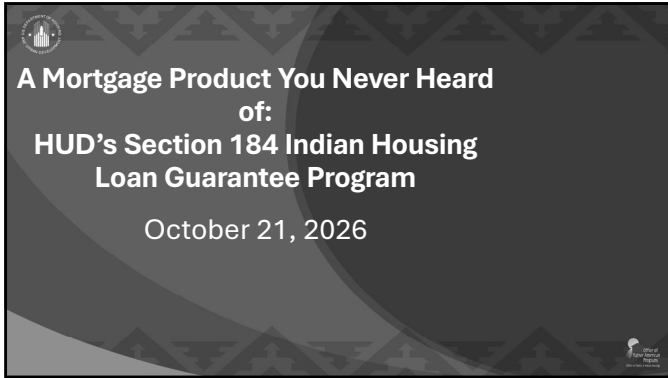
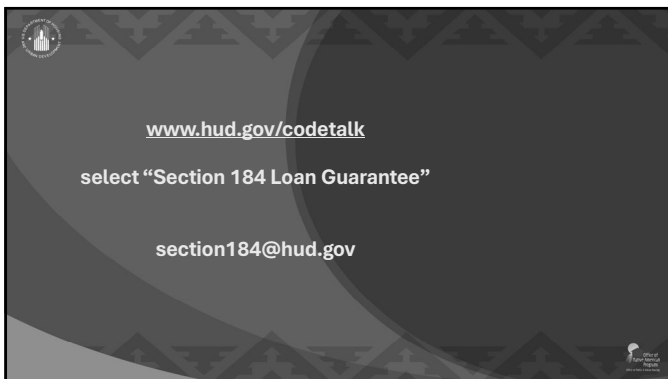




1



2



3



4

Section 184 Program Overview

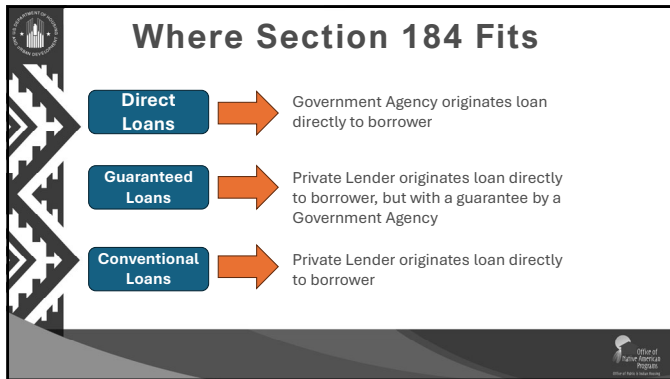
5

Section 184 of the Housing and Community Development Act of 1992 (as amended)

