

MEMORANDUM OF UNDERSTANDING

AMONG

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

**UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT
OFFICE OF PUBLIC AND INDIAN HOUSING**

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS**

This Memorandum of Understanding (MOU) is entered into by Rural Development, hereinafter referred to as RD, of the United States Department of Agriculture, the Office of Public and Indian Housing, hereinafter referred to as PIH, of the United States Department of Housing and Urban Development, and the Bureau of Indian Affairs, hereinafter referred to as BIA, of the United States Department of the Interior (collectively the Agencies).

I. PURPOSE

Because the rate of home ownership on Indian reservations is the lowest in the nation, the purpose of this MOU is to develop a partnership among Federal agencies to increase home ownership in Indian country.

Currently, there are thousands of American Indian and Alaska Native families living in poverty because of the lack of jobs and economic development in Indian country. Many of these Americans reside in substandard housing or have no housing at all, and many live with relatives in overcrowded, substandard homes.

These Americans are composed of elderly, disabled, and young unskilled adults, many with children, who have never left their reservations or Indian Communities and who are dependent upon their extended families and Tribes for financial support to meet basic essential needs.

In some cases, poverty conditions leave individuals without the ability to qualify for private or government financing that would allow them to purchase homes.

Pride of ownership will enhance the quality of life for these American families. School age children and young adults will readily accept their educational, economic, and social challenges because they will have a safe and stable environment in which to live.

This MOU establishes the framework of partnering among the Agencies to improve assistance to American Indians and Alaska Natives in the development and operation of affordable housing on trust or restricted lands, reservations, and in approved service areas. American Indian and Alaska Native communities have significant needs for housing that cannot be financed with their own resources. The Agencies share a common goal to assist tribes in improving their living environment through the delivery of quality housing.

This goal can be achieved through the efficient and effective utilization of all available resources, particularly in the use of federally guaranteed home mortgage loans that are available to qualified Native American individuals, Indian tribes and their tribally designated housing entities (TDHEs). Making such loans more readily available requires the timely approval of leasehold interests and other encumbrances within Indian country.

This MOU establishes a foundation for this cooperative effort. This MOU may be supplemented, as necessary, by individual Memorandums of Agreement (MOA) developed between local decision-makers and the specific Federal agencies assisting in other aspects of the development of the affordable housing.

Any subsequent funds transfer or obligation of work must be confirmed by a formal Interagency Agreement or by other appropriate funding agreement executed by appropriate officials from the participating Agencies.

II. AUTHORITY

This MOU is entered into pursuant to the authority of the Housing Act of 1949, as amended (42 U.S.C. 1471 et seq.) the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), Native American Housing Assistance and Self-Determination Act of 1996, as amended (25 U.S.C. 4101 et seq.), and the Snyder Act of November 2, 1921 (25 U.S.C. 13).

III. MISSION STATEMENTS

The mission of RD is to increase economic opportunity and improve the quality of life for all rural Americans. RD's financial programs support essential public facilities and services such as water and sewer systems, housing, health clinics, emergency service facilities and electric and telephone services. RD's Rural Utilities Service administers drinking water and waste disposal (including solid waste and storm drainage) programs through public bodies, not-for-profit corporations, cooperatives and Indian Tribes. RD's Rural Housing Service provides direct and guaranteed housing loans for low and moderate-income persons, as well as a wide variety housing options through organizations that apply for RHS funds, including Federally recognized Native American groups.

The mission of PIH is to use Federal resources to aid Native American families and individuals seeking affordable homes in safe and healthy environments and in particular, assisting responsible citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control. The need for affordable homes in safe and healthy environments on Indian reservations, in Indian communities, and in Alaska Native Villages is acute. Providing affordable homes is an essential element in the special role of the United States in helping tribes and their members to improve their housing conditions and socioeconomic status. The Department of Housing and Urban Development strives to provide Federal assistance in a manner that recognizes the right of Indian self-determination and tribal self-governance by making such assistance available directly to the Indian tribe or its TDHE.

