

**PREPARED STATEMENT OF**  
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**HUGO, OKLAHOMA**

**TO THE UNITED STATES SENATE**  
**COMMITTEE ON INDIAN AFFAIRS**

**APRIL 10, 2013**

**Oversight Hearing On**  
**Identifying Barriers To Indian Housing Development and Finding Solutions**

**I. Introduction**

Good morning Chairwoman Cantwell, Vice Chairman Barrasso, and distinguished members of the United States Senate Committee on Indian Affairs (SCIA). My name is Russell Sossamon. I am an enrolled member of the Choctaw Nation of Oklahoma and for the past seventeen (17) years have served as the Executive Director of the Choctaw Nation Housing Authority, located in Hugo, Oklahoma. I want to thank the Committee for holding this important oversight hearing this afternoon on Identifying Barriers to Indian Housing Development and Finding Solutions, which could not be more appropriate or timely as discussions begin here on Capitol Hill surrounding the reauthorization this year of the Native American Housing Assistance and Self-Determination Act, known as "NAHASDA." It is an honor to be invited here to present testimony on behalf of the Choctaw Nation of Oklahoma.

I will first lay out some background on the Choctaw Nation of Oklahoma and the challenges it faces in providing services to its members, as well as to members of dozens of other tribes who live within the Nation's service area. I will then examine some of the reasons why the provision of safe, quality, affordable housing in Indian Country generally, and within the Choctaw Nation in particular, is such a challenge. This will be followed by background information on the federal legislative and administrative efforts to address that challenge, which ultimately culminated in the passage of NAHASDA. I will then provide some examples of the innovative and effective housing programs administered through the Choctaw Nation Housing Authority, to show why this Congress should continue to support tribal housing programs and work to quickly approve the reauthorization of NAHASDA during this current fiscal year. Importantly, that reauthorization should include the affirmation of the negotiated-rulemaking process to maintain the government-to-government relationship between tribes and the federal government. Like all federal legislation that aims to accommodate the needs of many tribes across the country, NAHASDA has some minor shortcomings, so in conclusion I will point to an issue that Congress may consider examining for potential revision in the upcoming reauthorization of NAHASDA.

## **II. The Choctaw Nation – Large-Scale Challenges and Opportunities**

The housing issues in Indian Country cannot be separated from the big-picture social and economic challenges it also faces, and the Choctaw Nation knows those challenges all too well. The Choctaw Nation is the third largest Indian tribe in America, with over 200,000 enrolled tribal members spread all across the country. In a word, the Choctaw Nation is immense. With that greater size and breadth comes even greater responsibilities that are placed on the shoulders of the Nation's government to look after the welfare of its members. To add to that responsibility, the Nation's service area encompasses 10½ counties in southeastern Oklahoma, a land area larger than the entire state of Massachusetts, and within that service area are American Indian and Alaska Native constituents who may be far from their original tribal communities but to whom the Choctaw Nation nonetheless provides services. Just one example is the tremendous demand placed on the Choctaw Nation Health Services Authority (CNHSA) – in Fiscal Year 2012 alone, CNHSA provided healthcare services to patients who hailed from 148 different American Indian and Alaska Native tribal groups (including, incidentally, members from the Oglala Sioux Lakota tribe of my fellow witness here today, Mr. Paul Iron Cloud).

With an increasing tribal population and stifling economic conditions that have hit tribal communities such as the Choctaw Nation particularly hard over the past five years during the Great Recession, the social and economic needs of the Nation and its members continue to grow. This increased need is particularly acute in the area of housing.

## **III. The Housing Challenges in Indian Country and for the Choctaw Nation**

The challenges to providing quality, affordable housing in Indian Country generally and within the Choctaw Nation specifically stem mostly from the broader overriding economic realities that occur in tribal communities. While the country in general has experienced an economic downturn over the past five years, this trend is greatly magnified in tribal communities. Often there is a lack of basic infrastructure and employment opportunities. These employment and infrastructure challenges exacerbate the housing situation in Indian Country. As the other witnesses here today will testify has historically been the case at the national level, Native Americans face some of the worst housing and living conditions in the country, and the availability of affordable, adequate, safe housing in Indian Country falls far below that of the general U.S. population.

