

118TH CONGRESS
1ST SESSION

S. 1941

To permanently authorize the Native Community Development Financial Institutions lending program of the Department of Agriculture, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 13, 2023

Ms. SMITH (for herself and Mr. ROUNDS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To permanently authorize the Native Community Development Financial Institutions lending program of the Department of Agriculture, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Native American Rural
5 Homeownership Improvement Act of 2023”.

6 **SEC. 2. NATIVE CDFI RELENDING PROGRAM.**

7 Section 502 of the Housing Act of 1949 (42 U.S.C.
8 1472) is amended by adding at the end the following:

1 “(j) SET ASIDE FOR NATIVE COMMUNITY DEVELOP-
2 MENT FINANCIAL INSTITUTIONS.—

3 “(1) DEFINITIONS.—In this subsection—

4 “(A) the term ‘Alaska Native’ has the
5 meaning given the term ‘Native’ in section 3(b)
6 of the Alaska Native Claims Settlement Act (43
7 U.S.C. 1602(b));

8 “(B) the term ‘appropriate congressional
9 committees’ means—

10 “(i) the Committee on Agriculture of
11 the Senate;

12 “(ii) the Committee on Indian Affairs
13 of the Senate;

14 “(iii) the Committee on Banking,
15 Housing, and Urban Affairs of the Senate;

16 “(iv) the Committee on Agriculture of
17 the House of Representatives;

18 “(v) the Committee on Natural Re-
19 sources of the House of Representatives;
20 and

21 “(vi) the Committee on Financial
22 Services of the House of Representatives;

23 “(C) the term ‘community development fi-
24 nancial institution’ has the meaning given the
25 term in section 103 of the Community Develop-

1 ment Banking and Financial Institutions Act of
2 1994 (12 U.S.C. 4702);

3 “(D) the term ‘Indian Tribe’ has the
4 meaning given the term ‘Indian tribe’ in section
5 4 of the Native American Housing Assistance
6 and Self-Determination Act of 1996 (25 U.S.C.
7 4103);

8 “(E) the term ‘Native community develop-
9 ment financial institution’ means an entity—

10 “(i) that has been certified as a com-
11 munity development financial institution by
12 the Secretary of the Treasury;

13 “(ii) that is not less than 50 percent
14 owned or controlled by members of Indian
15 Tribes, Alaska Native communities, or Na-
16 tive Hawaiian communities; and

17 “(iii) for which not less than 50 per-
18 cent of the activities of the entity serve In-
19 dian Tribes, Alaska Native communities,
20 or Native Hawaiian communities;

21 “(F) the term ‘Native Hawaiian’ has the
22 meaning given the term in section 801 of the
23 Native American Housing Assistance and Self-
24 Determination Act of 1996 (25 U.S.C. 4221);
25 and

1 “(G) the term ‘priority Tribal land’
2 means—

3 “(i) any land located within the
4 boundaries of—

5 “(I) an Indian reservation, pueb-
6 lo, or rancharia; or

7 “(II) a former reservation within
8 Oklahoma;

9 “(ii) any land not located within the
10 boundaries of an Indian reservation, pueb-
11 lo, or rancharia, the title to which is held—

12 “(I) in trust by the United States
13 for the benefit of an Indian Tribe or
14 an individual Indian;

15 “(II) by an Indian Tribe or an
16 individual Indian, subject to restric-
17 tion against alienation under laws of
18 the United States; or

19 “(III) by a dependent Indian
20 community;

21 “(iii) any land located within a region
22 established pursuant to section 7(a) of the
23 Alaska Native Claims Settlement Act (43
24 U.S.C. 1606(a));

1 “(iv) Hawaiian Home Lands, as de-
2 fined in section 801 of the Native Amer-
3 ican Housing Assistance and Self-Deter-
4 mination Act of 1996 (25 U.S.C. 4221); or

5 “(v) those areas or communities des-
6 ignated by the Assistant Secretary of In-
7 dian Affairs of the Department of the Inte-
8 rior that are near, adjacent, or contiguous
9 to reservations where financial assistance
10 and social service programs are provided to
11 Indians because of their status as Indians.

12 “(2) PURPOSE.—The purpose of this subsection
13 is to—

14 “(A) increase homeownership opportunities
15 for Indian Tribes, Alaska Native Communities,
16 and Native Hawaiian communities in rural
17 areas; and

18 “(B) provide capital to Native community
19 development financial institutions to increase
20 the number of mortgage transactions carried
21 out by those institutions.

22 “(3) SET ASIDE FOR NATIVE CDFIS.—Of
23 amounts appropriated to make direct loans under
24 this section for each fiscal year, the Secretary shall
25 use \$50,000,000 to make direct loans to Native

1 community development financial institutions in ac-
2 cordance with this subsection.

3 “(4) APPLICATION REQUIREMENTS.—A Native
4 community development financial institution desiring
5 a loan under this subsection shall demonstrate that
6 the institution—

7 “(A) can provide the non-Federal cost
8 share required under paragraph (6); and

9 “(B) is able to originate and service loans
10 for single family homes.

