

**House Financial Services Housing Subcommittee**  
**Congressional Field Hearing: Native American Lending Initiatives**

**Tuba City, Arizona**

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**Statement By**

**Freddie Hatathlie**

**Wells Fargo Home Mortgage Consultant for Indian Country Initiatives**

Congressman Renzi and Members of the Subcommittee: I am Freddie Hatathlie, a Wells Fargo Home Mortgage Consultant for Indian Country Initiatives. I am a member of the Great Navajo Nation working directly with Tribes in Northern Arizona meeting their mortgage financing needs. I would like to make a brief statement on our Wells Fargo goals related to Native American lending and respond briefly to some of the specific questions you have raised.

For more than 25 years, Wells Fargo has recognized that tribal nations have special financial needs. The challenge might be the trust status of tribal land, a tribe's status as a sovereign nation, or the lack of standard financial information that is traditionally required for project financing and other credit needs. Wells Fargo is an experienced lender in these questions, and I believe, has a strong commitment to finding solutions and recognizing the unique status of tribal sovereignty and nation status.

Arizona is a very important market for Wells Fargo and would also note that Wells Fargo operates in 22 other states that are home to nearly 90% of federally-recognized tribes. Wells Fargo provides the full array of financial services, including 15 full-service banking facilities located on tribal reservations.

Wells Fargo collaborated closely with many Members of the House Financial Services Committee to ensure passage of the HUD Section 184 program. Congressional action in this area was vital and the law provides much needed clarity with respect to mortgage transactions on tribal lands. Wells Fargo Home Mortgage is the largest producer of loans specifically on Indian trust lands, provides construction financing for tribal housing developments of five or more single-family units.

The Subcommittee had asked for specific comments in response to four questions. I would like to discuss each in turn:

**1) *What initiatives or partnerships have you taken part in or have knowledge of that are designed to contribute to the development of more housing for Native Americans and for tribal areas?***

I want to highlight Wells Fargo's contributions and initiatives that promote housing activities in Indian Country:

- Wells Fargo Home Mortgage with the help of the US Department of Housing and Urban Development Section 184 Indian Home Loan guarantee program, can originate mortgage loans in Indian Country to the eligible Native American Borrower(s);
- Wells Fargo Home Mortgage can transact conventional mortgages on Trust Land;

- Wells Fargo Home Mortgage through its Housing Foundation is the sole sponsorer partnering with the Neighborhood Reinvestment Corporation to provide a Native American Community Development Training program. The program is available to all practitioners working in or serving Indian Country;
- Wells Fargo has contributed monetarily to nonprofit organizations that:
  - assist 1<sup>st</sup> time homebuyers;
  - promote Financial Education, Including distribution of Wells Fargo's curriculum, Hands on Banking – a comprehensive curriculum available free of charge and with no corporate advertising. We are pleased that many states have approved the curriculum for use in public school systems.
  - assist with down payment and closing costs;
  - renovate/resell homes; and
  - sponsor the Individual Development Account (IDA) to help low-wage earners to build assets and increase economic self-sufficiency.

**2) *The Bureau of Indian Affairs, the Federal Housing Administration, the Rural Housing Service, and the Veterans Administration are party to the One-Stop Mortgage initiative under which uniform documents are developed for leases, mortgages and foreclosure procedures for loans on trust land. Are you familiar with this initiative? How has this program contributed to greater homeownership initiatives? What other initiatives would be helpful to promote greater private sector involvement?***

Wells Fargo is familiar with the One-stop initiative and was represented during the discussions. The initiative provided a platform for discussion and allowed for a uniform voice to be heard, at the tribal and Federal levels. Prior to the One-stop Initiative, there was a lack of focus on Housing for Indian Country.

The one-stop report included the successes of the pilots and it further outlined the challenges/barriers and recommendations to promote homeownership to the Native American population, therefore continuing this initiative would advance housing activities.

**3) *Much of the Native American land is held in a trust. The trust status creates unique challenges for those wishing to develop the private market. Tribes have limited sovereignty over their lands, but the Bureau of Indian Affairs holds much of the land in trust. The trust status limits the type of economic activity allowed on Native American lands. How does this affect the private sector's ability to provide housing assistance***

***to Native Americans? What action do you believe must be taken to encourage greater homeownership opportunities for Native Americans?***

The process is filled with complexities making it complicated for the family, the lender, the secondary provider, the Bureau of Indian Affairs and Tribes, to understand. I would make the following recommendations:

- Additional staffing to provide for timely review of mortgage transactions at the tribal and Bureau of Indian Affairs (BIA) level.
- Mortgage transactions should/must become a routine administrative process expediting recordation at the Bureau of Indian Affairs title plant.
- Emphasize and promote a Financial Education program in Indian Country with the help of Financial Institutions.

***4) In 1997, the General Accounting Office reported that only 92 conventional home mortgages were made in tribal areas during the 5-year period from 1992 until 1996, and half of those were made on a single reservation where the tribe owned the bank. What changes or initiatives are necessary to encourage private mortgage market investment in Native American areas?***

During the mentioned time frame, the program itself, the process, etc. was not clearly outlined, hence the 92 loans within the 5 year period.

It was not until there was an emphasis placed on the One-stop Initiative from the U S Presidential Administration, that Indian Country homeownership was approached with the intent of making homeownership a right and not a privilege, to the Native American population.

**(Contact information:**

Mr. Freddie Hatathlie, Wells Fargo Home Mortgage, Home Mortgage Consultant, Indian Country Initiatives  
214 E. Birch Avenue, Flagstaff, AZ 86001  
(928)213-6021 phone  
(928)774-8303 fax