

NATIVE AMERICAN HOME OWNERSHIP OPPORTUNITY
 ACT OF 2007

APRIL 20, 2007.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial
 Services, submitted the following

R E P O R T

[To accompany H.R. 1676]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 1676) to reauthorize the program of the Secretary of Housing and Urban Development for loan guarantees for Indian housing, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 1676, the Native American Homeownership Opportunity Act of 2007 reauthorizes the Section 184 Indian Loan Program,

which offers home ownership, property rehabilitation, new construction, and refinance opportunities for Native Americans. The primary purpose of the Section 184 program is a 100 percent loan guarantee program for Native American families seeking home-ownership.

The bill reauthorizes the Section 184 program for 5 years, and makes no changes to the program or underlying law.

BACKGROUND AND NEED FOR LEGISLATION

Section 184 is administered by Department of Housing and Urban Development's (HUD) Office of Native American Programs. In 1992, Congress created the Section 184 program to address lack of private mortgage capital in Indian country by authorizing HUD to guarantee loans made by private lenders to Native Americans.

The Section 184 program guarantees single-family (one- to four-family units) residential loans for Native American borrowers. The program provides for a 100 percent guarantee of the outstanding principal and interest and payment of other necessary and allowable expenses. The flexible underwriting, low down-payment, higher loan limits, low guarantee fee, and absence of income limits make this the most affordable loan program available in tribal areas.

According to HUD, approximately 4,200 loans have been guaranteed since the program's inception, and only about 30 of these loans have not performed. As lenders have become more comfortable with making loans secured by land in Indian Country, interest in this program has increased sharply. As a result, the President's 2008 budget request of \$7 million for Section 184 is a \$3 million increase from the \$4 million appropriated for both 2006 and 2007.

HEARINGS

No hearings were held on this legislation in the 110th Congress.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on March 29, 2007, and ordered H.R. 1676 reported by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. No record votes were taken in conjunction with the consideration of this legislation. A motion by Mr. Frank to report the bill to the House with a favorable recommendation was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held hearings and made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

H.R. 1676, the Native American Homeownership Opportunity Act of 2007, reauthorizes the Section 184 Indian Loan Program for 5 years with the goal to provide Native American families the opportunity for homeownership.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

APRIL 10, 2007.

Hon. BARNEY FRANK,
*Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1676, the Native American Home Ownership Opportunity Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susanne S. Mehlman.

Sincerely,

PETER R. ORSZAG.

Enclosure.

H.R. 1676—Native American Home Ownership Opportunity Act of 2007

Summary: H.R. 1676 would authorize the appropriation of such sums as necessary through 2012 for Indian Housing Loan Guarantees, as provided under section 184 of the Housing and Community Development Act of 1992. Under current law, this program is authorized through 2007.

In 2007, about \$6 million was appropriated for the loan guarantee program. Assuming continued appropriations at that level and adjusting for anticipated inflation, CBO estimates that implementing H.R. 1676 would cost about \$30 million over the 2008–

2012 period. Enacting this bill would not affect direct spending or revenues.

H.R. 1676 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit Indian tribes.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1676 is shown in the following table. Estimated outlays are based on historical patterns for the loan guarantee program. The costs of this legislation fall within budget function 370 (commerce and housing credit).

	By fiscal year, in millions of dollars—					
	2007	2008	2009	2010	2011	2012
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Indian Housing Loan Guarantee:						
Budget Authority ^a	6	0	0	0	0	0
Estimated Outlays	5	1	0	0	0	0
Proposed Changes:						
Estimated Authorization Level	0	6	6	6	6	7
Estimated Outlays	0	5	6	6	6	7
Total Spending Under H.R. 1676:						
Estimated Authorization Level ^a	6	6	6	6	6	6
Estimated Outlays	5	6	6	6	6	7

^a The 2007 level is the amount appropriated for that year for Indian Housing Loan Guarantees.

Intergovernmental and private-sector impact: H.R. 1676 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Enacting this legislation would benefit Indian tribes.

Estimate prepared by: Federal Costs: Susanne Mehlman; Impact on State, Local, and Tribal Governments: Marjorie Miller; Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional Authority of Congress to enact this legislation is provided by Article 1, section 8, clause 1 (relating to the general welfare of the United States) and clause 3 (relating to the power to regulate interstate commerce).

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H.R. 1676 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This Act may be cited as “Native American Home Ownership Opportunity Act of 2007.”

Section 2. Loan guarantees for Native American Housing/Authorization of appropriations for housing assistance

Makes Section 184(i) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)) applicable for fiscal years 2008 through 2012.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**SECTION 184 OF THE HOUSING AND COMMUNITY
DEVELOPMENT ACT OF 1992**

SEC. 184. LOAN GUARANTEES FOR INDIAN HOUSING.

(a) * * *

* * * * *

(i) INDIAN HOUSING LOAN GUARANTEE FUND.—

(1) * * *

* * * * *

(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

(A) * * *

* * * * *

(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each of fiscal years ~~1997 through 2007~~ *2008 through 2012* with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for such fiscal year.

* * * * *

(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years **【1997 through 2007】** *2008 through 2012*.

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