The housing needs of members of the Choctaw Nation, especially given the large size and breadth of its population, reflects the great need across Indian Country. However, because there are also many tribal members from other tribes across the country living within the Nation's service area, there are also unique challenges for the Choctaw Nation Housing Authority, as shown by the following figures for Fiscal Year 2012:

- Nearly seventeen percent (17%) of the American Indian/Alaska Native population living within the Choctaw Nation's service area are tribal members from other tribes.
- Approximately 9,880 households within the Choctaw Nation's service area are considered low-income, meaning they have annual incomes of less than 80% of the national median annual income. Of those households, an astounding 29.7% earn only

between 30% and 50% of the national median annual income, and even worse, 29.8% earn less than 30% of the national median annual income.

- Approximately 1,400 American Indian/Alaska Native households within the Choctaw Nation's service area are overcrowded or lack a kitchen or plumbing.
- Of the American Indian/Alaska Native households within the Choctaw Nation's service area, 1,939 households have a house cost burden greater than 50% of their annual income.
- In starkest terms, during the last fiscal year the Choctaw Nation Housing Authority had a shortfall of 9,080 low-income units.

In sum, there is a severe housing shortage in our service area's tribal communities, resulting in overcrowded conditions. Many of the homes that do exist lack basic amenities that most Americans take for granted, such as full kitchens and plumbing, and even then many of the existing homes are in need of substantial repairs.

As shown by the low-income numbers above that persist within our tribal communities, the Choctaw Nation Housing Authority (and more generally, the Nation itself) understands that, in order to address acute housing needs, it is necessary to take a holistic approach that addresses the poverty cycle more generally to make our tribal members and other constituents that we serve self-sufficient -- this is how we move from homelessness to homeownership. And that is why the Choctaw Nation Housing Authority views its mission from a higher level with two prongs, one to address the lack of affordable housing and the other to address the poverty cycle that produces and reinforces such a lack of housing. The Nation and its Housing Authority truly believe that, to paraphrase a metaphor, although it may be necessary in the short run to give a man a fish to eat today, it is better to teach him how to fish so that in the long run he can eat for a lifetime. In order to pay a mortgage and become a homeowner, a person first needs a job to earn income, and that requires education, training, and career development. Like the partnerships laid out below that we use to address home financing with a variety of loan-assistance products, we likewise partner with other educational and social programs provided by the Nation as well as by the federal government and other local and tribal governments to build the whole person in a variety of ways. The support we provide through NAHASDA funding and related programs is one of the critical pieces to building that whole person.

#### **IV. Background on Indian Housing Legislation and Administration, Culminating with the Native American Housing Assistance and Self-Determination Act (NAHASDA)**

Prior to NAHASDA, housing assistance for Native American tribes and Alaska Natives was provided by various programs under the Housing Act of 1937 and other legislation. While these programs provided a broad range of assistance, they were administratively cumbersome and ineffective. They required separate applications and program administration, had different eligibility requirements, and were characterized by micro-management and detailed one-size-fits-all mandates. The programs were merely an extension of generic and often urban-oriented

housing programs, failing to recognize the unique social, cultural, and economic needs of Native American communities.

In 1960, in the aftermath of the destruction of Indian homes in California by fire, the Bureau of Indian Affairs requested that the Department of Housing and Urban Development (“HUD”) address Indian housing needs. In 1961, two major events changed the Indian housing landscape. First, the Public Housing Administration (PHA, HUD’s predecessor) recognized tribal governments as local governing bodies that could establish Indian housing authorities (IHA) under tribal law by approving a tribal ordinance. Second, PHA also determined that states could establish IHAs in cases where a tribal government was not federally recognized but exercised all necessary powers. Soon after, the self-help or mutual help concept took hold and was based on the idea that a homebuyer would contribute land, material, or labor (“sweat equity”) towards the purchase of a home. In December 1962, PHA announced the first mutual help housing program, and in 1964, the San Carlos Apache IHA launched the first mutual help project. Indian homes were developed under this program know as “Old Mutual Help” until 1976.