11 “(5) LENDING REQUIREMENTS.—A Native com-
12 munity development financial institution that re-
13 ceives a loan pursuant to this subsection shall—

14 “(A) use those amounts to make loans to
15 borrowers—

16 “(i) who otherwise meet the require-
17 ments for a loan under this section; and

18 “(ii) who—

19 “(I) are members of an Indian
20 Tribe, an Alaska Native community,
21 or a Native Hawaiian community; or

22 “(II) maintain a household in
23 which not less 1 member is a member
24 of an Indian Tribe, an Alaska Native

1 community, or a Native Hawaiian
2 community; and

3 “(B) in making loans under subparagraph
4 (A), give priority to borrowers described in that
5 subparagraph who are residing on priority Trib-
6 al land.

7 “(6) NON-FEDERAL COST SHARE.—

8 “(A) IN GENERAL.—A Native community
9 development financial institution that receives a
10 loan under this section shall be required to
11 match not less than 20 percent of the amount
12 received.

13 “(B) WAIVER.—In the case of a loan for
14 which amounts are used to make loans to bor-
15 rowers described in paragraph (5)(B), the Sec-
16 retary shall waive the non-Federal cost share
17 requirement described in subparagraph (A) with
18 respect to those loan amounts.

19 “(7) REPORTING.—

20 “(A) ANNUAL REPORT BY NATIVE
21 CDFIS.—Each Native community development
22 financial institution that receives a loan pursu-
23 ant to this subsection shall submit an annual
24 report to the Secretary on the lending activities

1 of the institution using the loan amounts, which
2 shall include—

3 “(i) a description of the outreach ef-
4 forts of the institution in local communities
5 to identify eligible borrowers;

6 “(ii) a description of how the institu-
7 tion leveraged additional capital to reach
8 prospective borrowers;

9 “(iii) the number of loan applications
10 received, approved, and deployed;

11 “(iv) the average loan amount;

12 “(v) the number of finalized loans
13 that were made on Tribal trust lands and
14 not on Tribal trust lands; and

15 “(vi) the number of finalized loans
16 that were made on priority Tribal land and
17 not priority Tribal land.

18 “(B) ANNUAL REPORT TO CONGRESS.—
19 Not later than 1 year after the date of enact-
20 ment of this subsection, and every year there-
21 after, the Secretary shall submit to the appro-
22 priate congressional communities a report that
23 includes—

24 “(i) a list of loans made to Native
25 community development financial institu-

1 tions pursuant to this subsection, including
2 the name of the institution and the loan
3 amount;

4 “(ii) the percentage of loans made
5 under this section to members of Indian
6 Tribes, Alaska Native communities, and
7 Native Hawaiian communities, respectively,
8 including a breakdown of loans made to
9 households residing on and not on Tribal
10 trust lands; and

11 “(iii) the average loan amount made
12 by Native community development finan-
13 cial institutions pursuant to this sub-
14 section.

15 “(C) EVALUATION OF PROGRAM.—Not
16 later than 3 years after the date of enactment
17 of this subsection, the Secretary and the Sec-
18 retary of the Treasury shall conduct an evalua-
19 tion of and submit to the appropriate congress-
20 sional committees a report on the program
21 under this subsection, which shall—

22 “(i) evaluate the effectiveness of the
23 program, including an evaluation of the de-
24 mand for loans under the program; and

1 “(ii) include recommendations relating
2 to the program, including whether—

3 “(I) the program should be ex-
4 panded to such that all community de-
5 velopment financial institutions may
6 make loans under the program to the
7 borrowers described in paragraph (5);
8 and

9 “(II) the set aside amount para-
10 graph (3) should be modified in order
11 to match demand under the program.

12 “(8) GRANTS FOR OPERATIONAL SUPPORT.—

13 “(A) IN GENERAL.—The Secretary shall
14 make grants to Native community development
15 financial institutions that receive a loan under
16 this section to provide operational support and
17 other related services to those institutions, sub-
18 ject to—

19 “(i) to the satisfactory performance,
20 as determined by the Secretary, of a Na-
21 tive community development financial insti-
22 tution in carrying out this section; and

23 “(ii) the availability of funding.

24 “(B) AMOUNT.—A Native community de-
25 velopment financial institution that receives a

1 loan under this section shall be eligible to re-
2 ceive an annual grant described in subpara-
3 graph (A) in an amount equal to not less than
4 20 percent and not more than 25 percent of the
5 total outstanding balance of loans made by the
6 Native community development financial insti-
7 tution under the program under this section as
8 of the date on which the grant is awarded.

9 “(9) OUTREACH AND TECHNICAL ASSIST-
10 ANCE.—There is authorized to be appropriated to
11 the Secretary \$1,000,000 for each of fiscal years
12 2024, 2025, and 2026—

13 “(A) to provide technical assistance to Na-
14 tive community development financial institu-
15 tions—

16 “(i) relating to homeownership and
17 other housing-related assistance provided
18 by the Secretary; and

19 “(ii) to assist those institutions to
20 perform outreach to eligible homebuyers
21 relating to the loan program under this
22 section; or

23 “(B) to provide funding to a national orga-
24 nization representing Native American housing
25 interests to perform outreach and provide tech-

- 1 nical assistance as described in clauses (i) and
- 2 (ii), respectively, of subparagraph (A).”.

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