



**Testimony of Eric Shepherd
Vice Chair, Board of Directors
South Dakota Native Homeownership Coalition**

**H.R. 2130 – the Tribal Trust Land Homeownership Act of 2025
Before the House Committee on Natural Resources,
Subcommittee on Indian and Insular Affairs
Wednesday, May 21, 2025**

Introduction

Chairman Hurd, Ranking Member Leger Fernandez, and members of the Subcommittee on Indian and Insular Affairs, my name is Eric Shepherd. I am the executive director of the Sisseton Wahpeton Housing Authority in Sisseton, SD on the Lake Traverse Reservation. I am here today in my capacity as the Vice Chair of the Board of Directors of the [South Dakota Native Homeownership Coalition](#).

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, Tribally Designated Housing Entities (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. 2130, the Tribal Trust Land Homeownership Act of 2025. 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. 2130 and the Senate companion bill S. 723 to streamline the Bureau of Indian Affairs' (BIA's) mortgage-related processes to promote homeownership opportunities for Native people living on tribal land. We appreciate that they both recognize that a strong housing development strategy in Indian Country must include homeownership as a component, and, for the homeownership process to work on trust land, the BIA must modernize its systems to accommodate the pace of the mortgage financing industry.

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 reservations in South Dakota 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 one of the many reasons why offering opportunities for families who qualify for mortgage financing to build or purchase their own home is so important in Native communities.

Feedback on H.R. 2130

Now, I'd like to talk more specifically about H.R. 2130. 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 like any other citizen in this country. Unfortunately, that is not always the case due to extreme and unjustifiable delays and inconsistencies within BIA's processes. As our trustee, the BIA has a fiduciary duty to protect tribal land and prevent it from losing its trust status. However, this trust responsibility should not impede a tribal member's ability to utilize their property rights to achieve their dream of homeownership.

H.R. 2130 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. We do have concerns about the "reduction in force" efforts we are hearing about across the federal government and the impact they will have on implementing this legislation, once enacted. Even so, 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. We recommend that the Congressional oversight committees monitor compliance closely and consider more stringent enforcement mechanisms as appropriate.

To date, the BIA's administrative Mortgage Handbook (52 IAM 4-H) issued in 2019 sets out similar timeframes. However, we have seen delays occur during every step of the process including residential lease approvals, mortgage encumbrance approvals, and the issuance of initial and certified Title Status Reports (TSRs). The BIA generally does not follow the timelines published in the Mortgage Handbook. Historically, BIA has not been transparent or accountable with these review processes, and there are often unexplained gaps in timing. One national lender partner shared that lease approvals can take anywhere from three months to five years. One tribe requested a meeting with its BIA Agency Office to see what the tribe could do to expedite the steps in the process. They found 25 mortgage-related documents stalled on the desk of the BIA Agency Superintendent.

Reasons for delays in these steps of the process include:

- Most BIA offices do not accept electronic copies so there are delays as packages are mailed within BIA offices from the Agency Office to the Regional Office and back to the Agency office and eventually back to the requester.
- Most BIA offices have inadequate staffing levels and capacity to support mortgage-related transactions.
- BIA does not provide adequate training for staff involved with mortgage-related transactions. They don't understand the time sensitivity involved with mortgage-related transactions. Borrowers could be impacted by rising interest rates due to delays or may have to resubmit their loan application materials if the loans take too long to process.
- Many leases are rejected by the BIA because the legal descriptions are not accurate. Increased read-only access to the TAAMS for tribes and lenders may help to mitigate this problem.

Delayed timeframes for the issuance of certified TSRs can have significant implications for the lenders doing business on trust land. To perfect a mortgage loan, the lender must receive a certified TSR from the BIA. If the loan is not perfected within 12 months of closing, secondary market investors require the lenders to indemnify the loans. If the delay exceeds 36 months, the lender will have to repurchase the loans. This delayed process has a chilling effect on future lending opportunities on tribal land. As I mentioned, we expect these delays to be exacerbated by the RIFs some BIA offices may be experiencing.

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 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 act 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. 2130.

We would like to offer some additional suggestions for the BIA to consider on an administrative level as they implement the legislation once it is enacted.

Create BIA Mortgage Advisory Committee. We recommend that the BIA create a Mortgage Advisory Committee which includes private lenders, Native CDFIs, tribes, TDHEs, federal agencies, and the Government Sponsored Enterprises (GSEs) including Fannie Mae, Freddie Mac, and Ginnie Mae to work with the Bureau of Indian Affairs to identify additional innovative solutions to streamline the mortgage processes in Indian Country.

This Advisory 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. This could include an expeditious review at the Central Office level of lease and security instrument rider templates required for conventional lending to eliminate lengthy document reviews at the individual transaction level.

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.