In the early 1970’s, there were high expectations for the federal government to work with tribes and IHAs to satisfy national Indian housing goals and to address the reality of inadequate management systems. In 1971, the Government Accounting Office (GAO) issued a Congressional report on Indian housing that recommended a national Indian housing policy to stimulate agency coordination and accelerate the completion of projects. In 1984 HUD formally created the Office of Indian Housing (OIH) with its own staff to specifically oversee the development and management of Indian housing programs.

In 1990, Congress established the National Commission on American Indian, Alaska Native, and Native Hawaiian Housing, which two years later submitted to Congress a national blueprint plan for Indian housing. On October 1, 1993, the HUD Office of Indian Housing (OIH) at HUD Headquarters in Washington, D.C. and the Regional Office of Indian Programs (OIPs) became the Office of Native American Programs (ONAP).

In 1996, Congress passed the Native American Housing Assistance and Self-Determination Act (“NAHASDA”) to provide federal statutory authority to address the above-mentioned housing disparities in Indian Country. NAHASDA is the cornerstone for providing housing assistance to low-income Native American families on Indian reservations, in Alaska Native villages, and on native Hawaiian home lands. Since the passage of NAHASDA in 1996 and its funding and implementation in 1998, the Indian Housing Block Grant (“IHBG”), the primary funding component of NAHASDA, has been the single largest source of funding for housing for Native American communities and in Alaska Native villages. NAHASDA also includes the Title VI loan guarantee program, which enables tribal members to more easily access home loans. Administered by HUD, NAHASDA specifies a wide range of activities are that are eligible for funding. These activities include but are not limited to down-payment assistance, property acquisition, new construction, safety programs, planning and administration, and housing rehabilitation. Not only do IHBG funds support new housing development, acquisition, rehabilitation, and other housing services that are critical for tribal communities; they cover essential planning and operating expenses for tribal housing programs. Between 2006 and 2009, a significant portion of IHBG funds, approximately 24%, were used for planning, administration,

housing management, and services. Without critical federal funding, many tribal housing authorities would be unable to operate.

While some members of Congress are now focusing on the unexpended funds in NAHASDA block grant accounts, and mistakenly conclude that the program is overfunded, they are wrong on the reasons for these funds being unspent and the conclusion they draw. In fact, despite the positive developments in federal law and the impact of NAHASDA, the funding it provides is plainly and simply insufficient to meet the existing and, in fact, growing housing need in our tribal communities. While NAHASDA funds are immensely appreciated by tribes and are tremendously helpful in beginning to meet tribal housing needs, they have never, in the history of the program, been sufficient to meet all of the basic housing needs of Indian tribes or to accomplish all of the purposes for which NAHASDA was designed. Like many government programs, it is consistently and continuously underfunded. Therefore, tribes and their housing departments such as the Choctaw Nation Housing Authority have been forced to think outside of the box and come up with unique and innovative tools to meet the housing needs in their communities.

## **V. Innovations and Examples from the Choctaw Nation Housing Authority**

Out of sheer necessity and in the interest of promoting tribal self-determination and self-governance, tribes across the nation have begun developing innovative programs that complement NAHASDA programs in order to meet the tremendous housing backlog in Indian Country. The Choctaw Nation Housing Authority has been at the forefront of these innovations in Indian Country, in order to address the housing needs not just of our members but of Native American tribal members from across the country.

