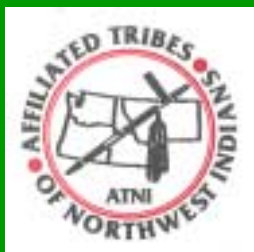


**NATIVE AMERICAN LENDING STUDY/  
ACTION PLAN REGIONAL REPORT**

**Northwest Region  
Workshop  
March 24-25, 1999  
Seattle, Washington**

Sponsored by  
Community Development Financial Institutions Fund  
U.S. Department of Treasury  
And  
Affiliated Tribes of Northwest Indians (ATNI)





**THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND  
DEPARTMENT OF THE TREASURY**

**NATIVE AMERICAN LENDING STUDY/ACTION PLAN**

**OVERVIEW**

This report summarizes the proceedings of the regional workshop conducted by the CDFI Fund in association with regional sponsoring Native organizations. The report also provides highlights of the study, the related CDFI Fund mission, the regional workshop process, affected stakeholders and a profile of participants. The results of the workshop are organized according to the major building blocks of the workshop agenda (also included) and accurately represents the wide range of issues, strategies and proposed actions that were developed through break-out teams of involved participants and stakeholders.

**PURPOSE OF THE STUDY**

The Native American Lending Study was authorized in the CDFI Fund's enabling legislation and requires the Fund to investigate and make recommendations to Congress and the President to eliminate barriers to private sector lending and investment on Native American Reservations and other land held in trust by the United States.

**SCOPE OF REGIONAL REPORT**

This report includes the following major sections:

- Native American Lending Study – An overview of the purposes of the study, a certification of authenticity of the contents and recognition of the co-sponsoring and supporting agencies.
- CDFI Fund Mission and Study Mandate – Summary of the overall CDFI Fund mission and outline of the major requirements established by Congress in Public Law 103-325.
- Workshop Process and Stakeholders – A summary of the process and principles that drive the workshop approach, as well as a listing of the major stakeholders involved in and affected by the proceedings of this report.
- Definitions – Definitions of terms used in defining barriers, impacts, strategies and actions as well as the responsibility and time frame codes used for the action planning step in the workshop process.
- Workshop Participants – A summary of the breakdown of the major types of stakeholders involved in the workshop.



- Workshop Agenda – The agenda for the two day session, noting the emphasis on team break-out sessions and presentations for maximum interaction among stakeholders, sharing of ideas and concerns, and bottom up planning on solutions to overcome identified barriers.
- Issues, Ideas and Remarks – Selected quotes from the court reporter transcript that represent the voices and visions of participants during the presentation segments of the workshop.
- Barriers and Impacts by Teams – A listing of the complete range of barriers and their related impacts developed by teams during the initial break-out sessions.
- Top Five Priority Barriers by Teams – The rank order priority barriers established by each team after reviewing and rating the entire range of barriers and impacts identified in the previous section.
- Priority Barriers and Their Impacts – A summary of the related impacts for each of the rank order priority barriers identified by each of the teams.
- Team Strategies and Actions – The strategies and action plans developed by the teams for each of the top five priority barriers. The action plans include identification of responsible parties and implementation timeframes.
- Participants – A list of workshop participants and their organizations.

## **DISCLAIMER**

The contents of this report represents the recorded results of regional workshop proceedings. Materials in this report are derived from professional court reporter transcripts of proceedings, as well as presentation materials (flipcharts) prepared by workshop participants. As such, it is an authentic summary of participant issues and ideas and does not represent the policy or position of the U.S. Department of the Treasury.

## **CREDITS**

The CDFI Fund expresses its deepest appreciation to the Affiliated Tribes of Northwest Indians and its Economic Development Corporation without whose extensive efforts this regional workshop would not have been possible.

## **WORKSHOP FACILITATOR**

Charles W. Johnson, The Johnson Strategy Group, Inc.



# TABLE OF CONTENTS

INTRODUCTION.....	1
ISSUES, IDEAS AND REMARKS.....	5
BARRIERS AND IMPACTS BY TEAMS .....	8
TOP FIVE PRIORITY BARRIERS BY TEAMS .....	17
PRIORITY BARRIERS AND THEIR IMPACTS .....	18
TEAM ONE STRATEGIES AND ACTIONS .....	22
TEAM TWO STRATEGIES AND ACTIONS .....	27
TEAM THREE STRATEGIES AND ACTIONS.....	31
TEAM FOUR STRATEGIES AND ACTIONS.....	38
PARTICIPANTS.....	46





# INTRODUCTION

## CDFI FUND MISSION

The Community Development Financial Institutions (CDFI) Fund mission is to promote access and local economic growth by directly investing in and supporting community development financial institutions (CDFIs) and expanding financial service organizations' lending, investment, and service within under-served markets.

## NATIVE AMERICAN LENDING STUDY MANDATE

Public Law 103-325-SEPT. 23, 1994 (108 STAT. 2187)

SEC.117.(c) Native American Lending Study –

(1) In General. – The Fund shall conduct a study on lending and investment practices on Indian Reservations and other land held in trust by the United States. Such study shall –

(A) identify barriers to private financing on such lands; and

(B) identify the impact of such barriers on access to capital and credit for Native American populations.

(2) Report. – Not later than 12 months after the date on which the Administrator is appointed, the Fund shall submit a report to the President and the Congress that-

(A) contains the findings of the study conducted under paragraph (1);

(B) recommends any necessary statutory and regulatory changes to existing Federal programs; and

(C) makes policy recommendations for community development financial institutions, insured depository institutions, secondary market institutions and other private sector capital institutions to better serve such populations.

## WORKSHOP PROCESS

To assist in completing the study, the Fund is developing strategies and action plans to address key financing barriers and their impacts. These are being developed through thirteen regional workshops and one round table workshop in Washington, D.C. The regional workshops have the following major features:



1. Invitations to key stakeholders, including Native American organizations and populations, private for-profit and not-for-profit financial institutions, Federal financial regulatory agencies, and State/local agencies involved in the financing and economic development arena.
2. Workshops considered all types of lending and investing.
3. Ninety percent of the workshop involved break-out sessions where participants defined barriers, their impacts, strategies and action plans. Participants were encouraged to define solutions and strategies, not just problems and barriers.
4. Complete recording of results using professional court reporters and flipchart summaries of break-out sessions deliberations.
5. Maximum face-to-face networking among participants, resulted in two-way education and building a foundation for future partnerships.
6. Results and relationship development are expected to have a “shelf-life” beyond the workshops and reports to Congress and the White House.

