update disability by reducing the number of applicants to one per household. Currently, there can be two or more in the household and have disabilities. However, it's capped at 20%.

So the change would make that to one per household, but you won't have to have two documentations from a doctor. We're saying one is sufficient. And that would be capped, again, at 10 points. Family size is increased from five or more dependents. I explained that earlier.

Let me go back and make a correction. For the age, 1 point for every year thereafter, maximum of 15 points, it starts at 55 currently. We're saying 62 you would get a point for every (there) - year after and a maximum 15 points. So, a correction there. My apologies.

It will increase the application period from one year to four year.

Tribal members are - often say that, you know, "I apply every year and I don't see any benefit," so we're trying to minimize the - your efforts on reapplying every year would just stay in the (pool). However, we would encourage tribal members to update their application. For instance they may be one year older or their status may change. They don't have to, but we would encourage it.

Land requirements. Currently you must provide proof that you own land to be eligible for the HIP Program. So we're proposing to say, if you can obtain land then we'll consider you as eligible for HIP. So that's a big one.

We also will require that you receive a certificate of title once you have become owner of the home. So after 20 years you will have a certificate of title.

The proposed rule will also increase square footage limits. This will allow us to be in compliance with the Americans Disability Act. Where applicable, a two bedroom may be increased from 900 square feet to a thousand square feet -- a hundred square feet more. For a three bedroom it would be from 1050 square feet to 1200 square feet. So addition of 150 square feet. For a four bedroom it would increase from 1305 square feet to 1400 square feet -- which is an increase on 95 feet.

The conclusion is that the HIP proposed redesign will allow tribes some flexibility. It will continue to provide service, renovation, new housing, repairs, and it will also help tribes address very low income families and their needs.

It will better address the large waiting list that many tribes are experiencing and provide down payment assistance for families who can obtain a mortgage loan from programs such as USDA or the Section 184 Program. However, it may take several fiscal years to establish baseline measures.

You can view the Federal Register Notice and some sites. --

Www.regulations.gov. You can also go to the Federal Register. You can go to my Web site. If you google bia.gov you will see or you can view those proposed rules.

The proposed rule closes March 6. Mail those to or hand deliver to Elizabeth K. Appel at the Office of Regulatory Affairs and Collaborative Action, USDA - U.S. Department of Interior 1849 C Street Northwest Washington, D.C. 20240.

And that concludes my presentation and we'll open it up for comments.

Coordinator: Thank you. At this time if you'd like to ask a question, please unmute your line and press Star-1, record your first and last name when prompted. If you'd like to withdraw the question you may press Star-2.

Once again in order to ask a question, press Star-1. Give us one moment please for any questions to show in queue. We have a question from Marcus Luke. Your line is now open.

Marcus Luke: Oh, yes. This is Marcus Luke and I'm with the Umatilla Tribes here in Pendleton, Oregon. I have a question or maybe even a comment, I guess, on your presentation, page number 7, provide down payment assistance for families who can obtain a mortgage loan from USDA or other programs.

So, is that a scenario of if an elder or a person who gets approved through HIP they'll be able to access the 60,000 so to speak on the funding, whatever it may be, whatever service, then they can also - if they're eligible they can get a loan on top of that -- is that correct -- whether USDA or Section 184? I'm just asking for clarification is all.

Les Jensen: Yes. That would be the scenario. But I don't believe the 60,000 would be - that would be for Alaska. Alaska has a higher cost of living and those building cost are much higher. Perhaps 20,000 would be a - one that would fit.

It wouldn't necessarily mean that would go up to 20,000. It really depends upon the structure of the income of the household applying for USDAs 502 loan program. The parameters that they have are dependent upon their income. You know, the lower the income the lower the interest rate.

But what we would do is we would put in 10,000, 20,000 in - for down payment and USDA would then do the paperwork for the loan. And based on the income and their loan packaging they could get in to the home for, you know, for 100,000 and 120,000. We wouldn't be building that home for 120,000. We'd be spending 10,000. We can do more of those types of projects.

But, yes, that's basically the premise.

Marcus Luke: Okay. This is Markus again. You stated something different that what you just said for 60,000 is only for Alaska. So, what about everybody else that's not in Alaska? Is that the 35,000?

Les Jensen: Perhaps 20,000.

Marcus Luke: Okay.

Les Jensen: Perhaps 10,000. I mean, it basically - it's structured around USDAs loan program. So, let's say an applicant goes out and gets a pre-approved USDA and they're eligible for an interest rate of 1-1/2%.

We could put in 10,000 or 20,000 depending upon what's needed and drive that interest rate down. Buy that down which would lower their monthly payment, their mortgage payment, you know, \$100 or \$200. And so, you know, for a very low income family that's huge in terms of what they would be able to pay and what they're able to, you know, afford.

We have a project out in the Great Plains Region where we have different scenarios, we have different programs. We're working with Section 184 with several banks. We're working with USDA. We're working with tribal entities. And so, you know, the 20,000 or the 10,000 it's just - it's a (floater). You know, it's not set in stone.

Coordinator: Once again, as a reminder, if you would like to ask a question, please press Star-1. Give us one moment, please, for any more questions to show. And it looks as if we have no more questions at this time.

Kevin Washburn: Les, I'm still on the line. This is Kevin Washburn. Why don't we wait just a moment or two just to make sure no one else has questions or concerns they

want to raise? Sometimes it takes people a moment to formulate their questions. So let's give it one or two more minutes and then we can certainly stop early. We don't need to hold people hostages if there are no questions.

