



NATIVE COMMUNITY CAPITAL



Dave Castillo, CEO
www.nativecap.org



NMLS 1950947
AZMB 1012372

INTRODUCTION

A stylized illustration of two hands shaking in a firm grip. The hand on the left is wearing a silver watch. The hand on the right is wearing a white shirt cuff. The background features a large, faint gear or cogwheel design, symbolizing industry and progress.

- 1) New Regs = New Opportunities
- 2) Data Sovereignty is Power
- 3) Use the New Regs & Data to...
 Make the Investment Case for Building Tribal Economies

US banks face more fair lending scrutiny under new regulations

By Pete Schroeder

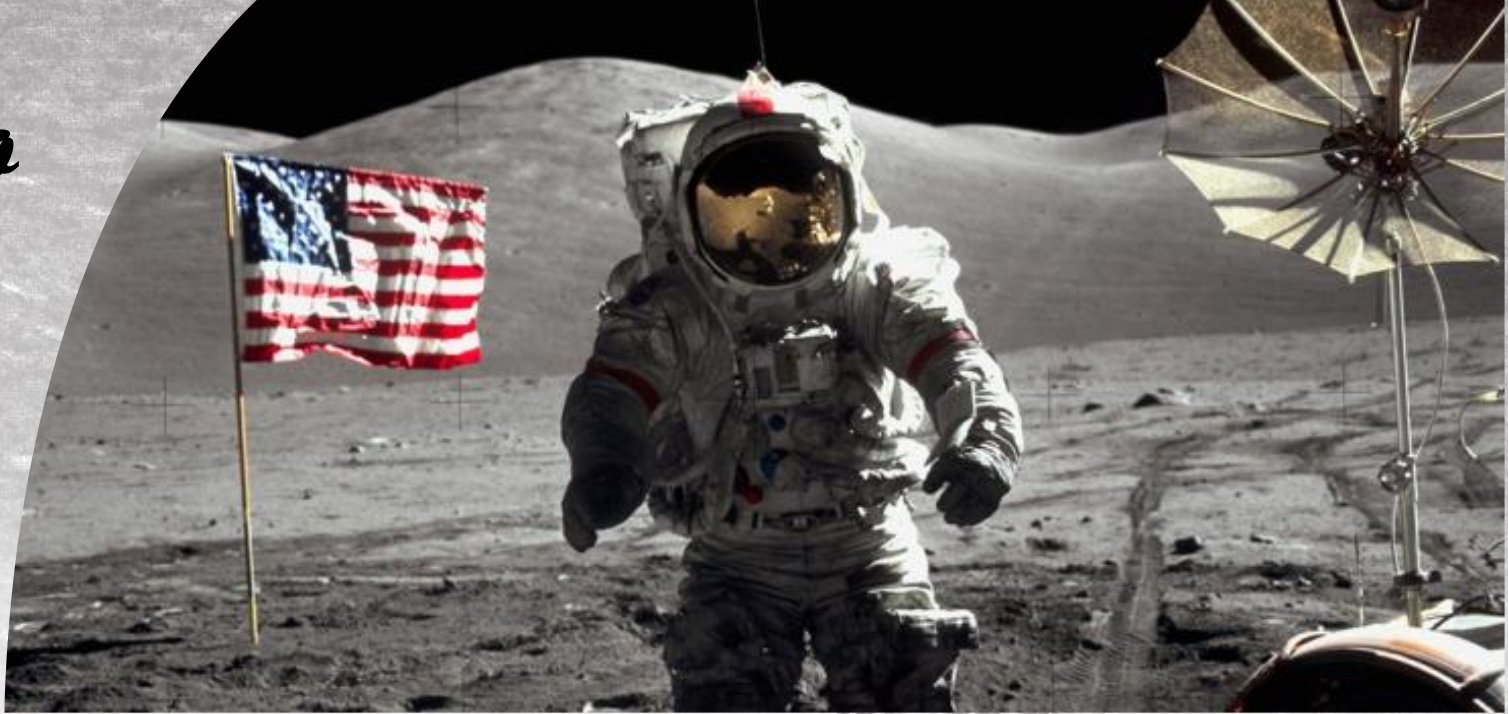
October 24, 2023



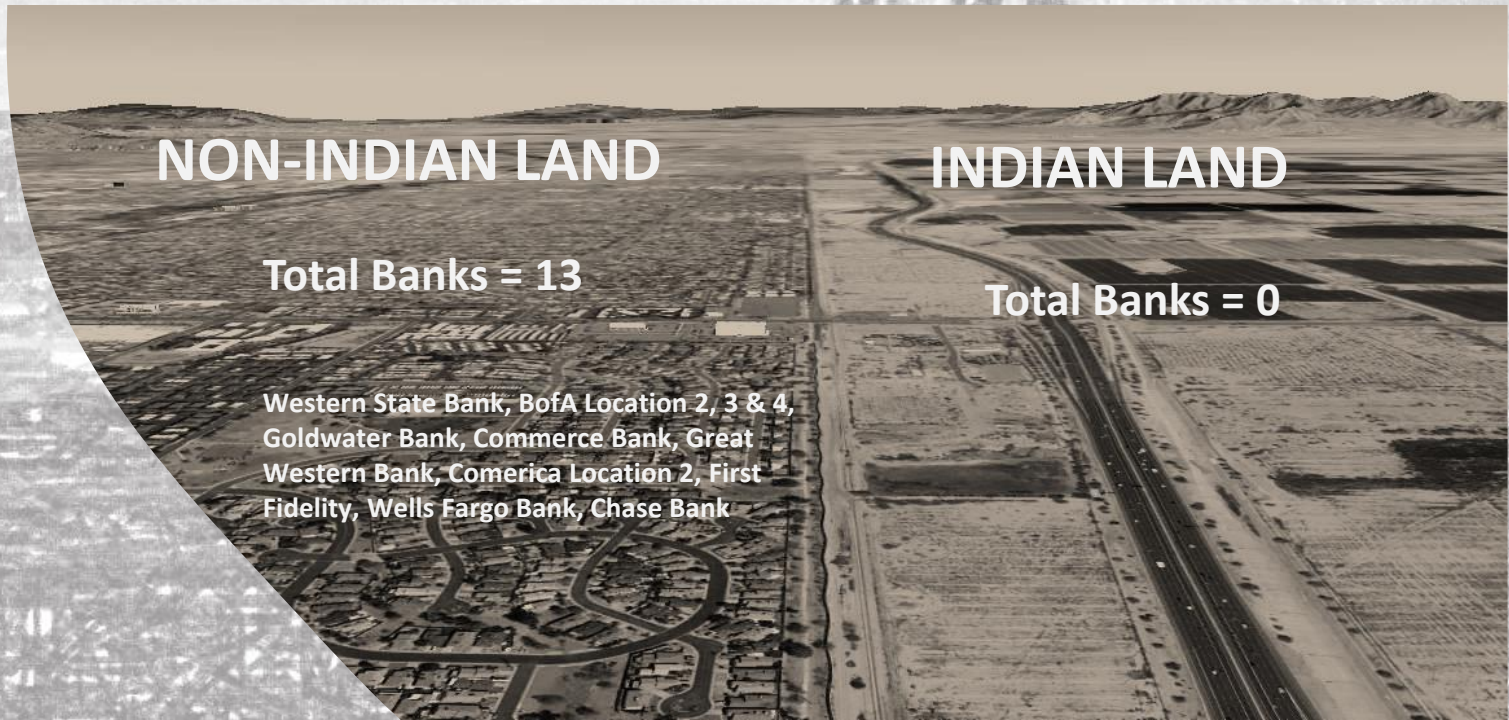
Community Reinvestment Act 12 U.S.C. 2901
Revised Rule Issued October 24, 2023



*Why is it easier to
put a man on the
moon...*



*...than a bank on
an Indian
Reservation?*



THE REPORT OF THE NATIVE AMERICAN LENDING STUDY

Community Development Financial Institutions Fund
November 2001



Resolution No. 32-14

Re: Approving and Authorizing an Asset Account Loan (Margin Loan) Utilizing the Pueblo of Laguna Portfolio; the Pueblo of Laguna Home Loan Program; Appropriation of Funds; Establishment of a Pueblo-Funded Home Loan Fund.

