



## Making the South Dakota Native Homeownership Coalition

The South Dakota Native Homeownership Coalition is a collaborative group of key agencies dedicated to increasing homeownership opportunities for Native Americans in the State of South Dakota. Our growing group of members — including representatives of South Dakota's tribes, federal and state agencies, tribally designated housing entities (TDHEs), nonprofit organizations, housing developers, lenders, and community development financial institutions — collectively develop and implement innovative strategies that promote Native American homeownership. We facilitate five working committees that strategically address challenges and pave the way for aspiring homeowners.



PROGRESS REPORT  
(FEBRUARY 2020):  
502 Direct  
Native CDFI Relending  
Pilot Program

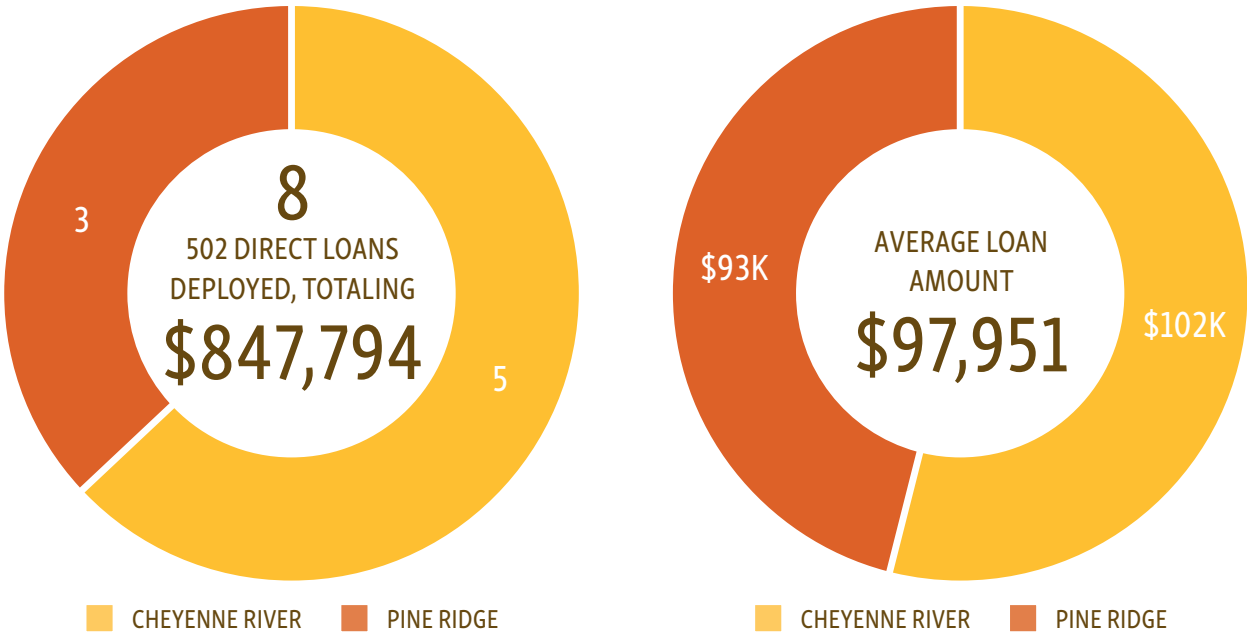
*Through the 502 Direct Native CDFI Relending Pilot Program, the deployment of 502 Direct Loans on tribal lands in South Dakota has increased more than ten-fold.*

## Making History Through a Unique Partnership

Although the USDA Rural Development 502 Direct Loan is highly utilized by low-income families across the country as a way to achieve homeownership, it has historically been a largely untapped resource in reservation communities even though the 502 Direct Loan is one of the few loan products that can be used on tribal lands. In FY 2019, of the 6,194 direct loans made nationally by Rural Development, 127 were to Native American borrowers but only six of them were for homes on tribal land.