### **A. United States Housing and Urban Development Section 184 Indian Home Loan Guarantee Program & NAHASDA Title VI Housing Activities Loan Guarantee Program**

The Section 184 Loan Guarantee Program was created by the Housing and Community Development Act of 1992 to address the lack of mortgage lending in Indian Country. The HUD Section 184 program is a mortgage loan product designed to resemble a conventional, or private, housing loan program. There are no income limits for the Section 184 program. Local lenders become registered with the program and as such the federal government guarantees up to 100% of the home loans provided by such lenders to tribal members. Initially, the program gained acceptance in areas such as Oklahoma and Alaska, where much of the property in Indian areas has passed out of trust status and into “fee” status, meaning that the federal government no longer holds title to the individual parcel for the benefit of the tribe or the individual tribal member. Over time, the program has gained some traction on trust lands. Because the Section 184 Indian Home Loan program is guaranteed by the federal government, the program has provided much needed access to capital to many individual Natives that might otherwise find home financing difficult. The Section 184 program is the most successful Indian Country mortgage program. However, it should be noted that fewer than 20 % of the Section 184 loans made to tribal members have been made on tribal trust or individual allotment land. More than half of the Section 184 loans have been made in Alaska and Oklahoma, and because of the

unique non-reservation system of land tenure for most Indian and Alaska Native groups in those states, nearly all of those loans were made for homes on fee simple land rather than trust land.

In March of this year, HUD temporarily suspended the processing of new Section 184 loan applications because of an apparent exhaustion at the time of program funding for current Fiscal Year 2013. With the passage of the latest Continuing Resolution by Congress to fund the federal government through September of this year, funding for the Section 184 program, as well as the cap on the amount of loans that can be guaranteed under the program, were increased. As a result, HUD has stated that the suspension of the Section 184 program has been lifted and the program should be back in working order sometime this month.

In addition to the Section 184 program, under Title VI of NAHASDA, HUD is authorized to guarantee notes or other obligations issued by Indian tribes, or tribal housing entities, if approved by the tribe, for the purpose of financing affordable housing activities as described in Section 202 of NAHASDA. Eligible borrowers must be a tribe or a tribal housing entity that is an IHBG program recipient. IHBG funds may be used as security for the guarantee or other obligation. The objectives of the program are to enhance the development of affordable housing activities, increase access to capital to further economic growth, and encourage the participation, in the financing of tribal housing programs, of financial institutions that do not normally serve tribal areas.

I would ask that Congress in its FY 2014 budget process and beyond continue to support the Section 184 and Title VI loan guarantee programs with the necessary resources. To show you why it should, I would like to give you some background and examples of the effective good that the Choctaw Nation Housing Authority has been able to implement through these types of programs.

**B. Choctaw Home Finance Services: On the Path from Self-Determination to Self-Sustainability through Nationwide Direct and Leveraged Home Lending in Indian Country**

Tribes are increasingly exploring innovative ways to utilize NAHASDA grant funds, combined with tribal funds and other resources, to maximize housing project outputs. The passage of NAHASDA in 1996 and its funding in 1998, as well as other complementary Indian housing programs, have spurred the Choctaw Nation Housing Authority to creatively partner with lenders or utilize existing funds to enhance the effectiveness, efficiency, and success of housing projects. There is no greater example of such creativity in Indian Country than the Choctaw Nation Housing Authority's flagship program for home finance services offered through the Choctaw Home Finance Corporation.

The Choctaw Home Finance Corporation (CHFC) was incorporated in 2002 as a 501(c)(3) not-for-profit corporation to be the lending institution for the Choctaw Nation's Home Finance Program activities. The CHFC is also a certified Community Development Financial Institution (CDFI) through the U.S. Department of Treasury, meaning the federal government recognizes it as a financial institution working in underserved and economically-distressed markets that are often times not served by other traditional financial institutions. The CDFI certification enables

the CHFC to access financial and technical award assistance through such things as the Native American CDFI Assistance Program, among others.

The CHFC is dedicated to successful private homeownership by offering affordable mortgage loans and counseling services to Native American families nationwide through its Home Finance Program, with a particular emphasis on serving low-income families who likely would not otherwise be able to own a home of their own. The Home Finance Program provides assistance through both direct lending as well as through the leveraging of funds with lending partners to increase the number of potential home loans throughout the country. (Leveraging funds is simply investing with borrowed money in a way that multiplies potential gains). The Home Finance Program has assisted not just members of the Choctaw Nation but Native American families throughout Indian Country with over \$38,000,000 in direct loans for homeownership and down payment/closing cost assistance. The Home Finance Program also has leveraged over \$58,000,000 through participating lending partners who provide mortgages as part of government guarantee programs such as the Native American Section 184, Federal Housing Administration (FHA), Veterans Administration (VA), and U.S. Department of Agriculture Rural Development home loan programs. The private lending partners that CHFC has worked with include Wells Fargo, First United Bank, First Mortgage Company, First American Mortgage, Colonial Mortgage, Bank 2, Principal Mortgage Company, Arvest Bank, Gateway Mortgage, First Bank, BancFirst, Bank of Oklahoma, and Equity Bank.

