

**TESTIMONY  
OF  
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BUREAU OF INDIAN AFFAIRS  
DEPARTMENT OF THE INTERIOR  
FOR THE HEARING  
BEFORE THE  
COMMITTEE ON FINANCIAL SERVICES  
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY  
U. S. HOUSE OF REPRESENTATIVES  
ON  
REMOVING BARRIERS TO HOMEOWNERSHIP FOR NATIVE AMERICANS**

**July 31, 2006**

Good morning, Mr. Chairman and Members of the Committee. My name is Allen Anspach. I am the Director for the Western Region within the Bureau of Indian Affairs (BIA). I am here today to provide the Department's testimony on the BIA's role in assisting individual Indians in the pursuit of homeownership.

In general, BIA plays a critical role in removing obstacles to building and promoting tribal self-determination, through strong and stable governing institutions, economic development, and human capital development. One aspect of promoting economic development on tribal land is removing obstacles to homeownership opportunities. That is one reason why the BIA has been working with the Department of Housing and Urban Development and USDA Rural Development to streamline and expedite the production of Title Status Reports (TSR). These reports are important to mortgage lenders, since they are a necessary document for the mortgaging of trust or restricted Indian lands. Without these reports, a mortgage lender cannot approve a home loan.

I'll begin by providing some background information on the current process and procedures for obtaining a TSR within the BIA and then comment on this process.

The BIA has Land Titles and Records Offices (LTRO) located within eight of its regions: Anchorage, Alaska; Muskogee, Oklahoma; Aberdeen, South Dakota; Portland, Oregon; Sacramento, California; Billings, Montana; Anadarko, Oklahoma; and Albuquerque, New Mexico. Each LTRO is responsible for recording all title and encumbrance documents for Indian lands within their respective region(s) and issue certified TSRs to provide a record of ownership. A TSR is a compilation of the current ownership, legal description and recorded liens and encumbrances on a designated parcel of land. The production of TSRs for mortgages is our LTRO offices' top priority. We strongly support programs that improve or develop housing on Indian lands for Indian people.

The current procedure requires that all requests for a TSR for mortgage purposes first go through the Agency Superintendent at the relevant BIA office or through the Regional Director on behalf of the tribal member. The certified title is required by the lending institution to verify that the loan applicant has acquired a leasehold interest on Tribal land or that the loan applicant has total ownership on trust land, and that the title is clean and clear of any liens against the property so the loan application process can move forward.

There are very few differences in the production of TSRs from location to location. When there are, often those differences are dictated by the particular lending institution or federal agency providing the loan. Requirements and standard operating procedures vary from federal agency to federal agency. The BIA LTRO's strive to accommodate these differences, as we support the mission to provide home loans to Indian people. Private lending institutions also have varying requirements and procedures, consequently our process for providing TSRs may vary to accommodate the lender.

Over the years, we found that some offices have provided an uncertified title status report showing the mortgage as an encumbrance to the property in lieu of the certified report. On April 13, 2005, BIA issued a directive requiring that all LTROs provide certified title status reports when requested by the Agency Superintendents or Regional Directors.

BIA has qualified and dedicated personnel within the LTRO program to examine and certify land titles and produce TSRs; however, we are the sole-source for Indian trust land records. Because Indian Trust land records are, to a degree, confidential, lending institutions and other federal lenders are completely dependent upon the BIA for all certified TSRs, thus creating a significant workload.

Since the inception of the Federal loan programs, the mortgage requests for certified titles have been a high priority for the LTROs. We have made significant changes to our title program over the past three years aimed at improving our ability to deliver in an accurate and timely manner in all aspects of our Indian land title operations, including the processing of TSRs.

One of the improvements to the BIA Title system is the recently completed conversion to the Trust Asset and Accounting Management System (TAAMS) for processing Titles at all LTRO program offices. The system has greatly improved our ability to provide title information to tribes and Indian people. The quality of the data has been significantly improving. We have been conducting a comprehensive data cleanup, which has been coordinated with the deployment schedule for the TAAMS leasing module. The leasing module is planned for complete deployment in November 2007.

The BIA process for providing TSRs upon request within a 30 day time frame for the regions has been reasonably effective and efficient in the past but will improve substantially in the future. In August 2006, the BIA will begin implementation of a new TAAMS functional component: the TAAMS Image Repository. The objective of the Repository is to store all documents affecting and concerning titles to Indian trust and restricted lands. In addition to deeds, probate orders, leases, easements, and other title

documents, the Repository will also store all TSRs and will be the primary mechanism for the delivery of TSRs and other title products and reports to agency-field offices and other offices with access to TAAMS. The Repository will also be the primary mechanism for submission of title documents for recording at the LTRO program offices. With the completion of title data clean-up and with title data maintained in an up-to-date status, TSRs will be processed upon request and delivered electronically to the requesting office immediately upon completion and certification. This modernized process will reduce the time from TSR request to TSR delivery from weeks and days to hours and minutes – a substantial improvement.

On September 29, 2005, the Director for the BIA issued an interim policy on Certified TSRs. The policy requires TSRs to be issued for each pending realty transaction that is requested by the Superintendent or Regional Director who has jurisdiction over the lands within 30 days. The duration of this policy is dependent upon the elimination of backlogs and the cleanup and validation of data in TAAMS at each LTRO. Per this memorandum, the Real Estate staff must obtain a certified TSR to approve the following types of transactions:

- Mortgage of lands and leaseholds
- Land sales where there are more than two landowners

The staff does not have to obtain a certified TSR to approve all other types of real estate and other transactions. In order to streamline the mortgage process and ensure the BIA meets the agreed upon requirements, the following procedures will be adhered to:

1. The LTRO will prepare a certified TSR upon request for the mortgage of trust lands.
2. The LTRO will send the certified TSR to the originating requestor.
3. The agency/regional office will prepare the leasehold document and all other documents required to clear the title such as lease cancellations and collect mortgage satisfactions.
4. The agency/regional office will submit all documents along with the approved mortgage to the LTRO's for recording.
5. The LTRO will return the recorded documents to the originating office.
6. In lieu of a subsequent certified TSR, the agency/regional realty officer will provide a signed endorsement which certifies that from the date of the last certified TSR these recorded title documents have been applied to the title as shown by the official Federal system of record for land title ownership, encumbrance of Indian trust and restricted lands, and there have been no intervening liens or encumbrances. Updates of the endorsement document are done for the benefit of the homeowner.

This concludes my statement. Thank you for the opportunity to appear before you today. I will be happy to answer any questions you may have.