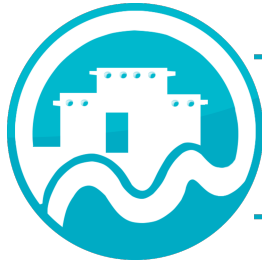


Increasing Reservation Homeownership

**WELLS
FARGO**





**TRIBAL HOMEOWNERSHIP
COALITION OF THE SOUTHWEST**

Mission

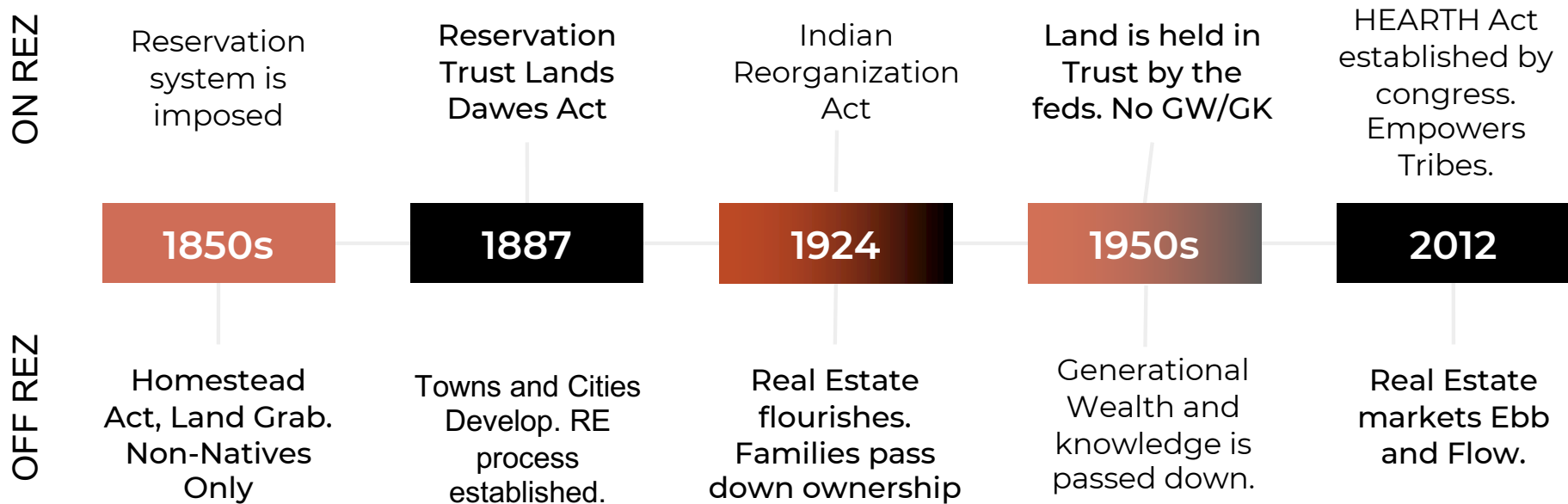
To empower Tribal communities in the Southwest to achieve economically sustainable homeownership through advocacy, collaboration, education, and culturally sensitive solutions.

History

- NM Mortgage Finance Authority, Brings Together group of central Pueblo communities in **1999** to form NM Coalition
- The Tribal Homeownership Coalition is the evolution of the New Mexico Homeownership Coalition.
- Reformed tribal homeownership coalition will continue this mission serving both NM and AZ.

NEW MEXICO TRIBAL
HOMEOWNERSHIP
COALITION

History of Tribal Real Estate



Traditional vs Modern Homeownership

Traditional

Cultural, Traditional Asset
Family
Home as a sacred space
Birth, Celebration, Ceremony
History
Protection
Life Cycle
Stability
Generational home
Self/Community Builds



VS

Modern

Appreciating Asset
Investment
Multiple homes over time
Generational Wealth
HGTV
Rental Conversions
Multiple homes at one time
House Hacks
Improve to appreciate
Mortgage qualifying
Modern Construction

Homeownership on the Rez

Equity

Homes do have value on the reservation. Reservation Homeowners often don't understand their homes are an asset

Community

Homeowners historically have pride in ownership. Homeownership Communities are safer.

