



AMERICAN INDIAN COMMUNITY DEVELOPMENT CORPORATION

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Senate Subcommittee on Housing, Transportation and Community Development.

**“Housing for Native Americans: Review of Federal Programs, Barriers and
Opportunities”**

Prepared Testimony of Michael Goze

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Good Morning,

I am Michael A Goze a member off the Ho-Chunk Nation of Wisconsin. I live in Minneapolis MN. I am the CEO of the American Indian Community Development Corporation. I also serve as the Chairperson for the Ho-Chunk Housing and Community Development Agency located in Tomah WI. Being involved with both the Twin Cities Metro Urban area and the Ho-Chunk Nations low income housing options my perspectives are meant address concerns of both rural and urban American Indian Communities.

It is my honor to provide testimony to this committee this morning. In looking at the current situation regarding safe, standard and affordable housing on Tribal Trust land or within the rural and Urban settings throughout our Country. American Indians fall far short of the national average in the percent of homeownership when compared to their white counterparts. There are several reasons for this disparity.

First, access to mortgage products that meet the specific needs of the American Indian population. The section 184 Indian Home Loan Guarantee Program is a home mortgage product specifically designed for American Indian and Alaska native Families, Alaska villages, Tribes, or Tribally designated housing entities. Congress established this program in 1992 to facilitate homeownership and increase access to capital in Native American Communities. Although this mortgage product has had some impact it has not equaled the playing field. The number of lending institutions that offer the Section 184 loan product are limited to a select few. I would suggest that the Section 184 or a like loan product would be better served if it was provided through the American Indian Community Development Financial Institutions (CDFI's) that are a great asset to Indian Country both on Reservations and in the Urban Areas. The CDFI's provide a myriad of services all dedicated to the financial success of its clients.

The work of a CDFI in homeownership is providing Homebuyer education, Homebuyer counseling, Credit repair, Budgeting, responsibilities of Homeownership and other aspects of this sometimes daunting process. A large number of American Indian clients seeking homeownership are first time homeowners looking to provide family stability enhancing Community stabilization making these services important to their individual success. I believe that this relationship would of benefit through the mortgage process. Currently their clients make applications for mortgages with other lending institutions sometimes these are on-line applications this can be a totally different experience that have had in the past. To provide an opportunity for American Indian CDFI's to have a mortgage product like the section 184 will complete the process and provide a higher level of success. American Indian CDFI's given the opportunity could provide a better level of service and gain the knowledge and financial benefits of the mortgage process. Making this a win-win for both the client and the CDFI.

Second, affordability. Income levels within the American Indian communities have a substantial effect on the amount a home loan available to them. With todays housing prices the availability of homes are scarce in the lower prices ranges. Having a forgivable deferred loan product that will be reduced over time would be a great investment into the stabilization of American Indian Families and Communities. An example would be a reduction in the principle at 5 years, 10 years and would be forgiven totally at 15 years. Data supports that homeownership is crucial in the stabilization of families. Having a safe, standard and affordable home creates the foundation that promotes better outcomes in areas of education, health and financial stability. Our homes can be the single greatest financial asset in one's life, making way for families to continue to thrive vs just survive in our current economic climate. By investing into our American Indian families via home ownership we can create an immediate impact into the lives of our youth, adults and elders. This type of investment creates immediate impact and also provides long term impact in the stabilization of Families and Communities.

Thirdly, Land trust model. Providing capital for an American Indian Land Trust would be another tool in making homeownership achievable to many more potential home owners. It also would provide the American Indian communities to reclaiming land that was once part of Indian Country. In Minneapolis we have had much success in using the Land Trust model to reduce the mortgage loan amount by having the land owned through a Land Trust. This provides the ability to increase the buying power of the homeowner by having the land held outside of the mortgage. It provides a monthly benefit to the homeowner is a reduced monthly payment. In a Land Trust model, the appreciation is shared by a predetermined amount should the property be sold. The Land Trust model can also be beneficial in continued housing affordability for the Community by the reinvestment of appreciation by the Land Trust.

Lastly, In today's times we need to use every financial opportunity to help American Indian families understand and relish in the benefits of homeownership. We need to

use a number of new initiatives to make Homeownership possible. We at AICDC have used several City, County and State funding options including grants, deferred loans and other homeownership incentives. We have benefitted for the Federal Home Loan Bank of Des Moines Native American Homeownership Initiative (NAHI) in providing down payment assistance. We look to our federal partners to help in providing opportunities to increase Homeownership to the American Indian Families throughout the Urban and Tribal lands of our great Country.

I thank you for your attention to this matter.

Sincerely,

Michael A Goze

Michael A Goze
CEO-AICDC