



**Osage Nation
Housing Department
Down Payment Assistance**

**Policy & Procedure Manual
2020**

NAHASDA DOWN PAYMENT ASSISTANCE

Policy

It is the policy of the Osage Nation Housing Department that:

Studies have shown the many positive effects of homeownership, both for the family and the community at large. Decent, affordable housing is not available to many Native Americans living in Indian Country. This is especially apparent for low-income Native Americans. A major tenant of the Native American Housing Assistance and Self Determination Act (NAHASDA) is to help provide decent and affordable housing to low-income Native Americans.

The homeownership need for Osages is staggering. Our annual appropriation from the Indian Housing Block Grant (IHBG) is unable to purchase or construct enough housing to even start to address this need, given all the other programs the IHBG must support.

It has now become apparent that our policy towards homeownership must shift. The resources to purchase or construct homes in the past benefited a relatively small group of Osages at great cost. Through down payment assistance, the Osage Nation Housing Department can use these same type dollars across many more Osage families.

Many times the closing costs and/or down payment is a major roadblock for Native Americans trying to purchase a home. This program removes that obstacle and results in a lower cost home to the client, helping to create more affordable housing.

This program applies to all Native Americans living in Oklahoma, with Osage preference. The home purchased must be their primary residence. The program will provide five thousand five hundred dollars (\$5,500.00) to selected applicants to be used towards down payment, closing costs or any other normal expenditure related to the purchase of a home.

This payment is a grant with no filed deed restriction.

This program does rely on the individual securing a traditional mortgage. Loan approval may be a step that some Native Americans cannot obtain at this point in their life. The Osage Nation wants to utilize these limited resources towards individuals who are ready for the responsibility of homeownership. The program will also refer clients to providers of Section 184 loans and/or credit counselling to assist with the procurement of a traditional mortgage with favourable terms.

The applicant must not have owned a home within the last two (2) years. Several exceptions to this rule will be considered on a case by case basis and include:

- An applicant that already owns, as their principal residence, a dwelling unit not in compliance with applicable building codes and which cannot be brought into compliance with such codes for less than the cost of constructing or purchasing a code compliant structure;

- An applicant who is recently divorced or legally separated, where the previously owned home was held jointly and the applicant relinquishes all ownership rights to said home;
- An applicant who is in need of a larger square footage and/or bedroom size home due to increased family size;
- An applicant who lost their home to fire, flood, tornado or other act of God;
- Other situations that may be considered by the Housing Director on a case by case basis.

Procedures

To implement this program, the procedures of the Osage Nation Housing Department are:

In order to be first considered for assistance, you must submit the following items:

- A completed NAHASDA Down Payment Assistance Program application;
- Certificate of degree of Indian blood (CDIB) and Membership Card;
- The adult head of household applying must be at least 18 years of age and Native American;
- Photo identification and social security cards for everyone in the household;
- Verification by the lender as to the applicant's prequalification for a traditional loan with reasonable terms and closing costs associated with the loan;
- Verification of income in the form of the most recently filed income tax return. If you do not have this form, you must obtain a signed and notarized statement indicating the reason why you did not file a tax return. Pay stubs or W-2 statements, as proof of income can be accepted.
- Income limits cannot exceed 80% of the United States median income that is published annually;

As a federally funded program, the Housing Department will accept applications from all Native Americans intending to purchase a home in the service area. However, **Osage preference will apply.**

All applications will be placed in a waiting queue by order of completed application. Osages will be preferentially placed at the top of the queue in order of receipt of completed application. All other Native Americans will be placed below Osages in order of receipt of complete application. When no Osages are currently in process to receive program service, other Native Americans waiting can then be selected. If additional Osages apply to the program, the wait will continue for all non-Osages until no Osages are currently waiting to receive service. Service means money paid at final closing towards the purchase of a home.

Once selected from the waiting list for service, a letter will be sent to the approved applicant. The date of mailing starts a three (3) month period of time to finish closing on the house. If the applicant fails to close on the house in three (3) months, they must reapply for service and be placed back on the waiting list.

When selected for service, this acceptance letter will outline the next steps that must be done to receive service. The client must then:

- Select a home located within the Osage Nation's 184 Loan Program eligible area that has been determined by HUD (the State of Oklahoma);
- The home must be decent, safe, sanitary and meet the definition of a standard home;
- If the home is located in Osage County, the Housing Department will travel to view and inspect the home to verify condition;
- If the home is outside of Osage County, the Housing Department will request the realtor and/or home inspector to send photographs and/or inspection report to verify condition;
- If the home is found to be acceptable, the client may then negotiate and enter into a contract to purchase the home;
- The client must then remit:
 - Sales contract;
 - Loan estimate;
 - Proof of home insurance;
 - Letter from the title company stating the date, time and location of closing;
 - Wiring instructions to send the payment to the closing company. Instructions must be received ten (10) business days prior to closing, no exceptions;
 - Six (6) month deed restriction for the value of the grant. This document is not filed with the county nor part of the legal deed. Only if the grantee sells the home in the first six (6) months of ownership, may we recoup this grant.
- Funding can be used towards the construction of home. However, the client must produce a contract stating a firm purchase price and completion date. Service cannot be guaranteed until the home can be inspected and found acceptable;
- Funding can also be used towards the purchase of a modular home. Service cannot be guaranteed until the home has been inspected and found acceptable. This inspection will have to occur *after* the home is set, connected to utilities and is fully functional. This detail will need to be negotiated with the lender. This may be unacceptable for some lenders.

If, at any time either during the application process or after purchase of the home, it is determined that the applicant provided false, incomplete or inaccurate information regarding any eligibility factor, an investigation to determine fraud will be conducted. If it is determined that fraud has been committed, the applicant will be subject to penalties under applicable federal, state, or Tribal laws. In addition, approval of their application will be withdrawn. If the assistance has already been rendered, the applicant(s) will be required to repay the amount.

Program resources will be distributed until moneys reserved for the program are exhausted. All those on the waiting list when funding has been exhausted will be removed and asked to reapply next fiscal year.

OTHER DOWN PAYMENT ASSISTANCE

The Osage Nation Housing Department has an additional program called Down Payment Assistance Self-Sustainability (DPASS). This program functions exactly the same and in tandem with the traditional NAHASDA Down Payment Assistance program. The only difference is that to be eligible, the applicant must fall within 80% and 100% of the median United States family income as published annually. This funding is part of the IHBG.

Additionally, the Osage Nation Housing Department administers a tribally funded down payment assistance program. This program also functions exactly the same as other down payment programs. This program is for those individuals over 100% of the median United States family income. This funding is subject to an annual appropriation by the Osage Nation Congress. As a tribally funded program, it is available only to Osages living in the State of Oklahoma. It also plays no part in the Osage preference policy of the IHBG down payment programs.

For additional information on the Osage Nation Housing Department down payment assistance programs, please contact our office at 918-287-5310.