Generational Wealth

Appreciating asset passed down through generations, providing long-term financial stability.



Local Economy Growth

Homeowners invest in home improvements, spend money with local businesses and contractors.

Traditional Values

Blend modern day homeownership culture with Traditional Culture.

More Jobs


A homeownership industry will create more jobs.

Homes on Rez Have Value!

Homes are appraisable on the reservation.

- Home In Lechee, AZ 3 bedroom
- Home Appraisals
 - Cost Approach: **\$170,000.00**
 - Comparable: **\$185,000.00**
 - No Appraisal: **\$30,000.00**
- Comparable home in Page sold for between \$240,000 - \$280,000.00
- Closed home is recorded in MLS and accessible by appraisers for a Comparable Market Analysis.
- Need more home sales for data building.

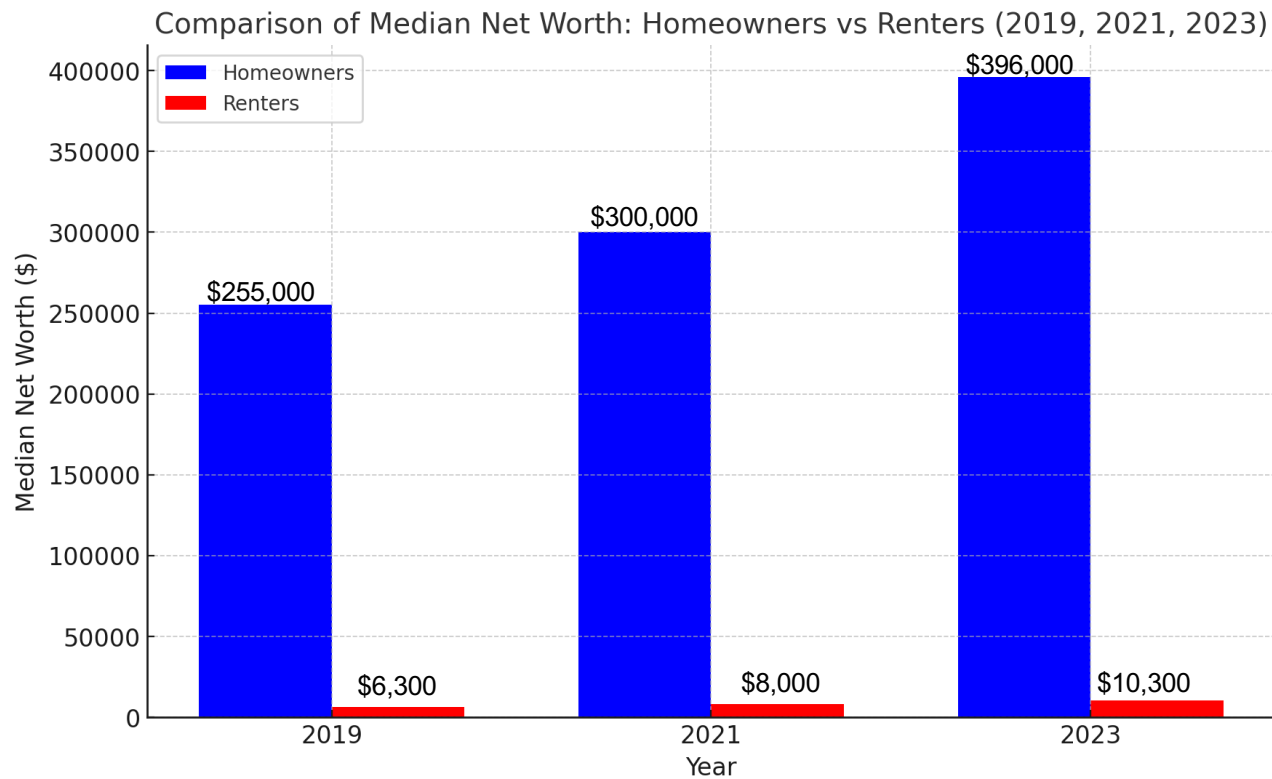
Client Report (1) 09 Cliff View LOOP, Page, AZ 86040 \$170,000