The mission of the BIA is to improve the quality of life of needy Indians by eliminating homelessness on reservations and approved service areas. The BIA Housing program targets those eligible Indians and families who are designated as most in need of housing assistance because they lack sufficient income to be served by private lenders.

IV. UNDERSTANDINGS

- The Agencies will work together, and with tribes and their TDHEs, to provide housing development and related housing assistance to all sectors of the Indian communities, including those at the lowest income level. Assistance shall be provided within the authorities and resources available to each Agency.
- The Agencies will work together to assist tribes and their TDHEs to identify and address the comprehensive needs of the entire community for affordable housing.
- A goal of the interactions between the Agencies, in conjunction with tribal development of comprehensive affordable housing plans, is to cover all proposed phases of the entire project while minimizing duplication of effort and increasing the efficiency of project planning throughout the entire process.
- The availability of buildable land within the boundaries of a reservation or in an approved service area, on individual trust or allotted lands, and in the areas of Alaska is limited by many factors, including the requirement that the BIA, as trustee, provide its approval to the tribe or TDHE that such land be encumbered, and then record the resultant encumbrance in its Land Title and Records Office. Title Status Reports (TSR) are the operational documents through which such information is conveyed to the beneficial owners, who then may, in turn, provide it to other interested or necessary parties.

- In order to expedite the production of TSRs, the Agencies agree to cooperate fully. The BIA agrees, subject to existing statutory, regulatory and administrative requirements and policies, to exert its best efforts to produce a TSR within 30 days of a request for such a report, and to establish standardized review criteria for such encumbrances. The BIA is in the process of implementing an automated system, which will expedite TSRs. This automated system is scheduled to be operational by fiscal year (FY) 2006. The BIA will also standardize the process for timely updates for TSRs for tribal leases where the tribe has cancelled individual leases that are available for home sites.
- To facilitate and ensure improved communications between the Agencies, meetings should be held at the national, regional and local levels at least annually to discuss programs, budgets, priorities, concerns, policies and relevant experiences that may affect this MOU.
- To further enhance the partnership between the Agencies, each will provide the other access to data as mutually agreed upon. The sharing of this data will assist the Agencies to meet the needs of the tribes more effectively and efficiently.
- Subject to statutory, regulatory, and administrative requirements and policies, the BIA, PIH, and RD will agree to share or transfer financial resources when it is convenient and productive. Where feasible, the Agencies will initiate demonstration projects designed to increase housing on reservations and in approved service areas. The focus of these demonstration projects will be for families at the lowest income level and the projects will be coordinated with the tribes and TDHEs. This is to insure that maintenance and quality control is maintained. HUD's section 184 and Title VI programs will be used to the greatest extent feasible as the vehicles to implement any demonstration projects.
- The BIA agrees, in cooperation with PIH, to provide training to staff of the Agencies, tribes, lenders, and other interested entities on the leasing, mortgage approval and recordation processes, including the necessity for timely review, approval and recordation, and the effect on the homebuyer when timely actions do not occur.

V. EFFECT

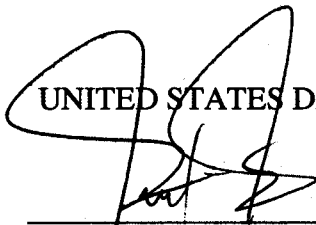
- This MOU is an internal government agreement designed to improve the efficiency of government and does not confer any rights on any other parties or private persons.

- This MOU shall not be interpreted as limiting, superseding or otherwise affecting the Agencies' normal operations or decisions in administering its statutory or regulatory duties.

VI. DURATION AND MODIFICATION OF AGREEMENT

This MOU, or any revision hereto, becomes effective when signed by the Agencies. This MOU shall remain in effect unless terminated by any party after 60-days prior written notice to the other parties.

APPROVED BY:



UNITED STATES DEPARTMENT OF AGRICULTURE - RURAL DEVELOPMENT

GILBERT G. GONZALES, JR.
Acting Under Secretary

9-28-04

Date

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AND INDIAN HOUSING



MICHAEL L. LIU
Assistant Secretary

9-29-04

Date

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS



DAVID W. ANDERSON
Assistant Secretary

SEP 28 2004

Date