At a duly called meeting of the Pueblo of Laguna Council ("Council") held on the 5th day of April 2014, the following resolution was adopted:

WHEREAS, the Council is the governing body of the Pueblo of Laguna ("Pueblo"), a Federally recognized sovereign Indian tribe; and

WHEREAS, the Constitution of the Pueblo of Laguna (1984, as amended, 2012) Art. IV, Sections 2(j) and (r) authorize the Pueblo to borrow and lend money for the benefit of the Pueblo; and

WHEREAS, the Pueblo has identified Housing as a priority and continues to identify ways to assist the members of the Pueblo with affordable home ownership; and

WHEREAS, the Pueblo established a Housing Priority Workgroup to research and review various ways the Pueblo can utilize its resources to advance efforts, like home ownership; and

WHEREAS, the Housing Priority Workgroup is proposing the establishment of a Home Loan Program and Fund and presented the program overview to the Council.

NOW THEREFORE BE IT RESOLVED THAT the Pueblo of Laguna Council authorizes an asset account loan (margin loan) using its investment portfolio in the amount of \$5,000,000.

BE IT FURTHER RESOLVED THAT the Pueblo of Laguna Council authorizes the creation of a Pueblo of Laguna Home Loan Program and hereby appropriates the proceeds generated by the margin loan in the amount of \$5,000,000 to establish the Pueblo of Laguna Home Loan Fund.

BE IT FURTHER RESOLVED THAT the Pueblo of Laguna Council tasks the Housing Priority Workgroup with the following:

1. Finalizing the Pueblo of Laguna Loan Program and associated documents no later than the end of the 3rd quarter of 2014 for Council approval;
2. Selecting an entity (Loan Fund Administrator) to manage and service the Fund, including documenting all loan transactions, accounting for loan repayments, and

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ATTEST:

Charles Pender
Pueblo Secretary

CERTIFICATION

The foregoing resolution was enacted by the Council of the Pueblo of Laguna on the 5th day of April, 2014, by a vote of 12-0, for the purpose, at a duly called meeting at which a quorum of the Pueblo Council was present.

ATTEST:

Charles Pender
Pueblo Secretary

[Signature]
Governor

INTER TRIBAL COUNCIL of ARIZONA

RESOLUTION 0601

SUPPORT FOR THE ESTABLISHMENT OF THE ARIZONA TRIBAL
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION AND URGING
THE US DEPARTMENT OF TREASURY TO FUND ITS APPLICATION FOR A
FINANCIAL ASSISTANCE AWARD

WHEREAS, The Inter Tribal Council of Arizona, an Indian organization comprised of 19 Tribal Governments in Arizona, is governed by elected tribal leaders; and

WHEREAS, The member Tribes of the Inter Tribal Council of Arizona have the authority to act to further their collective interests as sovereign Indian Nations; and

WHEREAS, On September 2, 2003, in Sells, Arizona - capital of the Tohono O'odham Nation - Governor Napolitano convened the 3rd Governor's Tribal Leaders' Summit to discuss tribal housing issues; and

WHEREAS, Governor Napolitano authorized the Arizona Department of Housing to facilitate the Governor's Tribal Housing Initiative that has resulted in research findings and funding to benefit Tribal housing initiatives; and

WHEREAS, Governor's Tribal Housing Initiative Statewide Task Force formed in late 2003, identified that the U.S. Department of Treasury Community Development Financial Institution (CDFI) Fund might provide a viable option for addressing housing development finance needs; and

WHEREAS, On-going coordination and collaboration on Tribal housing issues with Indian Tribes, Indian organizations, Federal and Arizona state officials, as well as private sector partners resulted in a planning grant from the CDFI Fund for the creation of an entity that will assist Tribes in Arizona with affordable housing and community development financing; and

ITCA Resolution #0601

Page 1 of 2

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urges the US Department of Treasury to fund the Arizona Tribal Community Development Financial Institution's financial assistance request.

CERTIFICATION

The foregoing resolution was adopted at a duly called meeting of the Inter Tribal Council of Arizona on February 10, 2006 where a quorum was present and the same unanimously passed.

[Signature]
Vickie Jean Saunders
Chairwoman, Tohono O'odham Nation
President, Inter Tribal Council of Arizona

ITCA Resolution #0601

Page 2 of 2

A map of the Southwestern United States, specifically New Mexico, Arizona, and parts of Nevada, California, and Mexico. The map highlights various tribal lands in shades of gray, including the Navajo Nation, Hopi Tribe, Kaibab Paiute Tribe, Hualapai Tribe, and many others. Major cities like Albuquerque, Santa Fe, Las Vegas, and Tucson are marked. The Rio Grande is shown flowing through the region.