In the summer of 2018, USDA Rural Development and two Native community development financial institutions (CDFIs) — Four Bands Community Fund on the Cheyenne River Reservation and Mazaska Owecaso Otipi Financial on the Pine Ridge Reservation — formed the first-of-its-kind partnership to launch the **502 Direct Native CDFI Relending Pilot Program** to increase homeownership opportunities on tribal lands. The partners committed to deploy a total of \$2,000,000 (\$800,000 from USDA and \$200,000 from the Native CDFIs) to eligible Native American homebuyers located in tribal communities of South Dakota and North Dakota. According to USDA, the CDFIs' deep ties in local communities would help them to reach homebuyers more effectively than other lenders. Approval of funds for deployment began in October 2019, and as of February 2020, approximately 50% of the loan capital allocated to the pilot program was deployed, and there were eight new homeowners in the designated service area.

502 NATIVE CDFI RELENDING PILOT PROGRAM:  
CREATING HOMEOWNERSHIP OPPORTUNITIES



➤ NUMBER OF 502 DIRECT LOANS



\*Borrower has submitted application and may be in various stages of mortgage loan process. CDFI is actively working with borrower to help them qualify for 502 Direct Loan.

\*\*Approved by CDFI and/or USDA.

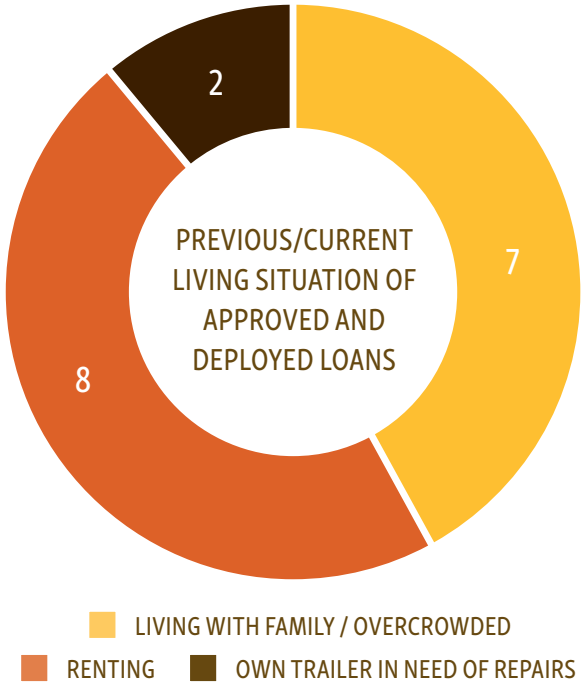
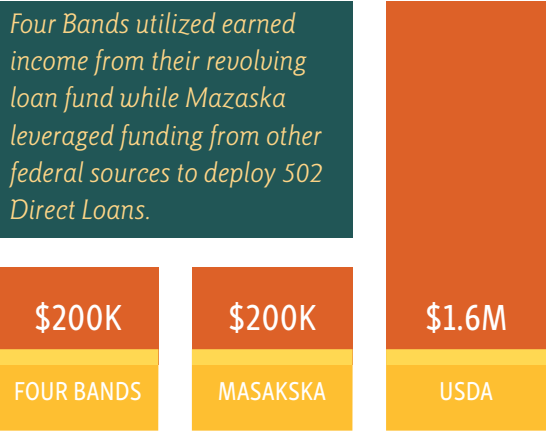


**GARFIELD IRON CROW** (Oglala Sioux) is a retired veteran who tried several times since the 1970's to purchase a home of his own. With the help of Mazaska Owecaseo Otipi Financial, he was able to navigate the tribal land lease process, finance the construction of his dream home, and obtain a 502 Direct Loan for permanent financing — all where he grew up on the Pine Ridge Reservation.



**TAYLOR LAWRENCE** (Cheyenne River Sioux) is a dental assistant and single mother of two from Eagle Butte, South Dakota. She had been renting a one-bedroom apartment that was in need of repairs and would often be without a working heat source for weeks at a time. She used a 502 Direct Loan from Four Bands Community Fund to purchase a Governor's House and provide a safe and stable home her family.

➤ FUNDS ALLOCATED TO PROGRAM



CONTINUED DEMAND

- Through the pilot program, local Native CDFIs have built a steady pipeline (applications that have been submitted, are in underwriting, or approved) of 502 Direct Loan borrowers in their communities.
- Mazaska and Four Bands are currently working with 24 borrowers in various stages of the homeownership process.
- Given the success of the pilot, the partnership between USDA and Native CDFIs in SD should continue and be expanded to other Native communities in Indian Country.