

116TH CONGRESS  
1ST SESSION

# S. 2725

To modify the procedures for loan guarantees provided for Indian housing,  
and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2019

Mr. ROUNDS (for himself, Ms. SMITH, Mr. THUNE, Mr. TESTER, Ms. MCSALLY, and Ms. CORTEZ MASTO) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To modify the procedures for loan guarantees provided for  
Indian housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Native American  
5 Housing Affordability Act of 2019”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) the extended timelines for approving lend-  
9 ers’ applications to participate in the program estab-

1 lished under section 184 of the Housing and Com-  
 2 munity Development Act of 1992 (12 U.S.C. 1715z–  
 3 13a) are unacceptably long;

4 (2) those extended timelines inhibit the ability  
 5 of lenders to provide needed mortgage loans on Na-  
 6 tive American reservations; and

7 (3) it can take a significant amount of time for  
 8 certain Bureau of Indian Affairs Land Title and  
 9 Records Offices to issue final certified title status re-  
 10 ports for mortgages issued on Indian trust land  
 11 under section 184 of the Housing and Community  
 12 Development Act of 1992 (12 U.S.C. 1715z–13a),  
 13 which delays the guarantee of the loan by the De-  
 14 partment of Housing and Urban Development.

15 **SEC. 3. IMPROVEMENTS TO LOAN GUARANTEES FOR IN-**  
 16 **DIAN HOUSING.**

17 (a) DOCUMENTATION REQUIRED FOR INDIAN TRUST  
 18 LAND.—Section 184(c) of the Housing and Community  
 19 Development Act of 1992 (12 U.S.C. 1715z–13a(c)) is  
 20 amended by adding at the end the following:

21 “(5) TRAILING DOCUMENTS.—

22 “(A) IN GENERAL.—The Secretary may  
 23 issue a certificate of guarantee under this sub-  
 24 section for a loan involving a security interest  
 25 in Indian trust land before the Secretary re-

ceives the trailing documents required by the Secretary, including the final certified title status report showing the recordation by the Bureau of Indian Affairs of the mortgage relating to the loan, if the originating lender agrees to indemnify the Secretary for any losses that may result when—

“(i) a claim payment is presented to the Secretary due to the default of the borrower on the loan; and

“(ii) the required trailing documents are outstanding.

“(B) TERMINATION OF INDEMNIFICATION AGREEMENT.—An indemnification agreement between an originating lender and the Secretary described in subparagraph (A) shall only terminate upon receipt by the Secretary of the trailing documents described in that subparagraph in a form and manner that is acceptable to the Secretary.

“(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as authorizing the Bureau of Indian Affairs to delay the issuance of a final certified title status report

1           and recorded mortgage relating to a loan closed  
2           on Indian trust land.”.

3       (b) REPORTING.—The Secretary of Housing and  
4 Urban Development shall—

5           (1) report to the Committee on Banking, Hous-  
6       ing, and Urban Affairs and the Committee on In-  
7       dian Affairs of the Senate and the Committee on Fi-  
8       nancial Services and the Committee on Natural Re-  
9       sources of the House of Representatives on a semi-  
10      annual basis on the progress that the Secretary is  
11      making to accelerate the processing of lender appli-  
12      cations under section 184 of the Housing and Com-  
13      munity Development Act of 1992 (12 U.S.C. 1715z–  
14      13a); and

15           (2) if there is no improvement in accelerating  
16      those processing timelines, submit to the committees  
17      described in paragraph (1) a report explaining the  
18      lack of improvement.

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