



Testimony of Sharon Vogel
Board Chair, South Dakota Native Homeownership Coalition
H.R. 3579 – the Tribal Trust Land Homeownership Act of 2023
Before the House Committee on Natural Resources,
Subcommittee on Indian and Insular Affairs

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Introduction

Madame Chair, Ranking Member Leger Fernandez, and members of the Subcommittee on Indian and Insular Affairs, my name is Sharon Vogel. I am the executive director of the Cheyenne River Housing Authority in Eagle Butte, SD on the Cheyenne River Sioux Reservation. I am here today in my capacity as the Chair of the Board of Directors of the [South Dakota Native Homeownership Coalition](#).

I am also the Chair of the United Native American Housing Association (UNAHA), with 33 member tribally designated housing entities (TDHEs) from the states of North and South Dakota, Nebraska, Montana, Utah, Wyoming, and Colorado. In addition, I am serving my first term on the Board of Directors of the National Low Income Housing Coalition (NLIHC) and continue my service as a Board Member of the National American Indian Housing Council (NAIHC).

Started in 2013, the South Dakota Native Homeownership Coalition is a membership organization with a mission to increase homeownership opportunities for South Dakota's Native people to build strong and healthy communities. We're a diverse group of public agencies and private institutions. Our stakeholders include approximately 75 representatives of South Dakota's tribes, federal and state agencies, TDHEs, nonprofit organizations, housing developers, residential construction professionals, lenders, and community development financial institutions (CDFIs).

We appreciate the opportunity to express our strong support for H.R. 3579, the Tribal Trust Land Homeownership Act of 2023. Before I begin, I would like to thank Representative Dusty Johnson and Senator John Thune from my home state of South Dakota for their leadership on H.R. 3579 and the Senate companion bill S. 70 to streamline the Bureau of Indian Affairs' (BIA's) mortgage-related processes in order to promote homeownership opportunities for Native

people living on tribal land. We are so appreciative that they both recognize that a strong housing development strategy in Indian Country must include homeownership as a component.

Background

Native Americans living in tribal areas and remote Alaskan villages experience some of the greatest housing needs in the country, with high poverty rates, low incomes, overcrowding, lack of plumbing and heat, and unique development issues. Overcrowding of available housing stresses both the occupants and the structures themselves. Homes on the Cheyenne River Reservation require much more maintenance than the average wear-and-tear to remain safe and livable. This is not for lack of property management; it is because there are not enough homes to go around.

A three-bedroom house is designed for a family of five or six, but often because of overcrowding these units are occupied by three or more families – sometimes as many as 15 individuals sharing the house. This is why offering opportunities for families who qualify for mortgage financing to build or purchase their own home is so important in Native communities. At Cheyenne River, we are able to leverage our Indian Housing Block Grant funds by providing downpayment assistance to our families to make homeownership more affordable for them.

Feedback on H.R. 3579

Now, I'd like to talk more specifically about H.R. 3579. We commend the emphasis this bill places on designing new BIA systems and streamlining existing processes in a way that is compatible with private mortgage industry practices. Native people should be able to enter mortgage transactions just as any other citizen in this country. Unfortunately, that is not always the case due to extreme and unjustifiable delays and inconsistencies within the BIA's processes. As our trustee, the BIA has a fiduciary duty to protect tribal land and prevent it from leaving its trust status. However, this trust responsibility should not impede tribal members' ability to utilize their property rights to achieve their dreams of homeownership.

H.R. 3579 will go a long way to build on the momentum we are seeing across Indian Country to increase the homeownership rates of Native families. Overall, we applaud the legislation for prioritizing the mortgage processes within the BIA and setting a tone of accountability. The following provisions have the potential to offer some great solutions:

Review and Processing Timeframes. The bill establishes timelines for review and processing guidelines for leasehold mortgages, right-of-way documents, land mortgages, and Title Status Reports (TSRs). It also mandates an annual report to Congress about the volume of mortgage package documents and whether the applicable timeframes were met. We appreciate the inclusion of this congressional oversight and hope that it is adequate to ensure compliance with these statutory requirements. To date, the BIA's administrative Mortgage Handbook (52 IAM 4-H) issued in 2019 sets out similar timeframes, which have not been adhered to in many cases.