## **STAKEHOLDERS**

- U.S. President
- U.S. Congress
- Tribes and Native American Organizations
- Not-for-Profit Organizations
- Federal Financial Regulatory Agencies
- Federal Agencies
- Financial Institutions
- Secondary Market Organizations
- State Agencies

## **PARTICIPANT STATISTICS**

Of the 50 participants attending the workshop:

- 26 were from Tribes
- 13 were from the private sector
- 11 were from the Federal, public, not-for-profit or educational sectors





## DEFINITIONS OF TERMS

The following definitions were used by workshop participants and apply to this report:

- Barrier** Any impediment to lending and investment practices on Indian Reservations and other land held in trust by the United States. Barriers occur in a variety of forms, including Tribal, private sector, not-for-profit, State, Federal and regulatory settings.
- Impact** The effects on Native American populations on the inability to gain access to credit or capital for many types of financing or lending purpose. Each barrier can have more than one impact.
- Priority** The top five barriers in rank order with 1 being the highest priority.
- Strategy** A well thought out course of action to be taken to remove barriers and minimize their impacts. Strategies are generally longer term, involve a variety of resources and move toward measurable results. Each priority barrier can have more than one strategy.
- Action** The implementation of a strategy, having an outcome, a responsible party and a schedule for completion.
- Responsibility** The party or parties accountable for completing an action. For the purposes of this report, the following responsibility parties are used:
- Federal Agency (SBA, BIA, CDFI Fund, HUD, etc.)
  - Federal Regulatory Agency (Federal Reserve System, Office of Thrift Supervision, FDIC, etc.)
  - Financial Institution (commercial bank, credit unions, savings & loan, etc.)
  - Intertribal Organization (Inter-Tribal Council, Tribal business association, etc.)
  - Other (specify)
  - State Entity (State government, State Financing Authority, etc.)
  - Tribal Entity (Tribal government, Tribal enterprise, etc.)
  - U.S. Congress
  - U.S. President

**Time Frame** Time frames are as follows:

- Short term or up to 1 year
- Medium term or from 1 to 5 years
- Long term or 6 plus years





**WORKSHOP AGENDA**  
**CDFI FUND NATIVE AMERICAN LENDING STUDY/ACTION PLAN**  
**NORTHWEST REGION WORKSHOP**  
**Seattle, Washington**  
**March 24 – 25, 1999**

This agenda is not designed as a conference or panel of speakers, but a workshop where participants, through facilitated workgroups, will identify barriers to accessing capital and credit on Indian Reservations, describe the impacts of such barriers, and create strategies and action plans to overcome barriers.

Wednesday, March 24

- 7:45 A.M. Continental Breakfast
- 8:30 Opening: Greeting and Remarks
- 8:45 Welcome and CDFI Fund/Process Overview – Rodger Boyd, Program Manager, CDFI Fund
- 9:15 Workshop Ground Rules and format – Facilitator
- 9:30 Team Break-out No. 1: Identification of Barriers, Impacts and Priorities
- 11:30 Team Presentations of Barriers, Impacts and Priorities
- 12:15 P.M. Lunch
- 1:15 Guidelines for Developing Strategies
- 1:30 Team Break-out No. 2: Strategies Development
- 4:00 Team Presentations of Strategies
- 5:00 Adjourn

Thursday, March 25

- 7:45 A.M. Continental Breakfast
- 8:30 Opening-Recap of Strategies from Day One – Rodger Boyd, CDFI Fund
- 8:45 Guidelines for Creating Action Plans – Facilitator
- 9:00 Team Break-out No. 3: Action Plans
- 11:30 Team Presentations of Action Plan
- 12:15 P.M. Open Forum (any remaining issues or opportunities)
- 1:00 Closing Remarks and Adjournment – Rodger Boyd, CDFI Fund





**OVERVIEW**

In order to provide a sense of the perspective and passions of participants, selected quotes from participant presentations have been abstracted from the court reporter transcript. This is a representative mix of the voices and visions and helps tell the story about concerns raised during the course of the workshop.

*“Housing is a cornerstone of economic development. If people don’t have a place to live, there’s not going to be a business operated within that area that you’re trying to develop. It takes consumers to buy whatever that business is selling or developing. So, if there’s no housing, no people; no people, no business.”*

—Torriss McCall, U.S. Bank

*“On average, a mortgage should close within approximately 30 days; 45 days on the outside; 60 days if it’s a government loan. But five months, a year or more, that’s ridiculous. You can’t possibly package and sell the secondary market in the time frames that BIA has constricted the industry to.”*

—Torriss McCall, U.S. Bank

*“One of our big issues also we mentioned was the BIA with respect to mortgage lending and that is particularly with respect to accuracy and delivering certified TSRs (Title Status Reports) and also the timing on credit reviews for individual trust loans.”*

—Beth Castro, Washington Mutual Bank

*“We’re only going to be here for so long, but we need to start working with young people, you know, the kids, and that’s part of your vision here and I want to see that continued further.”*

—Mark Madsen, Jamestown S’Klallam Tribe

*“. . . education, education, education is really, really an important issue.”*

—Kendra Waggoner, First Federal Savings and Loan

*“Our group felt that education was our No. 1 priority. . . . We’re talking about Tribal leaders being educated as to what is needed to get loans, what processes you have to go through; the lenders as to how Tribes are run, what our Tribal codes are . . .”*

—Sharon Holmdahl, Colville Tribal Credit

*“Lack of our Tribal planning . . .when I go into a Tribal setting sometimes it’s difficult to pinpoint who I should talk to. It’s sometimes difficult to identify what process I’m supposed to follow . . . sometimes sufficient planning is not there to expedite things.”*

—Ralph Honhongva, The National Center for American Indians



*“ . . . we’d like to encourage Tribes to establish economic development corporations, separating the Tribal politics from the Tribal business, and also create a consortium or utilize the National Center to fund an economic development consortium or a loan pool that different Tribes could tap.”*

*—Craig Nolte, The Federal Reserve*

*“Our Tribe doesn’t have a separation of powers. Council is all, they’re all the power. They hire the judge, they fire the judge; they do everything. . . when you try to put together a legal infrastructure that’s a responsible one, sometimes you have council members that don’t want to do that because of personal reasons, and it’s a difficult issue. . . . So, we’re addressing that right now at our Tribe, separation of powers so you can have bodies doing their job and not threatened by political. . . exclusion.”*

*—Clayton Finkbonner, Lummi Nation*

*“ . . . you need to ensure that the policies are in place that bridge the administrations and councils; both banks, Tribes and Feds. So that as people are constantly revolving and going in and out, the policies will already be in place so you have something to fall back on.”*

*—Justin Parker, Makah Tribal Council*

*“There’s a desperate need for a central database of fractionated lands either on Reservations or locally.”*

*—Dave Tovey, Umatilla Tribes*

*“Education. Regional training for credit officers, Tribal credit officers, and also a creation of a regional association of Tribal credit enterprises. . . . this is the first time I’ve met some of the credit officers from Tribal credit enterprises here, and it’s really exciting to see them here, but I think they’re all set up separately and I think an association might be real helpful for training, for collaboration, for working with other banks, for partnerships. And also an exchange program between Tribal credit enterprises and non-tribal credit entities, financial entities, banks, more or less.”*

*—Dave Tovey, Umatilla Tribes*

*“ . . . the Indian Tax Status Act gave Tribes the ability for tax exempt financing for infrastructure purposes. . . . the Securities Act of 1935 exempted State and local governments from registering their securities through the [SEC]. A very expensive process. And the change in Indian Tax Status Act did not change the Act of ’35 so that the Tribes are limited to marketing their debt either using somebody else’s exemption, such as the bank holding company exemption, and they avail themselves of that through a use of a letter of credit, but that adds one to one and a half percent to the cost of money annually over the life of the loan, or they are restricted to private placements, which greatly narrows the market for the debt and commensurately increases the cost of it.”*

*—Scott Clements, Clements Partners*



*“ . . . reinstate the BIA CEDGP grant. It was a fantastic grant. It funded economic development in Indian Country and it was a five year grant. . . . It wasn't a great deal of money, it was 78,000 up to 115,000 for a five-year period, but that could be one of the goals under that grant again if we could get that reinstated.*

*The economic development block grant is what it was called. We were in the third year of that five-year grant, and all of a sudden funding was pulled. We lost all the staff. That kind of stuff happens to us in Indian Country, and it's just no wonder we don't go anywhere, you know, if the government is going to support you like that, that you get structured and then they pull the rug out from underneath you. . . .”*

*—Jeff Watkins, Tulalip Tribes*

*“ . . . I hope that we can continue to move forward together with the banks, with the Federal agencies, with the surrounding communities because we're all affected and we all need to work on identifying these problem areas and finding the solutions.*

*Our Tribe, the Quileute Tribe, has got 65 percent unemployment. So, we're working on plans right now to try to create more employment opportunities, more individual business opportunities. . . .”*

*—Walter Jackson, Quileute Tribe*







## OVERVIEW

Immediately after introductory remarks and presentation of workshop guidelines, participants were organized into teams, with each team representing a proportionate mix of stakeholder types who attended the workshop. Teams identified as many barriers and their related impacts as they could so as to provide an understanding of the issues that drive needed changes.