The CHFC has a number of loan products available to meet the variety of financing needs of the families we serve. These products include loans for purchasing, refinancing, construction, improvements, and energy efficiency upgrades. One of these loan products, a direct loan to purchase a new home or refinance their current home at a more affordable rate and/or term, helps families receive an affordable loan with manageable fees. It also includes extremely professional guidance by a staff whose mission is to enhance the lives of all members through opportunities designed to develop healthy, successful and productive lifestyles.

Another loan product is a progressively subsidized homebuyer construction and finance service specifically for our low-income Native American families. The interest rate and terms are specific to low-income family needs, and the construction service is extremely valuable to those who need the added construction support from trained construction professionals.

The CHFC also provides small, affordable streamline loans for home improvement, rehabilitation and/or energy efficiency upgrades. These loans help with necessary repairs to improve living conditions and property values, and also help with energy efficiency that results in lower utility payments, thereby freeing up more disposable income.

The CHFC closes on average 100 loans a year for Native American mortgages and down payment or closing cost assistance. Additionally we leverage an average of 84 loans per year with our private lending partners. CHFC manages a loan portfolio of over \$20,000,000 with an

average quarterly delinquency rate of 10.81%.<sup>1</sup> This compares to the national average quarterly combined delinquency rate of 11.43%, a full 62 basis points higher than the CHFC rate.<sup>2</sup>

The Home Finance Program is designed to function as a revolving loan fund. Funds are loaned out to the Native American participant and paid back in the form of principal and interest payments. The funds are then loaned back out to other Native American participants. There is a multiplier effect at work within the Program – the more loans made, the more principal and interest is repaid and those funds are then used to provide even more loans. This truly creates a self-sustaining service that sets the Choctaw Nation Housing Authority and its program participants on the path to self-sufficiency.

As a HUD-approved counseling agency, the CHFC also offers homeowner counseling services. Prior to extending a loan, each borrower is required to complete a homebuyer counseling session that provides education and information about the responsibilities and commitments required to be a successful homeowner. These sessions cover understanding, establishing, and maintaining good credit; personal financial planning and budgeting; and counseling to assist tribal members in becoming mortgage-ready. It prepares them for the reality of homeownership as to the necessities of paying for a mortgage, insurance, taxes and maintenance expenses. CHFC also provides post-loan counseling, include ongoing individual counseling as needed to develop the skills necessary to become a successful homeowner. The counseling and education that the Home Finance Program services provide help its Native American beneficiaries become more knowledgeable, less likely to become victims of predatory lending practices, and more likely to successfully manage their personal finances to become responsible homeowners. We serve an average of 400 individuals per year through our counseling services.

The benefits of the CHFC Home Finance Program extend well beyond just the Native American program participants, into their surrounding communities. Furthermore, the CHFC provides opportunities for Choctaw tribal members and others to attain home ownership nationwide by partnering with mortgage companies that offer Section 184, FHA, VA, USDA Rural Development, and even conventional loans, well beyond our service area in southeastern Oklahoma. The tribal members to whom we extend financing services -- either directly or through our private lending partners -- are predominantly located in the states of Oklahoma, Texas, California, Oregon, Washington, Arkansas, and Colorado, but also in many others, and these members add to the local taxes bases by paying annual property taxes. In the Choctaw Nation's ten and a half (10 ½) county service area in southeastern Oklahoma alone, over \$100,000 was added to local real property tax bases in 2012 by the tribal members we serve. This too has had a multiplier effect -- an average of 10 jobs were created through each loan closing in the employment of appraisers, surveyors, title companies, and attorney services, totaling 1,140 new jobs in 2012. An even greater multiplier effect can be seen throughout the country, as the partnership of the CHFC with lenders in states that do not have tribes with their own Section 184 or similar Indian home loan guarantee programs means that the CHFC's leveraging of monies from such programs can extend those programs' effects to members in those states and likewise add to the their local tax bases, increase employment opportunities, and

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<sup>1</sup> The delinquency figures provided here include the combined percentage of loans at least one payment past and seriously past due of 90 days or more.

