Process Overview
Your path to opportunity. Partnership at every step.

Above all, the Initiative for Native American Homeownership is a journey—a path to homeownership opportunity that we will walk together. Use this overview to understand the steps in our partnership, anticipate necessary actions, and track progress toward the signing of a Memorandum of Understanding with Fannie Mae. The end result? An additional option: conventional mortgages for tribal members and their lenders.

Steps on the path

1. Participating in the Initiative
2. Working with Fannie Mae
3. Reviewing and Revising Ordinances
4. Signing a Memorandum of Understanding

The Fannie Mae team will work with you throughout the process, and is available to answer any questions you have along the way. Let’s get started.
**STEP 1:**  
**Participating in the initiative**

By meeting with Fannie Mae, opening the Welcome Kit, and reviewing these resources, you’ve already demonstrated an interest in exploring new options for homeownership. At this first step, our goal is about education and showcasing the opportunities homeownership unlocks.

For more detail on the advantages of a conventional mortgage for homebuyers, see [www.fanniemae.com/nativeamerican](http://www.fanniemae.com/nativeamerican)

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**Social and Economic Impact of Homeownership**

- **Providing Shelter**
  Help families put a roof over their heads near the people, jobs, and education they rely on.

- **Strengthening Sovereignty**
  Support the creation of legal frameworks for land planning, renovation, and lending in the hands of tribal governments.

- **Leveraging Resources**
  Allow tribal leaders to offer homeownership options to more families in the face of scarce housing resources.

- **Stimulating Economies**
  Expand workforce development, boost demand for goods, and keep tribal dollars flowing within communities.

- **Promoting Stability**
  Relieve overcrowded housing and enable additional financial capability for families.

**Additional Benefits**

- Low monthly payments
- Flexible sources of funds for down payment and closing costs
- Down payment assistance
- Cancellable private mortgage insurance
- Online homebuyer learning
STEP 2:

Working with Fannie Mae

Getting your community ready for homeownership is a critical part of the process. We’ll work side-by-side with you to organize the partnerships, resources, and processes so you can make informed decisions about mortgage products for your tribe. Together, we will:

- Set the tone by helping educate potential homebuyers on the idea of owning a home and the financial requirements involved.
- Identify the department or entity—whether that’s the tribally designated housing entity itself or another organization—that will lead mortgage processes and support borrowers.
- Allocate available financial resources to address funding gaps around down payments, construction, program support, and other costs related to home-buying, such as financial literacy education.
- Establish relationships with important partners in the process, such as lenders, insurance providers, appraisers, inspectors, housing counselors, and contractors.
- Strengthen the connection between home-ownership and the tribal economy, including the importance of local construction professionals and tribal citizen-owned businesses.
STEP 3: Reviewing and revising ordinances

While a TDHE plays a critical role in cultivating an environment for homeownership, there are certain functions that only tribal governments can address to help ensure certainty for all parties involved. Fannie Mae can help clarify and prioritize these actions.

**Housing Needs Assessment**
Homeownership efforts should be rooted in the real needs of the tribal community. Assessing factors such as demographics, income levels, and employment status will all influence the way programs are implemented.

**Legal Infrastructure**
As sovereign nations exercising their self-governance, tribes may need to shape their own laws around construction, mortgage processes, lending standards, delinquency and foreclosure, and judicial recourse.

**Land Management**
A homeownership program that involves construction of new housing inventory will be strongly influenced by a tribal government’s approach to land management. Decisions about land mapping, zoning, transportation planning, leasing and title processes, and physical infrastructure must all be considered well in advance.

**Housing Choices**
Many forms of housing will be available depending on the needs and standards of the community, from manufactured to stick-built to renovation of existing inventory. Each has its own decisions around design and building, and the role families can play in them.

**Homebuyer Education**
Helping potential borrowers understand the homeownership process and the role their financial situation plays, including credit and money management, is critical to creating responsible, informed homebuying tribal members.

**Financing**
Whether it’s supporting updates and repair for current homes or families’ efforts to qualify for mortgages, determining sources of financing is key. Beyond the funding flexibility of our conventional mortgages, Fannie Mae can advise on the use of tribal budgets and identify third-party options for development and gap financing.
STEP 4:

**Signing a Memorandum of Understanding**

With the right structure and process in place, relationships established, and all parties more informed, your tribe and Fannie Mae can sign a Memorandum of Understanding.

This is the end of one journey, and the beginning of another. An MOU in place means the option to use conventional mortgages will be a reality for the tribe, lenders, and homebuyers, unlocking more opportunity for homeownership. And more affordable, safe, quality housing available on tribal lands can change the future for families and entire communities, helping your tribe better thrive economically, socially, and culturally.

Our congratulations on reaching this remarkable milestone. And our thanks for walking the path with us.