



NAHASDA

What is the NAHASDA?

The Native American Housing Assistance and Self Determination Act of 1996 (NAHASDA) reorganized the system of housing assistance provided to Native Americans through the Department of Housing and Urban Development by eliminating several separate programs of assistance and replacing them with a block grant program. **The two programs authorized for Indian tribes under NAHASDA are the Indian Housing Block Grant (IHBG) which is a formula based grant program and Title VI Loan Guarantee which provides financing guarantees to Indian tribes for private market loans to develop affordable housing.** Regulations are published at 24 CFR Part 1000.

NAHASDA was amended in 2000 to add Title VIII-Housing Assistance for Native Hawaiians. The amendment to NAHASDA adds similar programs for Native Hawaiians who reside on Hawaiian Home Lands. Regulations for implementing Native Hawaiian Housing Block Grant (NHHBG) program are published at 24 CFR Part 1006.

\$826 million in funding in 2020 appropriations is available to the **nearly 600 Indian tribes that are officially recognized by U.S. government in the contiguous 48 states and Alaska along with Native Hawaiian population.**

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What is the IHBG Formula?

Need	considers population, income, and housing conditions
Formula Current Assisted Stock	reflects housing developed under the United States Housing Act which is owned and/or operated by the IHBG recipient and provides funds for ongoing operation of the housing
1996 Minimum	provides adjustments when an Indian tribe is allocated more or less funding under the IHBG formula than it received in FY 1996 for operating subsidy and modernization
Undisbursed IHBG Funds Factor	provides adjustments for tribes with an initial allocation of \$5 million or more and has undisbursed IHBG funds than the sum of the prior three years' initial allocation calculations

What can the Title VI Loan Guarantee support?

Create New Housing

Rehabilitate Housing

Build Infrastructure

Construct Community Facilities

Acquire Land to be Used for Housing

Prepare Architectural & Engineering Plans

Fund Financing Costs

The purpose of the Title VI loan guarantee is to assist IHBG recipients (borrowers) who want to finance grant-eligible construction or development at today's costs.

How Does the Title VI Loan Guarantee Program Work?

A tribe/TDHE uses IHBG funds to leverage additional funds to finance affordable housing activities, so that it can undertake larger projects and build at today's costs. **This leverage is created by pledging the need portion of the tribe's annual IHBG grant and the project's income as security to HUD in exchange for a Title VI loan guarantee.** A tribe/TDHE may use the need portion for completion of the project, other eligible grant activities, or to repay the loan.

In turn, **HUD provides a 95% guarantee of outstanding principal**, plus accrued and unpaid interest as collateral to the lender. The lender then, provides the financing to the tribe.