<sup>2</sup> See MBA Mortgage Delinquency Survey at [www.mbaa.org](http://www.mbaa.org).



have other positive effects. By doing so, the Choctaw Nation's positive effects are felt well beyond its service area in southeastern Oklahoma. For example, there are approximately 20,000 Choctaw tribal members living in the State of Texas, making it the largest tribal population in that state, and Home Finance Program assistance services have been provided to some of those members. In addition to such specific home finance services, since 1999 the Choctaw Nation has spent nearly \$11.6 million towards the education and career development (including scholarships) of its members, not within Oklahoma, but within the State of Texas alone.

These innovations and successes by the Choctaw Nation Housing Authority point to the effective good that can be done through federal Indian housing programs. They also point to reasons why Congress should timely reauthorize NAHASDA this fiscal year.

## **VI. Congress Should Act Swiftly to Approve the Reauthorization of the Native American Housing Assistance and Self-Determination Act, While Fully Supporting the Negotiated Rulemaking Process for Its Implementation**

Congress enacted NAHASDA in 1996, establishing the Indian Housing Block Grant program for the benefit of American Indian and Alaska Native groups. The main goals of the bill were explained by one of its chief sponsors, Rep. Rick Lazio:

- Affirm tribal self-determination by giving tribes the ability and responsibility to strategically plan their own communities' development.
- Provide the maximum amount of flexibility in the use of housing dollars, within strict accountability standards.
- Allow for innovation and local problem-solving capabilities that are crucial to the success of any community-based strategy.
- Avoid over-burdening tribes and housing authorities with excessive regulation.

NAHASDA was last reauthorized in 2008 when Congress again reaffirmed the foregoing important purposes to be served by the legislation. That reauthorization of NAHASDA will expire on September 30, 2013.

*Congress must quickly and timely reauthorize NAHASDA prior to the end of this fiscal year.* Without NAHASDA, is not likely that any of the success stories from the Choctaw Nation Housing Authority discussed above, or from many other tribal housing authorities across the country, would have been achieved.

### **A. Negotiated Rulemaking Process: Keeping the Government-To-Government Relationship**

Within the reauthorization of NAHASDA, it is not just incumbent upon, but morally, historically, and politically imperative that Congress refrain from statutorily changing programmatic features of the Indian Housing Block Grant program. Rather, those changes, if any, should be left to the tribes to decide within the context of the negotiated rulemaking process.

This process has not only been used to effectively implement NAHASDA since its inception, but it is also the most efficient manner to achieve the original purposes of NAHASDA set out above.

In accordance with section 106 of NAHASDA, HUD originally developed the regulations for implementing the Indian Housing Block Grant with active tribal participation and using the procedures of the Negotiated Rulemaking Act of 1996, 5 U.S.C. §§ 561-570. The NAHASDA reauthorization legislation of 2008 amended section 106 of NAHASDA to require HUD to initiate negotiated rulemaking. In accordance with that statutory directive, HUD provided notice in the Federal Register establishing the NAHASDA Reauthorization Act Negotiated Rulemaking Committee and asked for tribal nominations to serve on the Committee. The final Committee consisted of 25 tribal members and 2 HUD representatives, including tribal representatives from every region of the country, state-recognized tribal representatives whose tribes are eligible for NAHASDA funding, and the Assistant Secretary for Public and Indian Housing and the Deputy Assistant Secretary for Native American Programs. Six negotiated rulemaking sessions were held to achieve a final rule for the implementation of the 2008 NAHASDA reauthorization amendments.