		6767539 Residential Single Family - Detached Pending Beds/Baths: 3 / 1 Bedrooms Plus: 3 Approx SqFt: 1,188 / Appraiser Price/SqFt: \$143.1 Year Built: 2000 Pool: None Encoded Features: 31RX1C1S Exterior Stories: 1 # of Interior Levels: 1 Dwelling Type: Single Family - Detached Dwelling Styles: Detached	Approx Lot SqFt: 11,604 / Appraiser Approx Lot Acres: 0.266 Subdivision: Lechee NHA Subdivision: Tax Municipality: Coconino - COUNTY Marketing Name: Planned Cmty Name: Model: Builder Name: Navajo Housing Authority Hun Block: Map Code/Grid: Building Number:
Ele Sch Dist: Out of Area Elementary School: Out of Maricopa Cnty Jr. High School: Out of Maricopa Cnty		High School District: Out of Area High School: Out of Maricopa Cnty	
Cross Streets: Coppermine Dr and Cactus Barrel Rd Directions: From Coppermine and Cactus - Head south on Coppermine road, R on Cactus Barrel, L on Clf View Loop, follow around corner, 4th house from the corner on North side of St.			
Public Remarks: This home is located on the Navajo Reservation just a few miles south of Page. Surrounded by gorgeous canyons, mountains and near Lake Powell. This cozy little home shows pride of ownership with a clean yard and well maintained interior. This home is on Tribal trust and governed by Navajo Nation laws and policies and can only be purchased by enrolled and registered tribal members of the Navajo Nation.			
Features	Room Details	Construction & Utilities	County, Tax and Financing
Garage Spaces: 0 Carport Spaces: 1 Total Covered Spaces: 1 Slab Parking Spaces: 1 Pool Features: No Pool Spa: None Horses: N Fireplace: Fireplace Living Rm; Freestnd Fireplace Landscaping: Dirt Front, Dirt Back Add'l Property Use: None Flooring: Carpet, Linoleum Windows: Dual Pane	Kitchen Features: Range/Oven Gas Master Bathroom: None Laundry: Wshr/Dry HookUp Only Dining Area: Dining In LR/GR Basement Y/N: N Sep Den/Office Y/N: N	Architecture: Other (See Remarks) Const - Finish: Stucco Construction: Frame - Wood Roofing: Comp Shingle Fencing: Wood Cooling: Refrigeration Heating: Propane Utilities: SRP; Butane/Propane Water: City Water Sewers: Sewer - Public Residential Propane Tank: Residential Propane Tank: Owned Services: County Services	County Code: Coconino Legal Description (Abbrev): AN: 000-00-000 Lot Number: 09 Town-Range-Section: 40-9-20 City Bk&Pg: Plat: Taxes/Yr: \$0/0 Ownership: Leasehold Co-Ownership (Fractional) Agreement Y/N: No New Financing: Cash Existing 1st Loan: Treat as Free&Clear Existing 1st Ln Trms: Disclosures: Seller Discl Avail; Agency Discl Req Possession: By Agreement; Close of Escrow
Fees & Homeowner Association Information			
HOA Y/N: N			
HOA 2 Y/N:			
HOA 3 Y/N:			
Association Fee Incl: No Fees Assoc Rules/Info: Pets OK (See Rmrks)		Rec Center Fee Y/N: Rec Center Fee 2 Y/N: Land Lease Fee Y/N: N PAD Fee Y/N: N	Ttl Mthly Fee Equiv: \$0 Cap Improvement/Impact Fee: Cap Improvement/Impact Fee 2: Other Fees HOA:
Listing Dates	Pricing and Sale Info	Listing Contract Info	
CDOM/ADOM: 1 / 1 Status Change Date: 11/07/2024 Off Market Date: 11/07/2024	List Price: \$170,000	Special Listing Cond: N/A	