NCC FINANCIAL PRODUCTS

HOME LOANS*

- Housing
- Infrastructure
- Community Facilities
- Gap Financing / Bridge

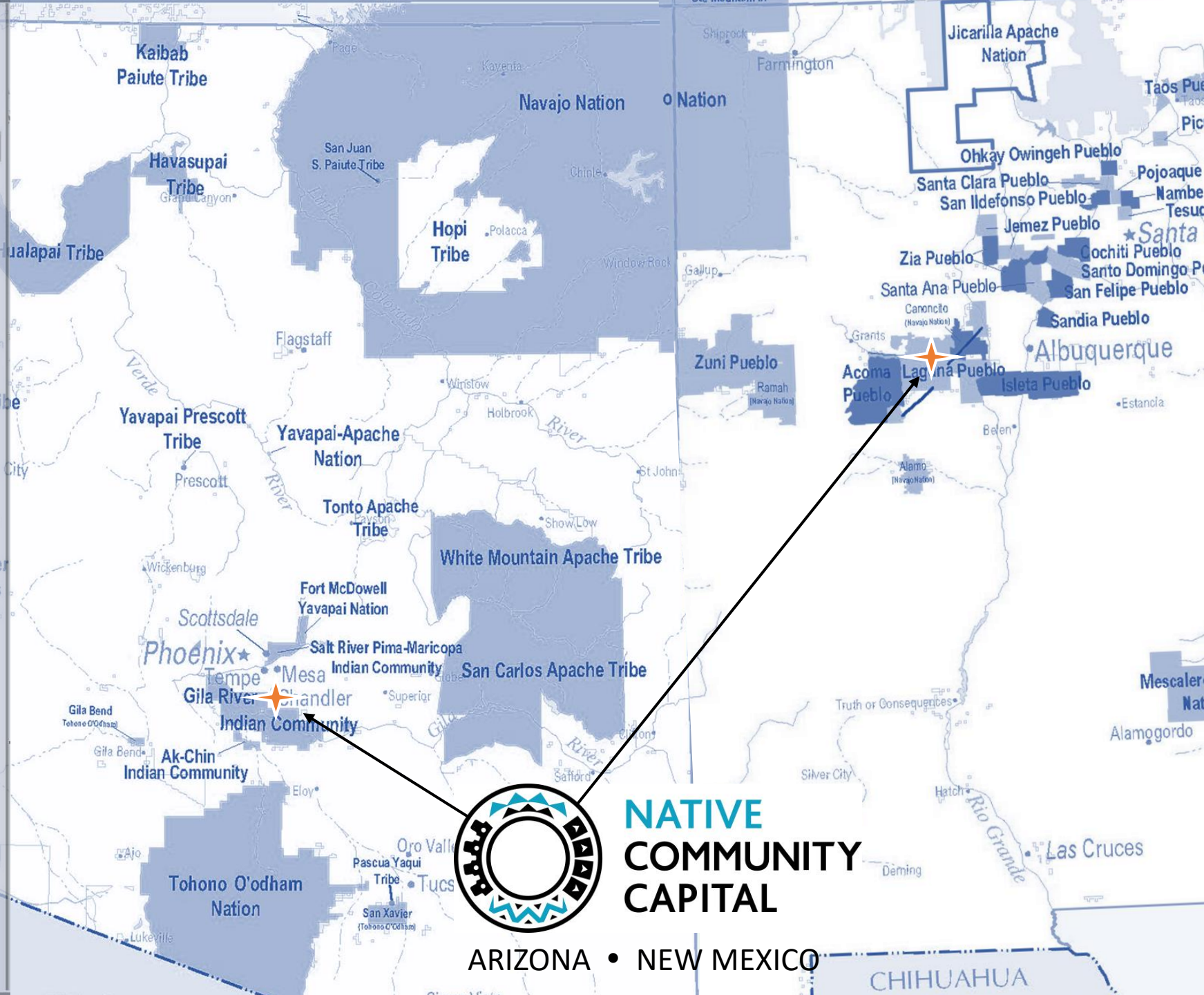
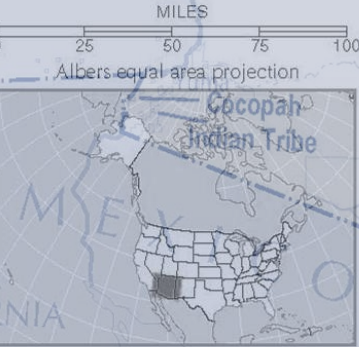
- Licensed Mortgage Lender (NM/AZ/CO)
- NM Non-Profit Corporation
- US Dept of Treasury Certified CDFI
- Established 2010
- \$20MM Deployed to Support Tribal Economies
- Offices in New Mexico & Arizona

