



Comptroller of the Currency
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E-zine CONTENTS



Banking in Indian Country: Challenges and Opportunities

In this introductory overview, Comptroller Hawke describes the barriers that banks have had to overcome in order to provide financial services on tribal lands, and outlines a series of steps that banks can take to strengthen partnerships with tribes and improve access to services.

HOME MORTGAGE LENDING

Fannie Mae Committing \$350 Million to Boost Homeownership in Indian Country

Fannie Mae has committed to invest at least \$350 million to help more than 4,600 Native Americans become homeowners on tribal lands in this decade. Fannie Mae offers an array of targeted mortgage products including HUD Section 184 loans, lease-purchase loans, and low-downpayment products. Fannie Mae has also created a secondary market for Native American Housing Assistance and Self Determination Act (NAHASDA) Title VI loans.

Apache Dawn: A Vision Made Real

Bank One has partnered with the White Mountain Apache Tribe in Arizona to build Apache Dawn, a 250-unit affordable housing development offering renters the option of purchasing their home after 10 years. The project is funded by a blend of tribally issued tax-exempt bonds, HUD Section 184 loans, and CDBG funding made possible by NAHASDA.

Financing Homeownership in Indian Country: Using HUD's 184 and Title VI Programs

HUD's Section 184 program, for which there is a strong secondary market, offers a 100 percent guarantee for single-family residential loans in Indian or Alaska Native areas. Through the Title VI program, HUD provides a 95-percent guarantee to encourage banks to fund the development of affordable housing units in Native American or Alaskan areas.

Tax Credits Help Ease Severe Indian Country Housing Problem

Raymond James Financial Inc. has developed tax credit funds which have provided \$30 million of equity, resulting in 415 affordable housing units – both conventional apartment projects and single family dwellings – on tribal lands. Residents of the single family units may have the option of purchasing their homes after 15 years. The properties are funded entirely by investor equity and the tribes' NAHASDA grant monies.

COMMERCIAL LENDING OPPORTUNITIES

Commercial Lending in Indian Country: A Banker's Perspective

Arizona Business Bank has learned that sound credit underwriting and knowing your customer are the key factors to building a successful commercial loan portfolio. These are old principles, but knowing your customer in Indian country means taking the time to understand and respect tribal culture and developing a knowledge of tribal laws.

RETAIL SERVICES AND FINANCIAL LITERACY INITIATIVES

A Shared Vision: How Wells Fargo Works With Native American Communities

Wells Fargo has made loans to more than 50 tribes and committed nearly \$500 million in financing over the past five years. Working with the Oglala Sioux Tribe, for example, the bank is financing affordable homes and providing credit counseling on the Pine Ridge and Rosebud reservations. The bank helps tribes learn how to work with government loan guarantee and subsidy programs, and maintains 15 full-service branches on reservations.

Nevada Bank and Trust Boosting Economic Development in Indian Country

From small beginnings — opening a limited-service branch on tribal land in February 2000 — the bank now services 300 accounts and \$13 million in deposits, and plans to open a full-service branch in a small commercial center to be constructed on the Duck River Indian Reservation. The bank has also extended a credit line to the American Indian Credit Association, a lender making much-needed higher-risk loans.

Financial Literacy: Key to Native American Economic Development

Economic development in Indian country is often held back by a shortage of financial literacy skills among Native American entrepreneurs. First Nations Development Institute developed a financial literacy curriculum that can be used throughout Indian country. Tribal Business Information Centers managed by the Small Business Administration and Native American Business Development Centers managed by the Department of Commerce focus on helping small businesses with financial management. The article outlines several steps that banks can take to support financial literacy.

NATIVE AMERICAN FINANCIAL INSTITUTIONS

Indian Country — Like No Other Developing Country

One of eleven banks owned or controlled by Native Americans, Borrego Springs Bank of California has developed new products and overcome barriers in federal lending programs to extend access to credit and financing services for Native Americans. For example, the bank developed a multi-tribe agreement under which casino revenues are used to collateralize loans to tribal governments not involved in gaming. In another innovative arrangement, smaller tribes with gaming income are using such revenues to help individual members secure home loans.

Bootstraps Banking: A Tribally Owned Bank in Minnesota Helps Diversify Regional Economy

In 1996 the Mille Lacs Band of Ojibwe Indians, dependent largely on casino income, purchased a rural Minnesota bank to help diversify the tribal economy. Within three years, Woodlands National Bank — the first Indian-owned financial institution to be granted a national bank charter — had increased its assets by nearly 50 percent and opened two new branches. The bank offers a full range of financial products and services, including start-up and expansion loans to small businesses owned by Mille Lacs Band members.

COMPLIANCE CORNER:

Investing in Indian Country

Under interagency guidance on the Community Reinvestment Act released in July 2001, banks that are adequately addressing community development needs in their own assessment areas may receive CRA consideration for community development investments in a broader statewide or regional area. This should help spur community development investments on tribal lands.