Homeownership Net worth

Homeowners vs Renters



Source: urban.org, ipropertymanagement.com eyeonhousing.com

The Missing Middle – Why Returning Professionals Leave the Reservation

Who They Are:

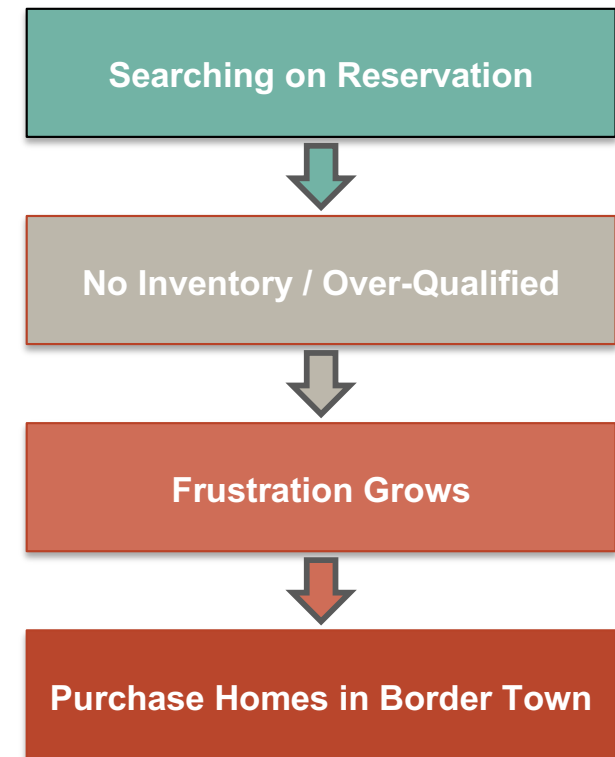
Veterans - Small Business Owners - Working Professionals
Returning College Graduates

Income Levels:

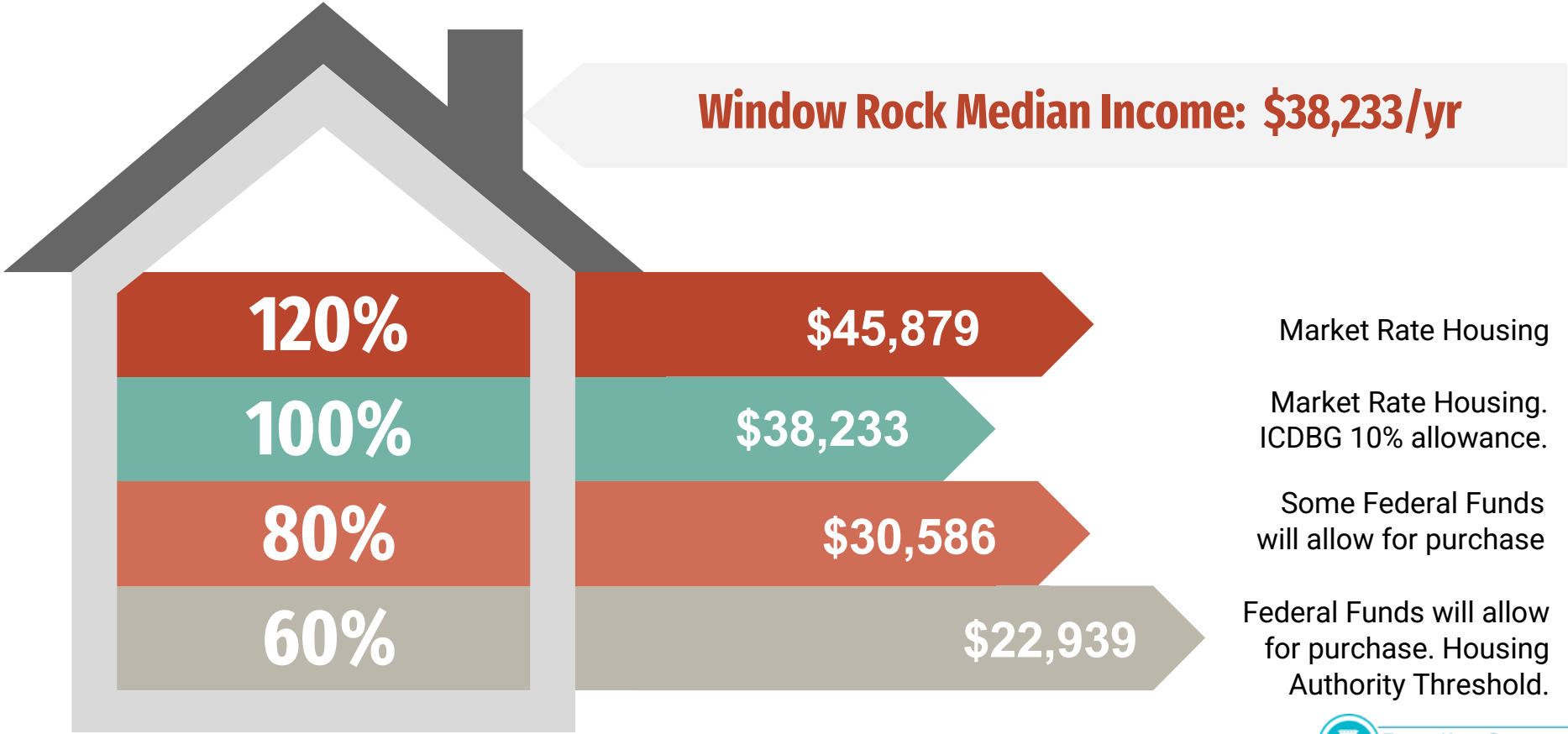
100% – 300% of Area Median Income (AMI)
Often “over-qualified” for Housing Authority homes

The Problem:

No available for-sale housing inventory on-reservation
Federal AMI restrictions limit eligibility
Families told they “make too much” to qualify