SMALL BUSINESS LOANS*

- Business Acquisition
- Construction / Renovation
- Working Capital
- Business Expansion

FEDERALLY
RECOGNIZED TRIBES
AND INDIAN
RESERVATIONS in AZ

- 22 Tribal Nations
- 1. Ak-Chin Indian Community
 - 2. Cocopah Tribe
 - 3. Colorado River Indian Tribes
 - 4. Ft. McDowell Yavapai Nation
 - 5. Fort Mojave Tribe
 - 6. Gila River Indian Community
 - 7. Havasupai Tribe
 - 8. Hopi Tribe
 - 9. Hualapai Tribe
 - 10. Kaibab-Paiute Tribe
 - 11. Navajo Nation
 - 12. Pascua Yaqui Tribe
 - 13. Quechan Tribe
 - 14. Salt River Pima-Maricopa Indian C.
 - 15. San Carlos Apache Tribe
 - 16. San Juan Southern Paiute
 - 17. Tohono O'odham Nation
 - 18. Tonto Apache Tribe
 - 19. Yavapai-Apache Nation
 - 20. Yavapai-Prescott Tribe
 - 21. White Mountain Apache Tribe
 - 22. Zuni Tribe

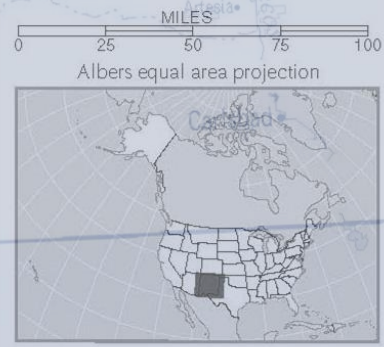


NATIVE
COMMUNITY
CAPITAL

ARIZONA • NEW MEXICO

FEDERALLY
RECOGNIZED TRIBES
AND INDIAN
RESERVATIONS in NM

- 22 Pueblos & Tribes
- 1. Acoma Pueblo
 - 2. Cochiti Pueblo
 - 3. Isleta Pueblo
 - 4. Jemez Pueblo
 - 5. Jicarilla Apache Nation
 - 6. Laguna Pueblo
 - 7. Mescalero Apache Nation
 - 8. Nambe Pueblo
 - 9. Navajo Nation
 - 10. Ohkay Owingeh Pueblo
 - 11. Picuris Pueblo
 - 12. Pojoaque Pueblo
 - 13. San Felipe Pueblo
 - 14. San Ildefonso Pueblo
 - 15. Sandia Pueblo
 - 16. Santa Ana Pueblo
 - 17. Santa Clara Pueblo
 - 18. Santo Domingo Pueblo
 - 19. Taos Pueblo
 - 20. Tesuque Pueblo
 - 21. Zia Pueblo
 - 22. Zuni Pueblo



HOME LOANS





Contractor
Cherokee



Restaurant
Navajo



Handyman
Creek



Restaurant
Oglala Lakota



Jewelry
Navajo



Fire Incident Mngt
Pomo



Restaurant
Navajo



New Media
Shoshone-Bannock



Restaurant
Jemez Pueblo



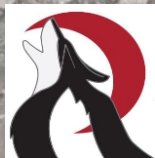
Sports Apparel
Sicangu Lakota



Independent Trucker
Navajo



Fashion Apparel
Navajo



Restaurant
Quechan



Medical Transport
Navajo



Coffee Roaster
Quechan



Pharmacy
Pascua Yaqui

SMALL BUSINESS LOANS



CREDIT ENHANCEMENT PROGRAMS



SSBCI | State Small Business Credit Initiative



Division of Capital Investment





DATA SOVEREIGNTY & ADVOCACY

REDLINING THE RESERVATION:

The Brutal Cost Of Financial Services Inaccessibility In Native Communities

December 2023

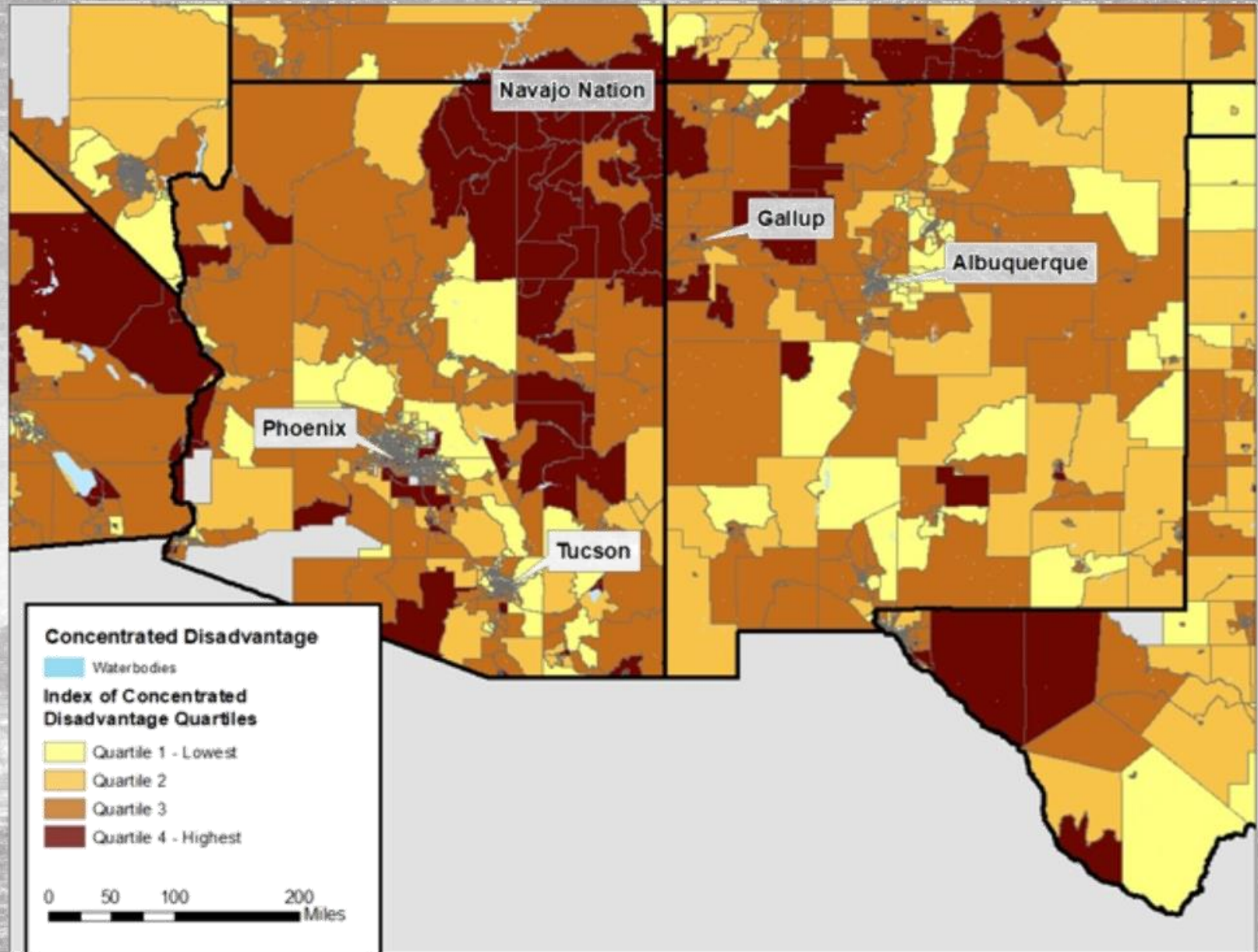
Read the Report Online



Concentrated Disadvantage

This index is a measurement of five variables widely used to assess vulnerability.

1. Percent of individuals below the poverty line
2. Percent of individuals on public assistance
3. Percent female- headed households
4. Percent unemployed
5. Percent less than age 18.



Tribal Lands Received Less Than One Cent for Each Dollar Loaned to Small Businesses in AZ and NM

Small Business Lending 2018-2021

Small business lending declines in all census tracts.

The decline is much higher in low and moderate income census tracts.