Probably the most important issue tackled through negotiated rulemaking has been the development of the formula by which tribes are allocated funds under the Indian Housing Block Grant. That formula and the negotiated rulemaking process used to achieve it are the result of countless meetings and exchanges among tribal leaders and federal officials. A carefully-constructed balance of competing interests and ideals has been reached. The formula serves the diverse tribal communities affected and tribal leaders worked hard and long with federal officials to achieve that balance. Key to that formula's effectiveness is the fact that it uses U.S. Census data to take into account the need of every tribal recipient of NAHASDA block grant funding. Any necessary changes to that allocation formula or to any other Indian Housing Block Grant regulation should be subjected to the same negotiated rulemaking process.

The reason the negotiated rulemaking process generally, and the funding formula developed through that process in particular, must be kept in place is clear: the federal government has long since (and correctly) acknowledged that tribal representatives are the best decision-makers for policy choices that affect tribal communities, and even though the federal government has a trust responsibility towards tribes, that responsibility is best carried out by encouraging and supporting the government-to-government relationship between tribes and the federal government. That is exactly what the negotiated rulemaking process does -- it allows representatives from tribes and tribal housing authorities to engage one another over the programmatic rules that govern their day-to-day operations, with federal representatives at the table to provide input, but most importantly, to listen and incorporate the tribal input into the final rule. This is exactly the type of scenario contemplated by Rep. Lazio and other original sponsors of NAHASDA legislation, because the negotiated rulemaking process without a doubt enables tribes to plan their community development, provides flexibility in the expenditure of resources while maintaining accountability for the good of all of Indian Country, encourages and spreads innovation among tribal representatives, and avoids unnecessary and irrelevant regulation.

With the foregoing in mind, the timely reauthorization of NAHASDA, with the allocation formula and negotiated rulemaking in place to address any necessary substantive changes, should be one of Congress's top priorities before the end of this fiscal year. Any lapse in the program would have far-reaching results in Indian Country.

## **VII. A Possible Change in the Reauthorization of NAHASDA**

NAHASDA has undoubtedly improved the housing situation in Indian Country. However, like any national legislation aimed at addressing chronic and overarching problems in Indian Country, NAHASDA does have some shortcomings. Addressing at least one of these issues that has been a particular problem for the Choctaw Nation Housing Authority during reauthorization may help us and other tribal housing authorities more effectively address the needs of tribal members.

### **A. Administrative Burden of the Useful Life Period**

Section 205(a)(2) of NAHASDA requires that housing units remain affordable for either the remaining useful life of the property, as determined by the Secretary, or for another period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purpose of the Act. The Act also requires that this affordability be secured through binding commitments satisfactory to the Secretary. Unfortunately these provisions regarding binding commitments have been interpreted so as to result in the unintended consequence of creating a lien on an entire housing unit and thereby bind up a much-needed housing asset, for even the smallest binding commitments that were made for very minor maintenance or repair expenditures. Furthermore, this creates an unnecessary and heavy administrative burden for small maintenance and repair expenditures that are not even capitalized under generally accepted accounting principles. This is counterproductive and goes against the effective implementation of NAHASDA. We would suggest that, in line with the proposed amendments put forward by the National American Indian Housing Council (NAIHC), the reauthorization legislation amend Section 205(c) of NAHASDA to make the binding commitment requirement applicable only to improvements of privately owned homes if they exceed \$7,500.

## **VIII. Conclusion**

Thank you Chairwoman Cantwell, Vice Chairman Barrasso, and members of the Senate Committee on Indian Affairs for allowing me to testify here today regarding the challenges and potential solutions to meeting the housing needs of Native people throughout Indian Country, by sharing with you some of my experiences at the Choctaw Nation Housing Authority. Your continued support of our efforts, including a timely reauthorization of NAHASDA before the end of this fiscal year, is truly appreciated, and I and my staff at the Choctaw Nation Housing Authority stand ready to assist you in any way that we can.

This concludes my testimony. I would be glad to answer any questions you may have.