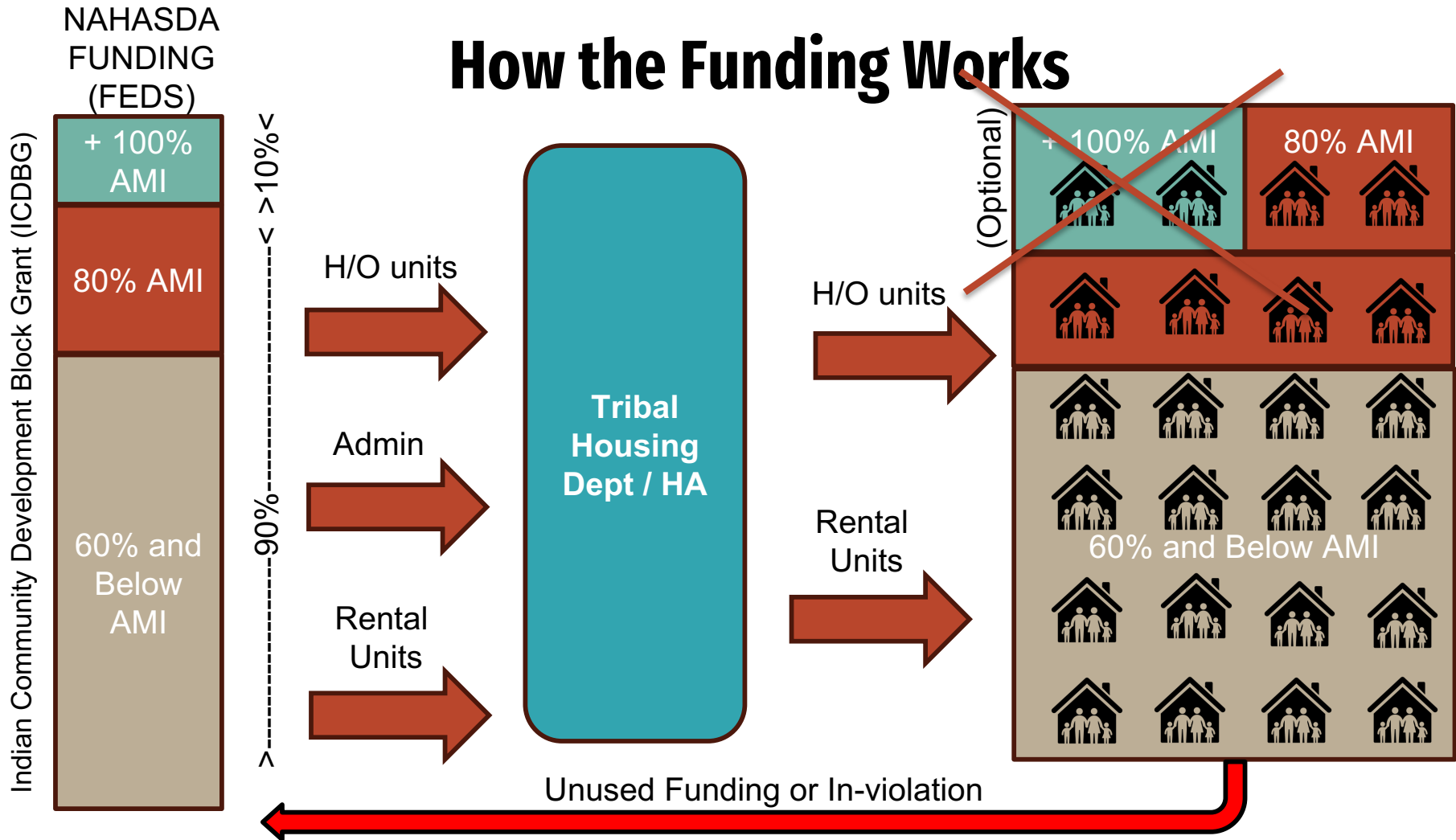
AMI – Area Median Income



Window Rock Median Income: \$38,233/yr

* 30% and below AMI is National Poverty Level – ELI

How the Funding Works



Barriers to Homeownership

Capital

Lack of access to
Capital



No Big Banks
No private capital
Predatory lenders
Loans take too long
to close

Policies/Regs

Lack of supporting
Policies for
homeownership



Leadership
inexperience

No Planning
No Judicial support

Inventory

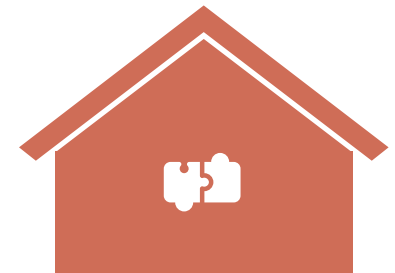
Lack of Inventory



Lack available land
AMI restrictions