# BARRIERS AND IMPACTS BY TEAMS

# 1

## TEAM

<b>BARRIERS</b>	<b>IMPACTS</b>
1. Trust land status when it comes to doing collateralized credit on Indian land	<ul style="list-style-type: none"> <li>• Few single family residential and multifamily mortgages</li> <li>• Tribal economic development slows down</li> </ul>
2. Lack of Tribal legal infrastructure or different legal/judicial system	<ul style="list-style-type: none"> <li>• The Tribe must allocate legal resources</li> <li>• Tribes can't get access to housing or consumer lending and they risk the loss of trust land</li> <li>• Banks are not delivering loans and are not able to foreclose or collect</li> </ul>
3. Tribal politics or change within an organization	<ul style="list-style-type: none"> <li>• Affects administration changes, impedes outreach, and project development</li> </ul>
4. Internal changes in banks	<ul style="list-style-type: none"> <li>• The relationship you have with the bank changes when your banker changes</li> </ul>
5. Cost vs. benefit: <ul style="list-style-type: none"> <li>• Volume drives a banker and volume benchmarks are hard to achieve</li> <li>• Costly for banker to bring up new programs</li> </ul>	<ul style="list-style-type: none"> <li>• This creates an under-served market</li> </ul>
6. Lack of understanding between banks and Tribes of each others "culture"	<ul style="list-style-type: none"> <li>• Failure to communicate</li> </ul>

*"We're only going to be here for so long, but we need to start working with young people, you know, the kids, and that's part of your vision here and I want to see that continued further."*  
 –Mark Madsen,  
 Jamestown S'Klallam Tribe



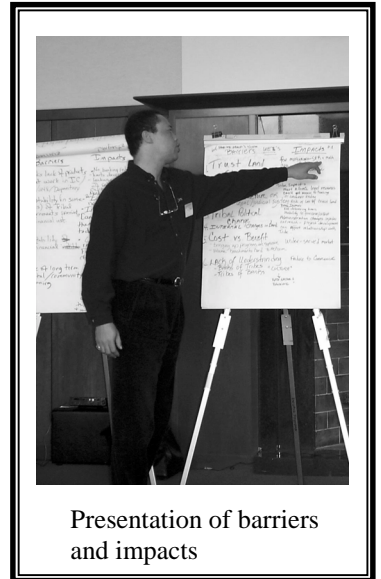
<b>BARRIERS</b>	<b>IMPACTS</b>
7. Borrowers are not ready to buy a home due to lack of education about credit issues and what it takes to become a home owner	<ul style="list-style-type: none"> <li>• Loans are denied</li> <li>• Attempts at home buying fail</li> <li>• Borrower has no access to capital</li> </ul>
8. Lack of communication between bank department and between banks	<ul style="list-style-type: none"> <li>• Creates misunderstandings, lack of trust and loss of business</li> <li>• Damages relationship building</li> </ul>
9. Different requirements for different types of lending, within the bank and between banks	<ul style="list-style-type: none"> <li>• Discourages Tribes and the lending process</li> </ul>
10. Lack of Tribal uniformity between Tribes – different structures and laws	<ul style="list-style-type: none"> <li>• This discourages lenders and creates confusion</li> </ul>
11. BIA accuracy and delivery of certified TSRs (Title Status Reports), and timing on credit reviews for individual trust loans	<ul style="list-style-type: none"> <li>• Slows down the mortgage process</li> </ul>
12. Sovereign immunity	<ul style="list-style-type: none"> <li>• Creates confusion</li> </ul>

*“ . . .education, education, education is really, really an important issue.”*  
*–Kendra Waggoner, First Federal Savings and Loan*



# 2 TEAM

<b>BARRIERS</b>	<b>IMPACTS</b>
1. Lack of defined and sound business regulations and the infrastructure that goes with that (i.e., codes, courts)	<ul style="list-style-type: none"> <li>• No business growth</li> <li>• Lack of opportunities for employment</li> </ul>
2. Collateral and trust land issues due to checkerboard land ownership patterns and allotted vs. unallotted lands	<ul style="list-style-type: none"> <li>• Hinders access to financing</li> <li>• Hinders the ability to develop certain parcels of land</li> </ul>
3. Lack of education and experience by Tribal members and young entrepreneurs	<ul style="list-style-type: none"> <li>• Hinders lending opportunities for Tribal development and for Tribal members</li> </ul>
4. Internal and external political instability (changes in the council and changes in government policies)	<ul style="list-style-type: none"> <li>• Resources such as money, energy and time are wasted</li> <li>• There is an increased perception of risk</li> </ul>
5. The lack of a physical infrastructure	<ul style="list-style-type: none"> <li>• Hinder business and homes development on the Reservation</li> </ul>
6. The lack of human and financial resources	<ul style="list-style-type: none"> <li>• The Tribes are unable to develop a diversified economy</li> </ul>
7. There is no game plan in effect by government regulatory agencies for when a small business gets started	
8. There is no centralized, up-to-date information on Tribal education, employment and natural resources	<ul style="list-style-type: none"> <li>• Lack of understanding by banks</li> </ul>







BARRIERS	IMPACTS
1. There is no ownership in Tribal land; it requires cash flow/revenue from trust lands to help	<ul style="list-style-type: none"> <li>• The younger generation has to wait for land transfer from heirs</li> </ul>
2. The lack of uniform commercial codes	<ul style="list-style-type: none"> <li>• A lack of outside investment</li> </ul>
3. Fractionated interest in trust land, undivided interest	<ul style="list-style-type: none"> <li>• Creates an inability to mortgage or utilize land holdings as security for loans</li> <li>• It divides families</li> <li>• People have no control over their assets because they have to negotiate with other owners of that undivided interest</li> </ul>
4. High transaction costs for Tribal governments (Tribes have to allocate staff time and resources to develop a relationship with a bank)	<ul style="list-style-type: none"> <li>• Creates financial burden if Tribes do not have the money to pay for these costs</li> <li>• There is an inequity between Tribes and the broader society (entities outside Indian country do not have to bear these costs)</li> <li>• Makes getting individual loans even more difficult</li> </ul>
5. Not being able to work with one bank person through the entire loan process with a Tribal member	<ul style="list-style-type: none"> <li>• It is a waste of the Tribal member's time and discourages people from trying to get a loan</li> <li>• If the bank person changes, terms can get changed</li> <li>• The individual borrower's character gets lost</li> <li>• There is a lack of trust by both parties</li> </ul>
6. Lack of knowledge in lending on Indian Reservations by the conventional real estate market, i.e., titles, real estate appraisal	<ul style="list-style-type: none"> <li>• No conventional homes in Indian country -it requires HUD's mutual help</li> <li>• People having to accept homes they're not satisfied with such as mobile or cluster homes</li> </ul>