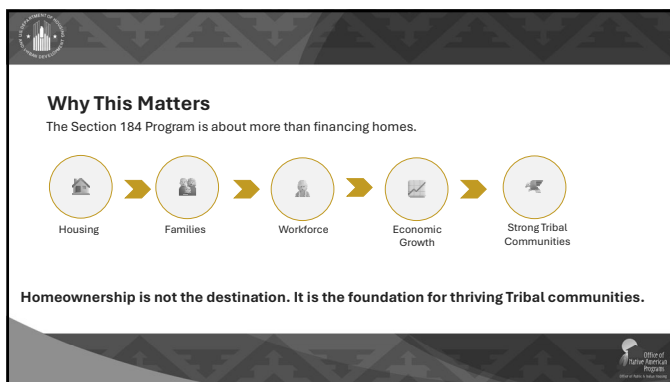
12 USCS 1715z-13a

24 CFR 1005

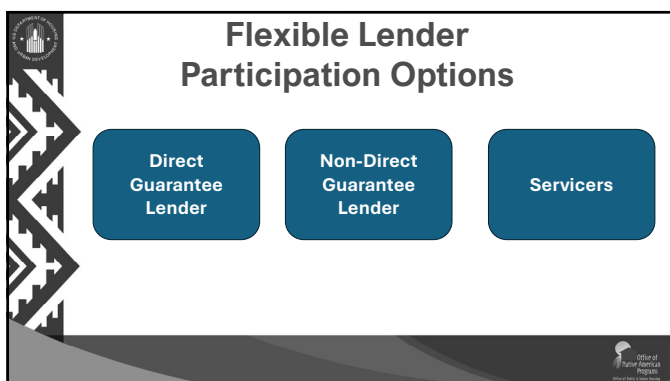
6



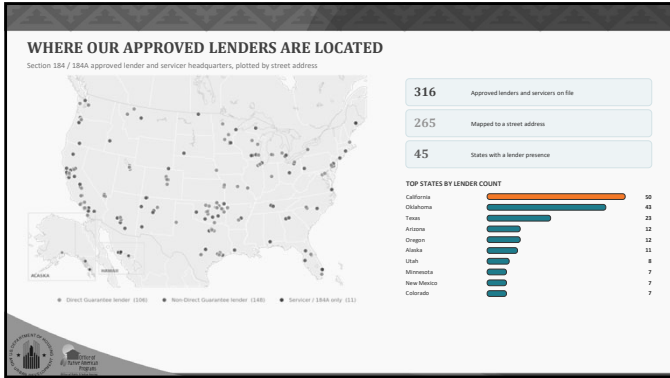
7



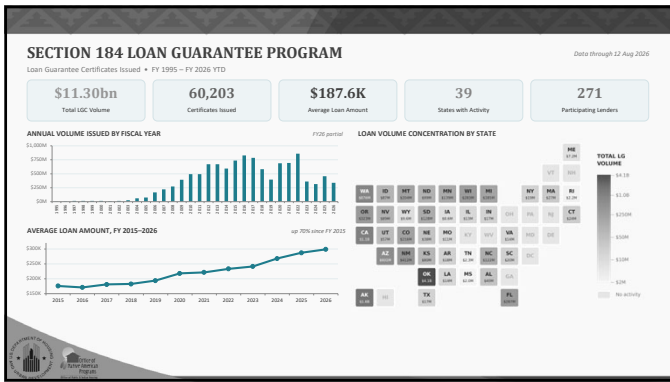
8



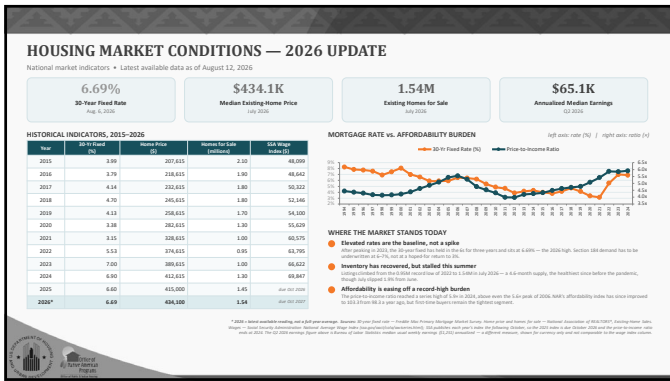
9



10



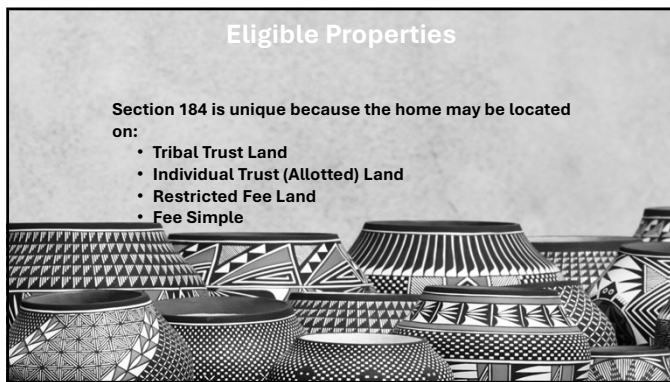
11



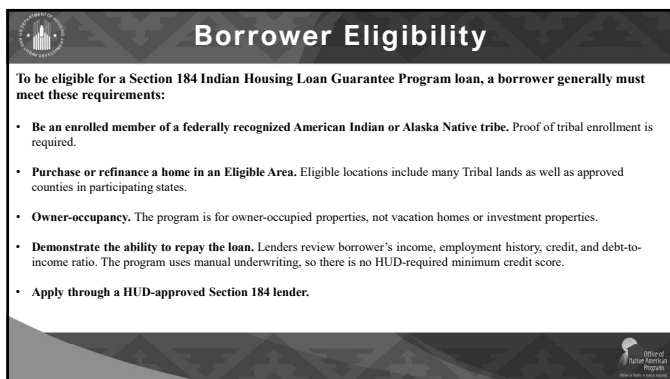
12



13



14



15

Eligible Loan Purposes

- A **Section 184 Loans** must be for Eligible loan purposes, which includes:
 - **Purchasing an existing home**
 - **Building a new home** (including site-built homes and eligible manufactured homes on permanent foundations).
 - **Rehabilitating an existing home**, including weatherization improvements.
 - **Purchasing and rehabilitating a home** under one loan.
 - **Refinancing an existing mortgage**, including:
 - Rate-and-term refinance
 - Streamline refinance
 - Cash-out refinance

16

Loan Parameters

- **Loan term:** Fixed-rate mortgages only, with terms of 30 years or less. Adjustable-rate mortgages (ARMs) are not permitted.
- **Occupancy:** Must be the borrower's primary residence. Second homes and investment properties are not eligible.
- **Property type:** one to four unit residential properties only. Commercial/mix-use properties are not eligible.
- **Maximum loan amount:** Subject to HUD county loan limits, which vary by location.