Aging housing stock
High cost to build

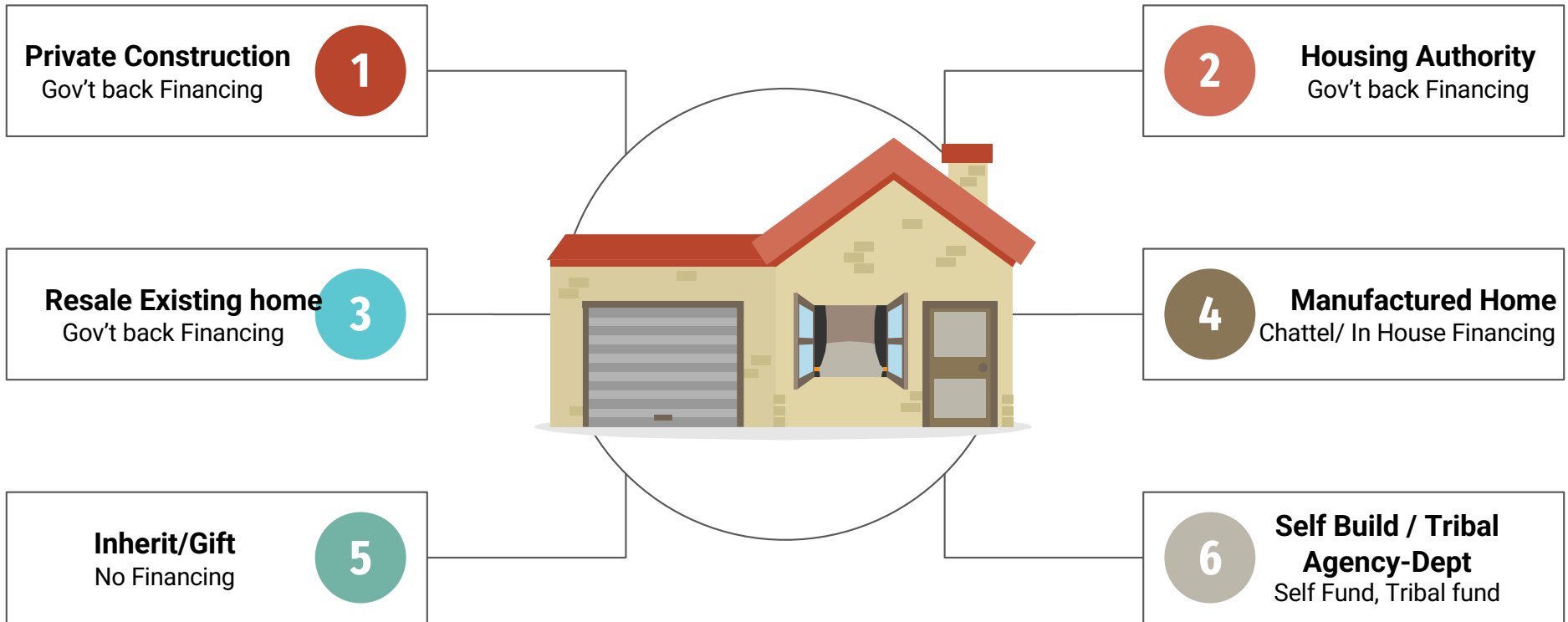
Eco System

Very small
Homeownership
Ecosystem



Little to No Private
development
Limited RE pros
No HBE/Fin Lit
Unk Buyer/Sellers

Paths to Homeownership on Rez

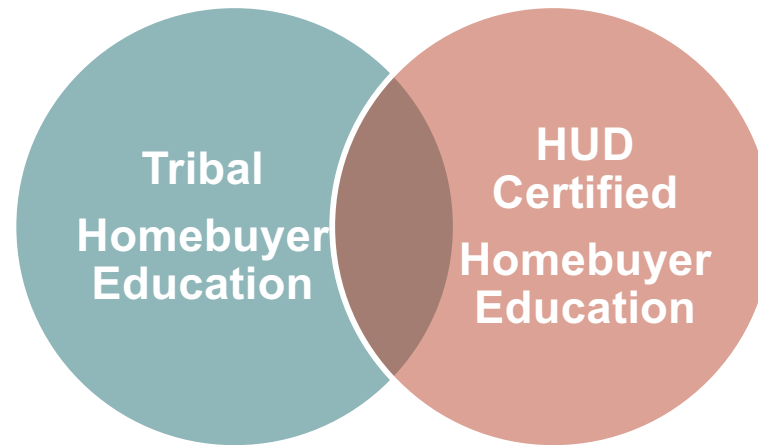


Tribal Homebuyer education

Shifting the Paradigm

Homebuyer Education

- Campaign to educate Tribal Communities on HBE
- General open-to-the-public HBE workshops
- On reservation focus
- RE basics
- Traditional vs Modern
- Land Leases
- Tribal options for Home buying