***“Our Tribe, the Quileute Tribe, has got 65 percent unemployment.”  
– Walter Jackson, Quileute Tribe***



Break-out session



<b>BARRIERS</b>	<b>IMPACTS</b>
7. No Credit Reinvestment Act involvement and effectiveness	<ul style="list-style-type: none"> <li>• Lack of knowledge within the banks on how to lend and work with Indian country</li> </ul>
8. The Tribes have no process for foreclose on trust property	<ul style="list-style-type: none"> <li>• Banks are reluctant to give loans</li> </ul>
9. Lack of knowledge by Tribal courts in dealing with foreclosures	<ul style="list-style-type: none"> <li>• Tribal courts are not contributing to the process of greater access to outside lending</li> <li>• Lenders won't lend</li> <li>• There is a higher cost to the Tribal courts in assuming jurisdictional authorities</li> </ul>
10. The Small Business Association (SBA) is prohibited from guaranteeing loans to Tribal governments	<ul style="list-style-type: none"> <li>• Some Tribes won't even apply for SBA loans</li> <li>• Banks won't lend to Tribes that won't separate enterprises from their government funding</li> </ul>
11. Banks cannot sell Indian residential mortgages on the secondary market	<ul style="list-style-type: none"> <li>• A majority of people have to go to Tribal credit entities to get a loan and these entities have limited resources and become tapped out</li> </ul>
12. Banks fear the Tribal court system	<ul style="list-style-type: none"> <li>• Fewer loans</li> <li>• This does not allow for any complexities within a loan to be adjudicated in Tribal court</li> <li>• Tribal communities are forced to waive partial sovereign immunity</li> </ul>
13. There is the lack of a ratified treaty which underscores that each Tribe is unique and has different needs and barriers	<ul style="list-style-type: none"> <li>• Inability by Tribes to access credit</li> </ul>
14. A lack of collateralization due to the limited land base	<ul style="list-style-type: none"> <li>• Limits Tribal members' access to loans</li> </ul>



<b>BARRIERS</b>	<b>IMPACTS</b>
15. Tribal credit officers' lack knowledge regarding lending for business and economic development loans (to work with Tribal members)	<ul style="list-style-type: none"> <li>• There's an unwillingness to provide credit to improve the quality of life</li> <li>• There's an expectation that the Tribal government will provide</li> </ul>
16. Lack of knowledge by Tribal members on how to deal with the broader banking community	<ul style="list-style-type: none"> <li>• Small or insignificant private sector in Indian country</li> </ul>









<b>BARRIERS</b>	<b>IMPACTS</b>	<i>“... we’d like to encourage Tribes to establish economic development corporations, separating the Tribal politics from the Tribal business. . .” —Craig Nolte, The Federal Reserve</i>
1. Remoteness of banks from Tribes; no retail delivery systems on the Reservation	<ul style="list-style-type: none"> <li>• There is no convenient physical access to banking services</li> </ul>	
2. Red tape involved with banks and SBA for financing business	<ul style="list-style-type: none"> <li>• Lack of timeliness discourages applicants</li> </ul>	
3. There is a lack of collateral because of the difficulty in using trust lands as collateral	<ul style="list-style-type: none"> <li>• This creates a high, unacceptable risk for the lender</li> <li>• Inability to foreclose on trust lands</li> </ul>	
4. Limited marketability of collateral (Is there a market for the collateral that might be used?)	<ul style="list-style-type: none"> <li>• Perceived as higher risk which results in very few loans</li> <li>• Limits the ability to develop equity in manufactured homes or a home on the Reservation</li> </ul>	
6. Lack of Tribal foreclosure and lending laws	<ul style="list-style-type: none"> <li>• The lender sees this as a high risk</li> </ul>	
7. Lenders’ lack of understanding of Tribal laws	<ul style="list-style-type: none"> <li>• Costly and time consuming for the lender to learn the laws of each Tribe resulting in lower profit for the lender</li> </ul>	
8. Insufficient Tribal support or Tribal guarantees	<ul style="list-style-type: none"> <li>• Limits access to financing</li> </ul>	
9. Lenders lack experience in lending to Tribes and Tribes lack experience in working with lenders	<ul style="list-style-type: none"> <li>• Creates frustration, discouragement, lack of trust</li> <li>• There is no relationship development</li> </ul>	
10. Tribes are considered “wards” of the government	<ul style="list-style-type: none"> <li>• Limits access to financing</li> </ul>	

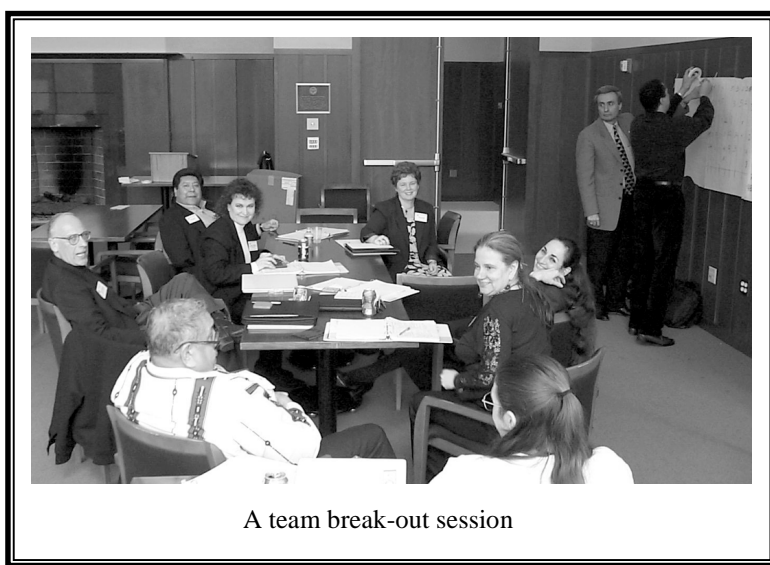


<b>BARRIERS</b>	<b>IMPACTS</b>
11. Tribal politics vs. business management	<ul style="list-style-type: none"> <li>• Tribal politics influence business development and business operation on the Reservations</li> </ul>
12. The government and other programs focus on specific things that the government and the program thinks is a priority	<ul style="list-style-type: none"> <li>• Limits the Tribe's ability to consider broader community needs</li> </ul>
13. Lack of infrastructure to support development: roads, sewer, water, telecommunications, social systems	<ul style="list-style-type: none"> <li>• The community is unable to develop</li> <li>• The cost to develop is increased</li> </ul>
14. Tribal sovereign immunity	<ul style="list-style-type: none"> <li>• It is limited and has no recourse</li> <li>• Financial institutions cannot access the courts to resolve disputes</li> <li>• Higher risk for the lender</li> </ul>
15. Tribes lack access to community based organizations and technical assistance training	<ul style="list-style-type: none"> <li>• This limits support and resources for the Tribe</li> </ul>
16. There are few Indian bankers	<ul style="list-style-type: none"> <li>• No bridge is developed between the financing community and the Tribal community</li> <li>• Tribal members feel uncomfortable and avoid interaction with banks because there is no one they can relate to</li> </ul>
17. Ineffective tax incentives for investing in Indian country	<ul style="list-style-type: none"> <li>• There is limited investment in Indian country</li> </ul>
18. Borrower profiles	<ul style="list-style-type: none"> <li>• Applicants don't qualify</li> </ul>
19. Underwriting standards are written by non-Indians	<ul style="list-style-type: none"> <li>• The standards may not be applicable in Indian country so no loans are made</li> </ul>