17

Section 184 Handbook Update



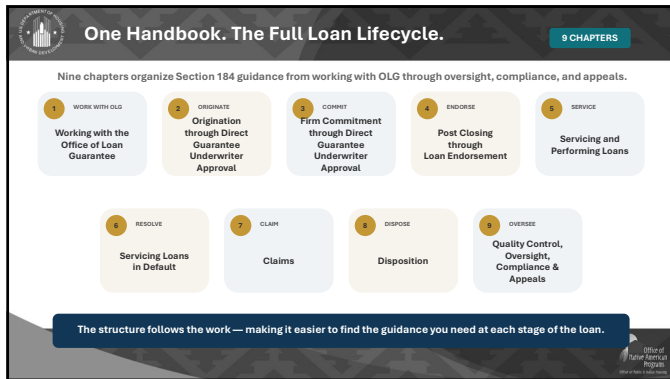
Final Rule Published

Development of Section 184 Handbook

Publishing of Handbook

Compliance of New Guidelines

18



19

Exciting Things Are Happening!

NEW Regulations published.
[Federal Register :: Strengthening the Section 184 Indian Housing Loan Guarantee Program](#)

NEW Handbook on the way.
[NEW Section 184 Forms on the way](#)
[Handbook Trainings are coming](#)

20

New and Improved Underwriting Policy Changes

CURRENT POLICY	TO	NEW HANDBOOK POLICY
Lifetime Ban	➡	Waiting Periods
Student Loans at 1%	➡	Student Loans at 0.5%
DTI at 43%	➡	DTI Increased to 45%
Collection Burdens	➡	Collections Relief
Cash Out Refinance \$25K Restriction	➡	Restriction Lifted; LTVs 80% or Lower
Streamline Refinance Appraisal Required	➡	Streamline Refinance Appraisal NOT Required
Single Close Construction Complete in 4-12 Months Depending On.....	➡	Single Close Construction Complete 12 Months Across the Board
Manufactured Home Must Be De-Titled	➡	Manufactured Homes De-Titling Exemption on Trust Land

21

Chapter II Proposed Handbook Key Highlights of New Guidelines

Credit Profile Updates

Debt-to-Income Ratio Increase

- Now up to 45% with compensating factors.

Co-Borrower Flexibility

- Tribal members with an existing Section 184 loan can now be a non-occupying co-borrower on another Section 184 loan.

Collections & Judgments Flexibility

- Collections over \$2,000 may still be approved with payment arrangements or 5% added to DTI.
- Judgments acceptable with full repayment or documented payment plan.

Bankruptcy, Short Sale & Foreclosure Wait Times Reduced

- Chapter 7 eligible after 24 months; Chapter 13 eligible after 12 months.
- Foreclosures, Short Sales, Lease-in-Lieu/Deed-in-Lieu of Foreclosures - eligible after 3 years from date of title transfer to foreclosing entity/third-party.

Student Loan Calculation Update

- 0.5% used for DTI calculation, reducing borrower burden.



22

Additional Key Highlights of New Guidelines

Collateral Updates

- Appraisal Validity**
 - Valid for 180 days; with an appraisal update allows a total of 1 year from date of initial appraisal.
- Accessory Dwelling Units (ADU) Allowed**
 - Allows "in-law" units.

Overall Program Updates

- Cash-Out Refinance Flexibility**
 - Cash out limit increased on LTV up to 80%.
- Native Advantage**
 - Lenders can order Case Numbers directly through Native Advantage.
- Income Documentation Requirement for Weekly or Bi-Weekly Paystubs**
 - Verification period reduced to 28 days.



23

Section 184

Why It Works

- Low upfront cost
 - 1% currently
 - 1.5% increase this year
- Low Downpayment
 - 2.25% on loans over \$50,000
 - 1.25% on loans under \$25,000
- No annual mortgage insurance
- Flexible land types (fee simple + Tribal lands)
- Flexible underwriting

High Impact, Low Risk

- Over 11 Billion in Tribal homeownership since program inception
- Exceptionally low default rate

Who It Serves

- Tribal members
- Indian Tribes
- TDHEs and Housing Authorities (homeownership & rental)

How It Can Be Used

- Acquisition of existing homes
- Rehab/renovation
- New Construction
- Subdivision and scattered site housing development
- Refinance (rate/term or cashout)



24

Nutshell Summary

Section 184 Program requires:

Eligible Borrowers

Eligible Property

Eligible Lending Area

Loan cannot exceed Maximum Loan Limits

Loan meetings 184 underwriting standards