We recommend that the Congressional oversight committees monitor compliance closely and consider more stringent enforcement mechanisms, as appropriate.

TAAMs Terminals. We strongly support the provision that requires BIA to give tribes and the federal agencies “read only” access to Trust Asset and Accounting Management System (TAAMS) terminals. It is critical for the BIA to take the steps necessary to provide access to TAAMs terminals as expeditiously as possible to ensure that mortgage processes are not unnecessarily stalled, including to tribes who have adopted their own leasing processes under the Helping Expedite and Advance Responsible Tribal Home Ownership Act of 2012 (HEARTH Act).

1st Certified Title Status Report. Another key element we are pleased to see is the requirement for the 1st certified TSR to be issued within 14 days. Off reservation, county assessors’ records allow one to see title records within minutes, and title policies are issued by title companies for underwriting purposes usually within two to four weeks. Receiving comparable documents from the BIA has varied widely by BIA Region from 30 days to 365 days or more in many cases. Lenders require certified Title Status Reports to document title for underwriting purposes. These reports are submitted to loan underwriters along with the loan application and traditional underwriting information. Requiring a 14-day timeline for obtaining the 1st certified TSR moves the process one step closer to the timing of the industry experiences on fee simple land for home loan transactions.

Shift Towards Digitization. We strongly support the bill’s mandate for a GAO study about the need and cost for digitization of mortgage-related documents. The BIA must modernize and enter today’s world of technology so that it can provide the appropriate level of service necessary to support homeownership transactions for Native families. We urge Congress to appropriate the funds necessary to implement the findings of the GAO study as quickly as possible. We also encourage BIA to expand their practice of allowing documents to be submitted electronically through a secure portal, including for uploading and transmitting any mortgage-related documents, residential leases, and TSR requests.

Realty Ombudsman. Often, homebuyers on trust land feel like their mortgage packages fall into a “black hole” somewhere within the depths of the BIA. Therefore, we strongly support the establishment of a Realty Ombudsman to ensure compliance with timeframes and to receive inquiries from tribal citizens, tribes, lenders, and tribal and federal agencies. It will be important, however, for this position to have the authority to take action where appropriate. For example, we would like to see the Ombudsman have the authority to utilize *automatic waivers* and *assumed approval* if timelines for reviewing mortgage packages are not being met.

Recommendations

The South Dakota Native Homeownership Coalition once again commends Representative Johnson for introducing H.R. 3579, and we would like to offer two additional suggestions.

1. **Include Government Sponsored Enterprises (GSEs) and Native CDFI Lenders.** Due in part to the Duty to Serve regulations, the GSEs – Fannie Mae and Freddie Mac – are expanding their conventional loan offerings on tribal trust land. Specifically, Fannie Mae offers its Native American Conventional Lending Initiative, and Freddie Mac recently announce its new HeritageOne mortgage program for Native borrowers living in tribal areas. In addition, in South Dakota last year, nearly 85% of the mortgage loans on tribal land were originated by Native CDFIs. These local lenders are certified by the U.S. Department of the Treasury and are critical players in the mortgage lending industry on tribal land.

Therefore, we recommend that H.R. 3579 explicitly include the GSEs and Native CDFIs as eligible recipients of:

- TSR reports in Section 3(c),
 - Read-only access to the Trust Asset and Accounting Management System (TAAMS) in Section 3(d), and
 - services from the proposed “Realty Ombudsman” in Section 4(b).
2. **Create BIA Mortgage Advisory Committee.** We recommend that the legislation create a Mortgage Advisory Committee which includes private lenders, Native CDFIs, tribes, TDHEs, federal agencies, and the GSEs (Fannie Mae and Freddie Mac) to work with the Bureau of Indian Affairs to identify additional innovative solutions to streamline the mortgage processes in Indian Country. The Committee could also make recommendations about potential improvements to bring BIA systems into the 21st century with the technology needed to support residential mortgage transactions.

Thank you once again for the opportunity to testify. We look forward to continuing to work with our South Dakota delegation, this Subcommittee, and all of Congress to improve homeownership opportunities for Native people wherever they may reside.

I would be happy to answer any questions you may have.