*“Our Tribe doesn’t have a separation of powers. Council is all, they’re all the power. They hire the judge, they fire the judge; they do everything. . .”*  
*-Clayton Finkbonner, Lummi Nation*



<b>BARRIERS</b>	<b>IMPACTS</b>
20. Housing affordability standards under the old IHA (Indian Housing Authority) programs are not applicable in traditional banking	<ul style="list-style-type: none"> <li>• Applicants have unrealistic payment expectations or “payment shock”</li> </ul>
21. The lack of advocates at the Tribal level to help applicants plan for and meet financial regulations	<ul style="list-style-type: none"> <li>• Status quo</li> </ul>
22. The banks lack products that work in Indian country, i.e., 184 or 248 housing programs	<ul style="list-style-type: none"> <li>• No banking relationship is developed</li> <li>• Development is limited</li> <li>• There is money flowing from the Reservation that could be captured</li> </ul>
23. Perceived instability of Tribal governments and financial institutions	<ul style="list-style-type: none"> <li>• There is an impact on trust – “Can I trust that the agreement we strike today will hold tomorrow?”</li> <li>• Loss of developed relationships</li> </ul>
24. Tribes lack long term capital and community planning	<ul style="list-style-type: none"> <li>• Lack of continuity when Tribal governments change</li> <li>• Lack of tools to coordinate Tribal activities and communicate that to the outside world and new leadership</li> </ul>





## OVERVIEW

After identifying as many barriers as possible, teams were asked to establish a rank order of the top five barriers using a weighted rating system where each participant, basically, voted on the relative importance of the barriers. This section summarizes the rank order priorities of the barriers by team with number one being the most important and number five being the fifth in importance.

## TOP FIVE PRIORITY BARRIERS BY TEAMS

	<b>1</b> TEAM	<b>2</b> TEAM	<b>3</b> TEAM	<b>4</b> TEAM
<b>ONE</b>	<b>Trust Land Status and the BIA</b>  Trust land issues and the role of the BIA in the whole process	<b>Education</b>  Educate Tribes about loans and credit; educate lenders and government about Tribes	<b>Legal</b>  No Tribal commercial code, no process for foreclosure and Tribal courts are ill prepared to handle commercial issues	<b>Legal Infrastructure</b>  Banks and Tribes do not understand each others legal infrastructure
<b>TWO</b>	<b>Banking and Tribal Non-Standardized Legal Infrastructure</b>  No Uniform Commercial Codes, no foreclosure or repossession processes	<b>Lack of Sound Business Regulations and Infrastructure on the Reservation</b>  No Uniform Commercial Codes, no foreclosure or repossession processes	<b>Land</b>  Individual ownership of land, fractionated rights, and inability to use land as collateral	<b>Communication/ Relationships</b>  There is limited communication and relationships between Tribes and banks
<b>THREE</b>	<b>Lack of Education</b>  What it takes to get a loan for a home	<b>Internal and External Political Instability</b>  People revolve in and out of Tribes, banks and Federal offices	<b>Education</b>  For lenders and Tribes	<b>The Banking System</b>  There is limited understanding of the banking systems
<b>FOUR</b>	<b>Cost vs. Benefit</b>  The cost of loaning to Tribes is greater than the benefits to banks	<b>Lack of Human and Financial Resources on the Reservation</b>  Not enough people or money to develop diversified economies	<b>Banking Practices</b>  High transaction costs for banks and Tribes; bank lending departments use different criteria; and CRA ineffectiveness	<b>Collateral</b>  Difficulties using trust land as collateral
<b>FIVE</b>	<b>Banks and Tribal Organizations and Political Changes</b>  Goals, infrastructures, focus, parameters change as organizations change	<b>Trust Land Collateral Issues</b>  Trust lands, individual ownership of land and checkerboard land ownership patterns	<b>Regulatory</b>  Banks try to do SBA loans. Not enough volume for residential mortgages to be sold on the secondary market	<b>Tribal Governance and the Lack of Tribal Planning</b>  Changing leadership and the lack of infrastructure on the Reservation





## OVERVIEW

For each of the top five priority barriers listed in the previous section, a summary of their impacts is listed. These impacts assist in understanding the effects of the barriers that need to be overcome in identifying solutions and strategies for change.

### PRIORITY BARRIERS AND THEIR IMPACTS

# 1 TEAM

	BARRIERS	IMPACTS
1	Trust Land Status and the BIA	<ul style="list-style-type: none"> <li>• The process gets slowed down resulting in fewer mortgages</li> <li>• Slows Tribal economic development</li> <li>• Slows the ability to create jobs</li> <li>• Slows the ability to create income</li> </ul>
2	Banking and Tribal Non-standardized Legal Infrastructure	<ul style="list-style-type: none"> <li>• There are few lending opportunities</li> <li>• Confusion is created</li> <li>• The risk of losing trust land if the loan isn't paid.</li> </ul>
3	Lack of Education	<ul style="list-style-type: none"> <li>• Lack of Tribal Home Buyer Education (HBE) programs</li> <li>• Lack of credit counseling</li> <li>• Limited understanding of different lending criteria</li> <li>• Limits the Tribe's ability to get housing, car and business loans</li> </ul>
4	Cost vs. Benefit	<ul style="list-style-type: none"> <li>• Under-served market</li> <li>• New programs are expensive to create (administrative costs, personnel costs, salary and time to implement a new program) for a few loans</li> <li>• People are having difficulty getting loans</li> </ul>
5	Banks and Tribal Organizations and Political Changes	<ul style="list-style-type: none"> <li>• Affects bank/tribal relationships and outreach efforts</li> <li>• The faces at the table change</li> </ul>





BARRIERS		IMPACTS
1	Education	<ul style="list-style-type: none"> <li>• Hinders lending opportunities for Tribal development and for individuals</li> <li>• Lack of education for Tribal leaders as to what is needed to get loans</li> <li>• Lack of education for lenders as to how Tribes are run</li> <li>• Lack of education for the State and Federal agencies</li> </ul>
2	Lack of Sound Business Regulations and Infrastructure on the Reservation	<ul style="list-style-type: none"> <li>• Bankers don't feel comfortable lending to Tribes without UCCs, mortgage foreclosure and eviction processes</li> <li>• Banks' inflexibility regarding loan requirements</li> <li>• There is no business growth or employment</li> <li>• Affects policy, legal systems, commerce, planning and regulation</li> </ul>
3	Internal and External Political Stability	<ul style="list-style-type: none"> <li>• Resources, finances, energy, time, and opportunities are wasted</li> <li>• Increases the perception of risk</li> <li>• Tribal members are in a constant state of flux because many councils change annually or biannually</li> </ul>
4	Lack of Human and Financial Resources on the Reservation	<ul style="list-style-type: none"> <li>• As long as Tribe's can't get financial resources, they cannot develop Reservations economically so they will continue to lack human and financial resources</li> <li>• The Tribe is unable to develop diversified economies</li> <li>• The Tribe is unable to develop financial resources in order to qualify for credit</li> </ul>
5	Trust Land Collateral Issues	<ul style="list-style-type: none"> <li>• Limits access to financing</li> <li>• Hinders the ability to develop certain parcels of land</li> <li>• Hinders the ability to use land as collateral</li> </ul>