Coordinator: I'm sorry to interrupt. We have another question or comment from Marcus Luke. Your line is now open again.

Marcus Luke: Thank you, yes. On page 4 -- kind of going back to the crosswalk -- increase category, increase limit from 2500 to 7500, again, is that a similar situation based on whatever the need is or whatever is being assessed? So it's not going to be 7500, it's going to be anywhere between 2500 and 7500. Is that correct?

Les Jensen: Yes. You know, it's emergency repair and so 2500 doesn't get you much. You know, it's a band-aid. However, you know, currently you can get the Category A and still be eligible for other program. A new home - applying for a new home. And so that would still be true.

Seventy-five-hundred is that going to be sufficient? Certainly your comments would be appreciated if you think the threshold should be higher. But we had put some sort of cap on it. But, yes, that, you know, 7500 would be what we're proposing.

Marcus Luke: Thank you.

Coordinator: Once again we have no further question.

Kevin Washburn: All right. Les, if you got any final words you want to say you should, I think, feel free to go ahead. I think people had a chance - wait, we got another one popping up.

Coordinator: We do. Angela Begay, your line is now open.

Angela Begay: Good morning. I got in to the call late but I wanted to make a comment in regards to the amount. I think there should be argument for a higher amount. And the reason on that last question, I'm working with elders now and - for Yakima Nation Housing. I have one scenario where that is not going to meet the priority of their needs for even assisting them with their emergency repairs.

So, looking on the outside we had to go to other means. I understand that USDAs a good aspect, the 184 is a good aspect, but now we're looking on the outside like Catholic Charities. They have a chore voucher and they have people that are - and able to assist in areas where we can't on these repairs.

So we're networking with our local chapters or communities on the outside to see if there are other revenues to assist us and kind of like piggyback off each other to accommodate these applications because the elders it's hard to get them qualified now -- the ones that I'm working with -- due to the income of the requirements for these applications.

So that's just the comment I wanted to throw out there and share because we have to look on all avenues and this could be one source as long as we can partner with other community businesses to get a full picture. Realistically a repair for a home now could be from 15,000 up.

And I'm talking about maybe doors, windows, and roofing. That's what our concentration is right now with housing for our elders because that's the most need right now -- is the roofing, their windows, their doors, insulation, old wiring, baseboard heating.

Les Jensen: Angela, thank you for your comment. Let me just say that, you know, the USDA has a grant program for the elderly and the disabled. It's called the 504. And it's a loan and a grant program depending upon your income and age. But certainly we could work, you know, collaboratively with USDA and the tribe to increase the amount of revenue for a repair.

They do have caps on the 504 at 7500 per applicant and so we kind of use that as a, you know, a cap. But certainly if you feel that it's higher for Category A and Category B, then please let that be known.

Angela Begay: And another closing comment on that. When you are looking at USDA, a lot of our native families are, I guess, intimidated because that - they don't realize what goes into that and you have to have a good credit rating or score when you do apply for USDA.

Les Jensen: That is correct. And so, what the Great Plains Region is doing is they're working with tribal entities and other organizations networking to enhance tribal awareness and education doing credit counseling, financial counseling, first time homebuyer assistance.

But that takes some effort and some time. You know, it might take a year for a family to receive all of those - that type of training to become eligible with the USDA program. But once they are eligible, then we can come in and help them. And we have success stories.

Angela Begay: Yes. That credit score today is 640 or above for either the 502 or the 504. That's the credit score that's required.

Les Jensen: In the near future we'll be posting on BIA HIT program's Web site some success stories and we'll be going around the country and promoting -

providing training in, you know, how down payment assistance could be leveraged and utilized for tribes to address your overcrowding and, you know, your large waiting list.

Angela Begay: Last comment for you. Just for information- wise, the Catholic Charities, they have a program called (For Equity). Now, if the first time homebuyer puts aside the money, in a year's time they'll match that. Plus it gives them credit if they actually help build their home. That's the avenue that I just - we just discovered this year working with Catholic Charities.

Les Jensen: You know, that concept is one that has - you know, it's been around for a while. The HIT program used to utilize (What Equity). I guess it would just depend upon what the tribe and the household -- the family -- would be able to do as well as other organizations such as church -- faith-based organizations.

Angela Begay: Thank you.

Les Jensen: Thank you.

Kevin Washburn: All right. This is Kevin Washburn. And, Les, I will turn it over to you. But I want to thank Marcus from Umatilla from reaching out and participating. And, Angela, thank you also for speaking up. It's helpful to us to know what concerns people have so we can get this rule correct. And so, these comments are very useful to us. We appreciate that very much.

Les, thank you so much. And I think you can - we can reiterate that we've got another consultation coming up next week in conjunction with the NCAI meeting. That is, I believe, a week from tomorrow at the National Congress of American Indian Executive Winter Session at the Capital Hilton on February 26, 2016 from 1:00 pm to 5:00 pm.

I'm going to go ahead and sign off. Les, thank you for your hard work. Would you like to say last words?

Les Jensen: Yes, and thank you, Kevin. The session at the Capital Hilton will be - I believe it's the Federal A room. And we'll have that posted on our Web site. You know, the Capital Hilton room - Federal Room A, I believe, is the room.

But thank you, everyone, for calling in and participating. And thank you, Kevin and Liz. That's all that I have, sir.

Coordinator: Thank you for joining today's conference. This now concludes the conference. You may disconnect at this time.

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