

117TH CONGRESS
2D SESSION

S. 4505

To amend title 38, United States Code, to improve the program for direct housing loans made to Native American veterans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 12, 2022

Mr. ROUNDS (for himself and Mr. TESTER) introduced the following bill;
which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve the program for direct housing loans made to Native American veterans, 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 Di-
5 rect Loan Improvement Act”.

1 **SEC. 2. IMPROVEMENTS TO PROGRAM FOR DIRECT HOUS-**
2 **ING LOANS MADE TO NATIVE AMERICAN VET-**
3 **ERANS BY THE SECRETARY OF VETERANS AF-**
4 **FAIRS.**

5 (a) DIRECT LOANS TO NATIVE AMERICAN VETERANS
6 TO REFINANCE EXISTING MORTGAGE LOANS.—Section
7 3762(h)(1) of title 38, United States Code, is amended
8 by inserting “and existing mortgage loans” after “sec-
9 tion”.

10 (b) EXPANSION OF OUTREACH PROGRAM ON AVAIL-
11 ABILITY OF DIRECT HOUSING LOANS FOR NATIVE AMER-
12 ICAN VETERANS.—Section 3762(i)(2) of such title is
13 amended by adding at the end the following new subpara-
14 graph:

15 “(G) Awarding grants to local service providers,
16 such as tribal organizations, tribally designated
17 housing entities, Native community development fi-
18 nancial institutions, and nonprofit organizations, for
19 conducting outreach, homebuyer education, housing
20 counseling, risk mitigation, and other technical as-
21 sistance as needed to assist Native American vet-
22 erans seeking to qualify for mortgage financing.”.

23 (c) DEFINITIONS.—Section 3765 of such title is
24 amended by adding at the end the following new para-
25 graphs:

1 “(6) The term ‘community development finan-
 2 cial institution’ has the meaning given that term in
 3 section 103 of the Community Development Banking
 4 and Financial Institutions Act of 1994 (12 U.S.C.
 5 4702).

6 “(7) The term ‘Native community development
 7 financial institution’ means any entity—

8 “(A) that has been certified as a commu-
 9 nity development financial institution by the
 10 Secretary of the Treasury;

11 “(B) that is not less than 50 percent
 12 owned or controlled by Indians, Alaska natives,
 13 or native Hawaiians; and

14 “(C) for which not less than 50 percent of
 15 the activities of the entity serve Indians, Alaska
 16 natives, or native Hawaiians.

17 “(8) The term ‘tribally designated housing enti-
 18 ty’ has the meaning given that term in section 4 of
 19 the Native American Housing Assistance and Self-
 20 Determination Act of 1996 (25 U.S.C. 4103).”.

21 **SEC. 3. PILOT PROGRAM ON RELENDING OF DIRECT HOUS-**
 22 **ING LOANS BY NATIVE COMMUNITY DEVEL-**
 23 **OPMENT FINANCIAL INSTITUTIONS.**

24 (a) DEFINITIONS.—In this section—

1 (1) the term “Alaska Native” has the meaning
2 given the term “Native” in section 3(b) of the Alas-
3 ka Native Claims Settlement Act (43 U.S.C.
4 1602(b));

5 (2) the term “community development financial
6 institution” has the meaning given the term in sec-
7 tion 103 of the Community Development Banking
8 and Financial Institutions Act of 1994 (12 U.S.C.
9 4702);

10 (3) the term “Indian Tribe” has the meaning
11 given the term “Indian tribe” in section 4 of the Na-
12 tive American Housing Assistance and Self-Deter-
13 mination Act of 1996 (25 U.S.C. 4103);

14 (4) the term “Native American veteran” has
15 the meaning given the term in section 3765 of title
16 38, United States Code;

17 (5) the term “Native community development
18 financial institution” means an entity—

19 (A) that has been certified as a community
20 development financial institution by the Sec-
21 retary of the Treasury;

22 (B) that is not less than 50 percent owned
23 or controlled by members of Indian Tribes,
24 Alaska Native communities, or Native Hawaiian
25 communities; and

1 (C) for which not less than 50 percent of
2 the activities of the entity serve Indian Tribes,
3 Alaska Native communities, or Native Hawaiian
4 communities;