BARRIERS		IMPACTS
1	Legal	<ul style="list-style-type: none"> <li>• Lenders are reluctant to lend (fear of Tribal courts' fairness or ability)</li> <li>• Lenders won't allow any complexities within a loan to be adjudicated in Tribal court</li> <li>• Burden to Tribal courts</li> <li>• Higher cost in assuming jurisdictional authorities</li> <li>• Hinders outside investment</li> </ul>
2	Land	<ul style="list-style-type: none"> <li>• Creates an inability to mortgage or utilize land holdings as security for loans</li> <li>• Divides families</li> <li>• People have no control over their assets; they have to negotiate with other owners of that undivided interest</li> <li>• The real estate industry doesn't understand Indian land</li> <li>• Title insurance companies don't understand how to get land in the name of the a Tribe</li> </ul>
3	Education	<ul style="list-style-type: none"> <li>• Lack of education for Tribal and non-tribal loan officers to do business on Tribal land</li> <li>• Tribal members don't understand banking</li> <li>• Affects business and the community</li> </ul>
4	Banking Practices	<ul style="list-style-type: none"> <li>• Transaction costs on the bank side and the Tribal side</li> <li>• Who do you go to in the bank to get a decision?</li> <li>• The effectiveness of the Credit Reinvestment Act</li> </ul>
5	Regulatory	<ul style="list-style-type: none"> <li>• Banks try to do SBA loans (not good)</li> <li>• Residential mortgages cannot be sold on the secondary market</li> <li>• Banks want volume and loan fees (If they can't get the loan fees, they dump the portfolio.)</li> </ul>



# 4 TEAM

	BARRIERS	IMPACTS
1	Legal Infrastructure	<ul style="list-style-type: none"> <li>• The lack of Tribal lending laws</li> <li>• Banks are afraid to enter Reservations because they don't understand the legal structure and vice versa</li> <li>• Banks must learn <u>each</u> Tribe's laws</li> <li>• The different ways that sovereign immunity is used</li> </ul>
2	Communication/Relationships	<ul style="list-style-type: none"> <li>• Lack of trust development</li> <li>• Tribal politics vs. Tribal business</li> <li>• Lack of experience</li> <li>• Lack of Tribal advocates for effective housing/small business development</li> </ul>
3	The Banking System	<ul style="list-style-type: none"> <li>• Remoteness of retail delivery system</li> <li>• Few Indian banks</li> <li>• Lack of qualified borrowers</li> <li>• Inconsistency of bankers/loan officers</li> <li>• Red tape is viewed as something designed to keep Indians out of banks</li> </ul>
4	Collateral	<ul style="list-style-type: none"> <li>• Lack of collateral</li> <li>• Unable to use trust land as collateral</li> </ul>
5	Tribal Governance and the Lack of Tribal Planning	<ul style="list-style-type: none"> <li>• Lack of infrastructure on Reservations, i.e., roads, sewers, etc.</li> <li>• Different standards for development and building codes</li> <li>• Lack of procedures, processes and resources so that when leadership changes, the rules don't change</li> </ul>



## OVERVIEW

After prioritizing barriers and identifying the top five priority barrier impacts, the teams conducted two follow-up break-out sessions. The first session focused on identifying a range of strategies for each of the top five priority barriers. Each team then presented their strategies to the entire group and plenary session. The teams then returned to their break-outs and identified action plans, including responsibilities and time frames, for selected strategies. Please note that there may not be an action plan for every strategy since teams decided which are the most critical strategies that require action. Please refer to Definitions of Terms in the introduction for an explanation of responsibilities and time frames.

# TEAM 1 STRATEGIES AND ACTIONS

## BARRIER #1: TRUST LAND STATUS

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Delegate to local agency level for mortgage approvals	A real change in BIA policy	Federal Agency	Medium Term
B. More decentralization rather than centralization; Maybe even coming down to the Tribal level			
C. Unbundle land and improvements			
D. Define a process within the Tribe to address collateralizing issues	Hire the JFK School of Government to develop a model collateralization	Federal Agency	Medium Term
E. Tribes could set aside and retain fee land for collateral	Publicize and publish success stories of Tribes who have set aside fee land for collateral	Intertribal Org.	Short Term



## **BARRIER #2: BANKING AND TRIBAL NON-STANDARDIZED LEGAL INFRASTRUCTURE**

<b>STRATEGY</b>	<b>ACTION</b>	<b>RESPONSIBILITY</b>	<b>TIME FRAME</b>
A. Inventory Tribes' current codes and determine appropriateness	1. Inventory Tribal codes and update with an infusion of economic development funds to accomplish the inventory  2. Develop model regional Tribal codes to defray and leverage resources	Intertribal Org. Tribal Entity Federal Agency Fed. Reg. Agency	Medium Term
B. Educate lenders and Tribes on the existing legal environment			
C. Develop a workable business environment			
D. Define separation of power – legislative, executive, judicial	Enable Tribal legislation to separate the three branches of the government	Tribal Entity Federal Agency	Long Term
E. Utilize existing housing loan programs and adopt the model ordinance to fit the Tribe	Utilize existing housing loan programs and adopt the model ordinance to fit the Tribe	Tribal Org. Financial Inst.	Short Term



### BARRIER #3: LACK OF EDUCATION

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Indian CRA goals should be created for banks	<ol style="list-style-type: none"> <li>1. Recruit Native Americans into banking and support internships programs; get Native Americans on financial career tracks so they can move into upper management</li> <li>2. Create a partnership between the financial institutions, Tribes, intertribal organizations, regional and national organizations to deliver the consumer business financial education; this education can include the home buyer education models</li> </ol>	Intertribal Org. Financial Inst. Fed. Reg. Agency Tribal Entity	Medium Term
B. Create a better distribution channel for existing home buyer education information			
C. Involve youth and schools in financial and business education, i.e., Junior Achievement			
D. Involve Tribal leaders, lenders and other business partners in ongoing financing and business practices			
E. Tribes and banks continually share information about each others organizational structures			



**BARRIER #4: COST VS. BENEFIT**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Create internal and intertribal borrowing pools	Create venture capital pools for Native American investment and connect Tribes with existing venture capitalists	Financial Inst. Tribal Entity Intertribal Org.	Short to Medium Term
B. Redefine cost vs. benefit			
C. Banks expand their vision of portfolios (mixed)			
D. Utilize bonding programs for economic development			
E. Create partnerships to leverage resources for economic development			
F. Create a Tribal credit union or lending entity	Create Tribal lending entities	Intertribal Org. Tribal Entity Fed. Reg. Agency Financial Inst.	Medium to Long Term
G. Earmark Congressional funds specifically for economic development of activities on the Reservation using examples of NAHASDA			



## BARRIER #5: BANKS AND TRIBAL ORGANIZATIONS AND POLITICAL CHANGES

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Separate business Tribal entities from the Tribal Council	Tribes establish community development (CDC), economic development (EDC), and CDFI entities separate from the Tribal government	Tribal Entity Intertribal Org.	Medium Term
B. Establish centralized coordination or institutionalize into corporate culture			
C. Obtain commitments from Tribal leaders and corporate executives	Through coordinated efforts, obtain public commitments from Tribal leaders and bank executives to support Native American economic development initiatives	Tribal Entity Intertribal Org. Financial Inst. Fed. Reg. Agency	
D. Stabilize Tribal government by staggering terms			
E. Tribes could acquire banks or ownership interest (major shareholders) in banks			