Federal HBE Education

- Certified Credit Counseling
- Delivered by HUD cert instructor
- Required
- Scheduling thru Housing Agency
- 8-16 hrs
- Certificate Program

“You don’t know what you don’t know”

Access to Capital: Affordability

What's Affordable?

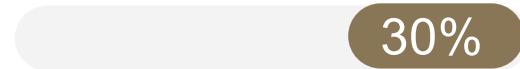
(Market Rate)

AMI



Area Median
Income

National Low-Income Housing Coalition



30% of income

Lender Qualification



41% - 55% Debt To
Income Ratio



Anecdotal



Window Rock, AZ
Many Prequals
stated between
\$250,000 - \$350,000

Homeownership Affordability

Builder Subsidies for Market Rate Homes

1. Cost to build on Rez is high.
2. Subsidize the build to bring the Cost of upfront purchase price of the home down. Long term appreciation effect.
3. *Tribal funding / State Funding

Down Payment Assistance

1. State/Tribally funded DPA to assist with down payment. Reduces cost to get into a home.
2. NPO Funded DPA Grants – THOCSW
3. Bank Funded DPA

Interest Rate Buy-Down

As a way to help lower the interest rate on a mortgage, a discount point (or fee) can be paid at closing to help reduce the monthly mortgage payment.

Increasing Inventory

Homeownership Units



1. Resale

Purchase between to 2 tribal members, buyer must not have an HSL.

2. Housing Authority

HA must have Homeownership program and ability to convey/build Market rate homes

3. Buyer/HO Construction

1 – 4 Units. All Native Mortgage products can be used to build on Rez.

4. Private Development

Work with licensed contractors who understand the dynamics of building on Rez.

Increasing Inventory: Private Construction

On reservation construction

1. Contractors

- Need more Licensed, Bonded, and Insured contractors on the Rez.
- Contractors who do residential mortgage builds – training
- Shortage of VA-certified contractors.

2. Buyer/ Homeowner representation

- Owners representatives
- Owners Site Supervisor.
- Contractors with integrity

3. Policies that Help Protect contractors and Homeowners. (*Policy)

- Permits and licensing – regulatory for contractors working on Rez
- Non – Performance Legislation and corresponding MOUs
- Partnerships/MOUs Building codes enforcements and fines

Capacity Building: Private Sector Support

1 Building the Housing Eco-systems

Market, Sustaining Home Values

Appraisals, Building Codes, Homeowners Insurance, Home Warranties (Private)

Tribal Transaction Recording System – Cost vs. Comps



2 Trades Management and Governance

Contractor and Real Estate Professionals training, Tribal licensing and permitting

3

NM Tribal Homeownership Support

1. Provide dedicated funding for Tribal oriented Homeowner education and financial literacy, training, workforce programs.
2. Support Tribal, RE Professional and developer training partnerships.
3. Support creation of MOUs, MOAs and protective regulations that extend on to the Reservations.
4. Support State funded development for Tribal Homebuyers above the 100% AMI – Tribal and Private build subsidies.
5. Create a funded state-tribal housing development task force, Housing NM (NMMFA) and THOCSW.
6. Establish housing authority functions for underserved tribes.

NEW MEXICO TRIBAL
HOMEOWNERSHIP
COALITION

THANK YOU!



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**TRIBAL HOMEOWNERSHIP
COALITION OF THE SOUTHWEST**