5 (6) the term “Native Hawaiian” has the mean-
6 ing given the term in section 801 of the Native
7 American Housing Assistance and Self-Determina-
8 tion Act of 1996 (25 U.S.C. 4221);

9 (7) the term “pilot program” means the pilot
10 program carried out under this section;

11 (8) the term “priority Tribal land” means—

12 (A) any land located within the boundaries
13 of—

14 (i) an Indian reservation, pueblo, or
15 rancheria; or

16 (ii) a former reservation within Okla-
17 homa;

18 (B) any land not located within the bound-
19 aries of an Indian reservation, pueblo, or
20 rancheria, the title to which is held—

21 (i) in trust by the United States for
22 the benefit of an Indian Tribe or an indi-
23 vidual Indian;

24 (ii) by an Indian Tribe or an indi-
25 vidual Indian, subject to restriction against

1 alienation under laws of the United States;

2 or

3 (iii) by a dependent Indian commu-
4 nity;

5 (C) any land located within a region estab-
6 lished pursuant to section 7(a) of the Alaska
7 Native Claims Settlement Act (43 U.S.C.
8 1606(a));

9 (D) Hawaiian Home Lands, as defined in
10 section 801 of the Native American Housing
11 Assistance and Self-Determination Act of 1996
12 (25 U.S.C. 4221); or

13 (E) those areas or communities designated
14 by the Assistant Secretary of Indian Affairs of
15 the Department of the Interior that are near,
16 adjacent, or contiguous to reservations where fi-
17 nancial assistance and social service programs
18 are provided to Indians because of their status
19 as Indians; and

20 (9) the term “qualified non-Native American
21 veteran” has the meaning given the term in section
22 3765 of title 38, United States Code.

23 (b) ESTABLISHMENT.—The Secretary of Veterans
24 Affairs shall carry out a pilot program to assess the feasi-
25 bility and advisability of making direct housing loans to

1 Native community development financial institutions to
2 allow such institutions to relend loan amounts to qualified
3 Native American veterans and qualified non-Native Amer-
4 ican veterans.

5 (c) APPLICATION REQUIREMENTS.—A Native com-
6 munity development financial institution desiring a loan
7 under the pilot program shall demonstrate that the insti-
8 tution—

9 (1) can provide the non-Federal cost share re-
10 quired under paragraph (6); and

11 (2) is able to originate and service loans for sin-
12 gle family homes.

13 (d) LENDING REQUIREMENTS.—A Native community
14 development financial institution that receives a loan pur-
15 suant to the pilot program shall—

16 (1) use those amounts to make loans to bor-
17 rowers who—

18 (A) are members of an Indian Tribe, an
19 Alaska Native community, or a Native Hawai-
20 ian community; or

21 (B) maintain a household in which not less
22 1 member is a member of an Indian Tribe, an
23 Alaska Native community, or a Native Hawai-
24 ian community; and

1 (2) in making loans under paragraph (1), give
2 priority to borrowers described in that paragraph
3 who are residing on priority Tribal land.

4 (e) INTEREST RATE.—A loan made to a Native com-
5 munity development financial institution under the pilot
6 program shall bear interest at a rate of 1 percent.

7 (f) NON-FEDERAL COST SHARE.—

8 (1) IN GENERAL.—A Native community devel-
9 opment financial institution that receives a loan
10 under the pilot program shall be required to match
11 not less than 20 percent of the amount received.

12 (2) WAIVER.—In the case of a loan for which
13 amounts are used to make loans to borrowers de-
14 scribed in subsection (d)(2), the Secretary shall
15 waive the non-Federal cost share requirement de-
16 scribed in paragraph (1) with respect to those loan
17 amounts.

18 (g) REPAYMENT.—A Native community development
19 financial institution shall repay a loan made under the
20 pilot program to the Secretary of Veterans Affairs.

21 (h) FUNDING.—Of amounts made available, for the
22 fiscal year following the fiscal year in which this Act is
23 enacted, for the program for direct housing loans for Na-
24 tive American veterans under subchapter V of chapter 37
25 of title 38, United States Code, the Secretary of Veterans

- 1 Affairs may use \$5,000,000 to carry out the pilot pro-
- 2 gram.