**TEAM 2**  
**STRATEGIES**  
**AND ACTIONS**

**BARRIER #1: EDUCATION**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Create regional capacity building organization/ clearinghouse to work with Tribal leaders	Create regional capacity building organization/ clearinghouse to work with Tribes	Intertribal Org. Federal Agency Financial Inst.	Short term
B. Emphasize separation of politics and business	Create economic development councils to oversee economic development of the Reservation	Tribal Entity	Short to Medium Term
C. Develop Tribal and bank points of contact to facilitate understanding and shared responsibilities to educate regarding lending; work with CRA and supervisory agencies to further dialogue	Develop Tribal and bank points of contact	Tribal Entity Financial Inst.	Short Term
D. Relay Tribal specific information on resources available for consumers, small businesses, housing and larger projects to the Tribal community			



**BARRIER #2: LACK OF SOUND BUSINESS REGULATIONS AND INFRASTRUCTURE ON THE RESERVATION**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Identify resources to assist in the code, the courts, and the legal changes necessary to promote lending	Identify resources to assist in the code, the courts, and the legal changes necessary to promote lending	Tribal Entity Intertribal Org. Federal Agency Financial Inst.	Short to Medium Term

**BARRIER #3: INTERNAL AND EXTERNAL POLITICAL INSTABILITY**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Ensure policies are in place that bridge changes in Tribal administration and councils, banks and the Feds	Devise policies that will survive changes in administration and councils so that the policies are constant even though the individuals may change	Tribal Entity Federal Agency Financial Inst.	Short to Medium Term



**BARRIER #4: LACK OF HUMAN AND FINANCIAL RESOURCES ON THE RESERVATION**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Direct funding to the Tribes instead of the State	Direct funding to the Tribes instead of the State	Federal Agency	Medium Term
B. Identify sources of external short-term and long-term financing including interest			
C. Extend term or funding cycles adequate for the project; go beyond the typical three years of funding for a project	Change Federal agency policies to allow long-term project support	Federal Agency Tribal Entity Intertribal Org.	Medium Term
D. Allow forward funding vs. reimbursement funding so that Tribes retain the interest earned	Allow forward funding	Federal Agency	Medium Term



**BARRIER #5: TRUST LAND COLLATERAL ISSUES**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Restructure the BIA to the local level offices for efficiency and effectiveness; bring it down to the ground level where work happens and decisions are made	Restructure the BIA to local level offices	Federal Agency Tribal Entity Intertribal Org. Congressional Action	Medium Term
B. BIA to become automated (Tribe by Tribe)	Change the BIA to automated systems	Federal Agency	Short Term
C. Tribal Councils develop a foreclosure ordinance, uniform codes, etc.	Tribal Councils develop uniform codes	Tribal Entity Intertribal Or. Federal Agency Financial Inst.	Medium term



**TEAM 3**  
**STRATEGIES**  
**AND ACTIONS**

**BARRIER #1: LEGAL**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Mediation alternatives or alternative dispute forum	Establish mediation alternatives or programs for dispute resolution to include financing, civil matters, multi-tribal or intertribal matters	Tribal Entity U.S. Congress	Medium Term
B. Model Tribal efforts: Congress identify model Tribes that have an evolved Tribal court and fund them to whatever they need to do for full civil jurisdiction; then other Tribes can see what it really takes to get to that point	Create Federal programs to fund no less than 3 model Tribal projects to assume full civil jurisdiction	U.S. Congress Federal Agency	Medium Term
C. ATNI bring Tribal courts and banks together to learn about Tribal court structure and process (legal and cultural issues) for lending in Indian Country	ATNI convene a meeting of Tribal courts and banks to promote understanding and provide networking opportunities; it would include a review of Tribal legal systems and practices, plus inventory and formalization of codes	ATNI Tribal Entity Financial Inst.	Short Term
D. Get information from other Tribes on what their legal practices are, related to TCC (or UCCs) and lending (codify their legal structures)			



STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
E. Use Tribal sovereignty by selective adoption of State UCCs			



## BARRIER #2: LAND

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. IIM account difficulties with recent changes in the BIA Administration	Address the BIA issues and take corrective action. Look at the inconsistencies and interpretation of their fiduciary responsibilities	Federal Agency U.S. Congress GAO	Long Term
B. Educate Tribal members about the OTFM and the changes to their payments schedule	IIMs to OTFM: work with OTFM on credit loans and educate Tribal members on IIMs	Federal Agency Tribal Entity	Short term
C. Teach the use of leasehold as an asset	Educate bankers and Tribal members on collateral, how to use leaseholds and identify them as assets having collateral value; create and continue creative dialogues	Tribal Entity Financial Inst. Federal Agency	Short Term
D. Automate the BIA	Recommend automation	Federal Agency U.S. Congress GAO	Long Term
E. Create a central database of fractionated land	BIA to create central database of fractionated land	Federal Agency U.S. Congress GAO	Long Term
F. Educate bankers on the options of collateral	Educate bankers and Tribal members on collateral, how to use leaseholds and identify them as assets having collateral value; create and continue creative dialogues	Tribal Entity Financial Inst. Federal Agency	Short Term
G. Recognize and support Northwest Area Foundation's efforts on Indian land tenure issues	Recognize and support Northwest Area Foundation's efforts on Indian land tenure issues	Tribal Entity Intertribal Org.	Short Term



### BARRIER #3: EDUCATION

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Provide regional training for Tribal credit officers	Create a regional association of Tribal credit enterprises and banks – one program would be an exchange or mentoring program to integrate Tribal reps with the financial system	Tribal Entity Financial Inst.	Medium Term
B. Create a regional association of Tribal and banking credit enterprises (helpful for training, collaboration and partnerships)			
C. Start a staff exchange program between Tribal credit enterprises and non-tribal credit entities	Provide credit education customized to Tribal members including: financial planning, home buyer education, credit counseling and training for credit officers	Federal Agency Financial Inst.	Long Term
D. Kick off the ATNI Finance Newsletter again, along with the web site; identify current players, success stories; reward successes	Kick off the ATNI Finance Newsletter again		
E. Develop ongoing financial planning programs and provide education tailor made for Indians, i.e. invest in trust property with assets instead of outside Tribal economy (based on return taxation, etc.)	Provide credit education customized to Tribal members including: financial planning, home buyer education, credit counseling and training for credit officers	Federal Agency Financial Inst.	Long Term





STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
F. Basic home buyer education classes (collaboration between banks), consumer credit counseling, etc	Provide credit education customized to Tribal members including: financial planning, home buyer education, credit counseling and training for credit officers	Federal Agency Financial Inst.	Long Term
G. More advocates for Tribal members' lending issues, regulatory	Advocacy for Tribal members helping them to navigate the systems and mediate between financing	Tribal Entity	Ongoing
H. Keep ONABEN alive			



## BARRIER #4: BANK PRACTICES

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Encourage the use of local, smaller community banks; spread your business around	Encourage partnerships between Tribes, small banks and large banks so the Tribes receive the benefits of the whole area of expertise. Large banks offer a broader spectrum of services but community banks offer a closer community contact	Tribal Entity Financial Inst.	Short Term
B. Banks partner with Tribal credit enterprises to share the cost of transactions	Banks partner with Tribal credit enterprises	Tribal Entity Financial Inst.	Medium Term
C. Use ATNI-EDC revolving loan fund (RLF) as a means of lowering risk and introducing banks to loan opportunities	Use ATNI and EDC revolving loan funds to decrease risks and introduce banks who aren't currently involved with Tribal lending	Tribal Entity Financial Inst.	Short Term
D. Tribes invest in bank stock			
E. Have a central, known access point within each bank (CRA vs. lending officer)	Encourage partnerships between Tribes, small banks and large banks; this provides a central access point for the banks and the Tribes	Tribal Entity Financial Inst.	Short Term



## BARRIER #5: REGULATORY

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. SBA make guarantees available for Tribal governments and their enterprises			
B. SBA 7J funding for ONABEN and similar programs in other regions			
C. Explore why so few Indian country loans are sold on the secondary market	Research why so few Indian country loans are sold on the secondary market	Fed. Reg. Agency Tribal Entity Financial Inst.	Medium Term
D. Turn the BIA into a partner			





**BARRIER #1: LEGAL INFRASTRUCTURE**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Get support from the U.S. Department of Justice, Tribal Division, to help Tribes develop the laws necessary to do business	Get support from the U.S. Department of Justice, Tribal Division, to help Tribes develop the laws necessary to do business	Federal Agency	Short Term
B. Develop training programs to educate Tribal leaders on the different options for laws they can adopt and develop a Tribal level consensus on the need for these laws, i.e., UCC and foreclosure laws	Develop a training program for Tribal leaders and legal staff for educational activities	Intertribal Org. Federal Agency	Short Term
D. Encourage partnerships between Tribes and bankers for the review of proposed ordinances to be sure the laws promote banking finance in Indian country	Develop a training program for Tribal leaders and legal staff for educational activities	Intertribal Org. Federal Agency	Short Term
E. Educate the banking community about the full impact of sovereign immunity	Educate the banking community about the full impact of sovereign immunity	Intertribal Entity Federal Agency Fed. Reg. Agency	Medium Term



STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
F. Tribes need to develop a dispute resolution process that can accommodate commercial involvement	Develop a training program for Tribal leaders and legal staff for educational activities	Intertribal Org. Federal Agency	Short Term
G. Develop a Tribal collaborative for the development of Tribal ordinances to help defray costs; Tribes could work through ATNI-EDC to develop the laws rather than each Tribe re-inventing the wheel	Develop a training program for Tribal leaders and legal staff for educational activities	Intertribal Org. Federal Agency	Short Term



**BARRIER #2: COMMUNICATION/RELATIONSHIPS**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Develop forum(s) for sharing of information to develop relationships	Create a committee to develop forums and other information exchange opportunities	Intertribal Org. Federal Agency Financial Inst. Tribal Entity Fed. Reg. Agency	Short Term
B. Tribes identify what their needs and motivations are, how and what institutions can fill those needs, and take action; banks can identify Tribes as viable economic units that justify investment of resources	Tribes identify what their needs and motivations are, how and what institutions can fill those needs, and take action	Tribal Entity Intertribal Org.	Short Term
C. Increase financial institution “sponsorship” of activities on the Reservation to promote relationship building and educate non-Tribal community about Tribal communities (“unveil the mystery”)	Create a committee to develop forums and other information exchange opportunities	Intertribal Org. Federal Agency Financial Inst. Tribal Entity Fed. Reg. Agency	Short Term
D. Develop Tribal internship programs that place Tribal college students at financial institutions	Work with Tribes and Tribal colleges to develop curriculum and internship programs to prepare students for positions within financial institutions	Financial Inst. Fed. Reg. Agency	Short Term



STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
E. Promote cultural exchange or education seminars that include financial institutions, Tribal members and decision makers	Create a committee to develop forums and other information exchange opportunities	Intertribal Org. Federal Agency Financial Inst. Tribal Entity Fed. Reg. Agency	Short Term
F. Tribal members mentor financial folks on Tribal operations	Create a committee to develop forums and other information exchange opportunities	Intertribal Org. Federal Agency Financial Inst. Tribal Entity Fed. Reg. Agency	Short Term





### BARRIER #3: THE BANKING SYSTEM

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Encourage development of Tribal capital or financial institutions	Create a program to provide funding to help in the development of Tribal credit organizations – this would provide administrative dollars for Tribes as well as organizations to provide training and technical assistance	Federal Agency	Medium Term
B. Promote mobile banking to bring retail banking closer to Tribes	Create tax incentives or promote existing mechanisms for banks to bring banking services to Reservations, even when it may not seem profitable	U.S. Congress	Short Term
C. The Tribal community will develop underwriting standards for single family loans to propose to financial communities and secondary markets			
D. Promote first time home buyer and personal financial management seminars that are accessible to Tribes	Tribe to appoint individual(s) to provide services: first time home buyer programs, consumer credit counseling, ombudsman to help Tribal members through the financing system	Tribal Entity	Short Term
E. Establish consumer credit counseling seminars			
F. Have an ombudsman at the Tribe to help people who are applying for loans			



STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
G. Train the trainer – Teach Tribal members how to originate/ prequalify for bank loans and maybe the bank could consider sharing the loan fee with the Tribe	Tribe to appoint individual(s) to provide services: first time home buyer programs, consumer credit counseling, ombudsman to help Tribal members through the financing system	Tribal Entity	Short Term
H. Tribes and banks develop a flow chart for decision making: What process is followed and the time involved to make that decision?	Tribes and banks develop a flow chart for decision making	Tribal Entity Intertribal Org. Financial Inst.	Short Term
I. Create a contact list of Tribes and banks for banking issues	Create a contact list of Tribes and banks for banking issues	Tribal Entity Intertribal Org. Financial Inst.	Short Term



**BARRIER #4: COLLATERAL**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Educate the financial community on how to use trust land as collateral	Develop training programs for financial institutions	Federal Agency	Short Term
B. Create a flow chart of the different types of land in Indian country and the process/ability to use that land as collateral			
C. Educate the financial community on non-traditional forms of collateral that could be used	Develop training programs for financial institutions	Federal Agency	Short Term
D. Mandate the BIA to improve the Title Status Report process	Mandate the BIA to improve the Title Status Report process and delegate the underwriting back to agency or Tribal level	Federal Agency	Short to Medium Term
E. Eliminate or delegate mortgage underwriting by the BIA to the agency level			
F. Encourage development of Tribal guarantees on an individual Tribal basis or through a consortium			
G. Develop individual development accounts (IDAs) to help Native Americans save money for their first home	Promote the use of individual development accounts in Indian country	Federal Agency Financial Inst. Fed. Reg. Agency	



**BARRIER #5: TRIBAL GOVERNANCE AND THE LACK OF TRIBAL PLANNING**

STRATEGY	ACTION	RESPONSIBILITY	TIME FRAME
A. Encourage Tribes to establish economic development corporations	Develop a White Paper on the advantages and disadvantages of economic development corporations	Intertribal Org.	Short Term
B. Create a consortium or utilize the NCAIED to fund economic development consortium or a loan pool that different Tribes could tap			
C. Develop model building codes for review/modification by Tribes	Develop model building codes and train Tribes on the use and benefits of these codes	Intertribal Org. Federal Agency	Medium Term
D. Educate Tribal members/leaders on the use and benefit of building codes			
E. Develop training for Tribes on the development of Tribal capital plans and budgets, and comprehensive community planning zoning	Develop training for Tribes on the development of Tribal capital plans and budgets, and comprehensive community planning zoning	Intertribal Org. Federal Agency	Medium Term
F. Encourage Tribes to develop “fast track” convenient permitting process so when developers come to the Reservation, they don’t have too many stops to make	Encourage Tribes to develop a fast track recording process	Tribal Entity	Short Term



# **WORKSHOP PARTICIPANTS**



# Workshop Participants

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