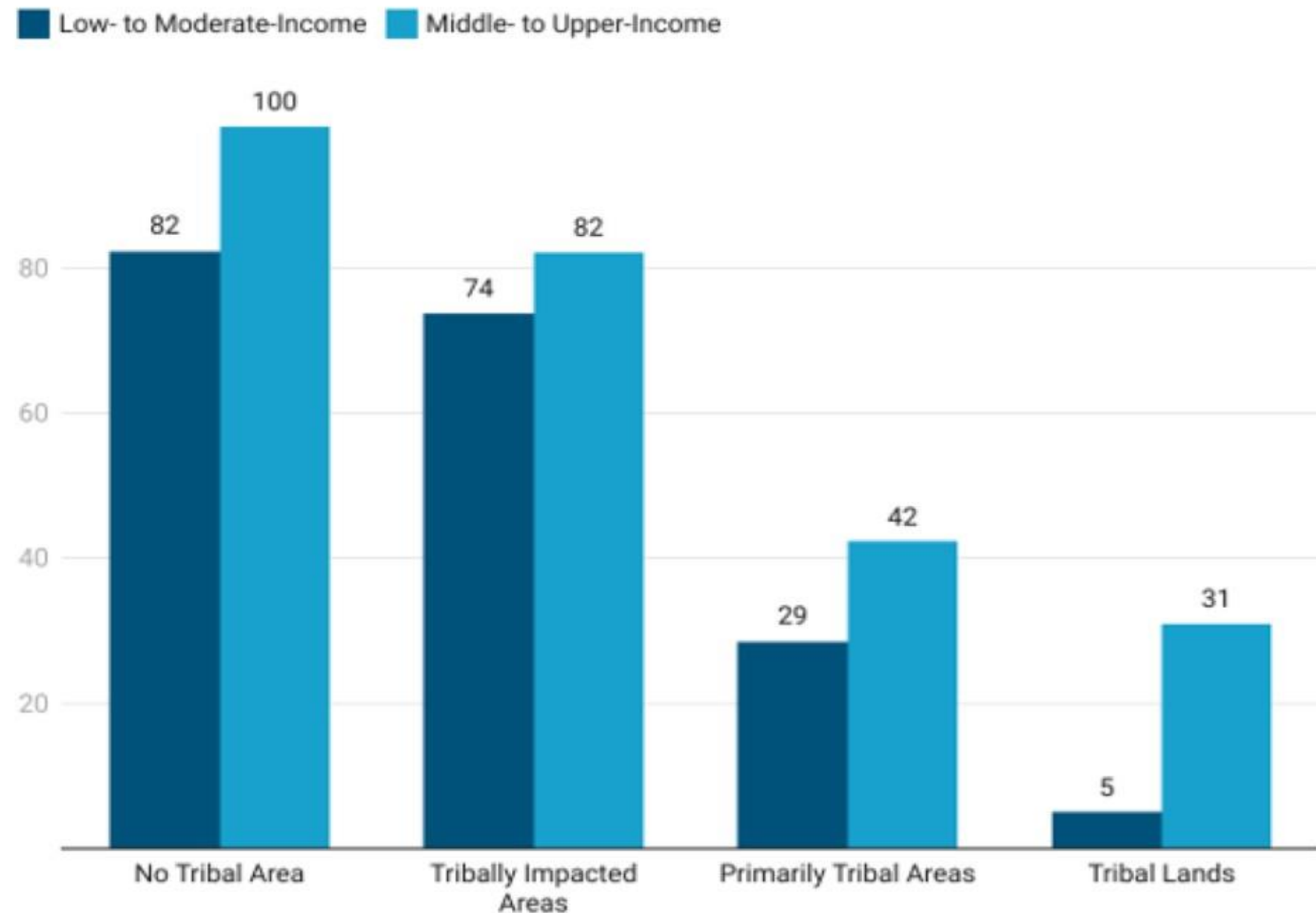


Chart: NCRC Research • Source: FFIEC CRA aggregate small business lending data Table A1-1 • Created with Datawrapper

On tribal land, Vanderbilt and 21st Mortgage made 85% of manufactured home purchase loans = quasi-monopoly / market failure.

- Vanderbilt and 21st Mortgage are both subsidiaries of Berkshire Hathaway.
- Closing costs and interest rates charged by both companies greatly exceed the other lenders in the market.

	Lender	Lender Type	Manufactured Home	Site-built	Grand Total
1	VANDERBILT MORTGAGE AND FINANCE	Mortgage Company	272	2	274
2	ROCKET MORTGAGE	Mortgage Company		168	168
3	21ST	Mortgage Company	132		132
4	NOVA FINANCIAL & INVESTMENT CORPORATION	Mortgage Company		107	107
5	LOANDEPOTCOM	Mortgage Company	1	69	70
6	BOKF	Bank or Affiliate	4	57	61
7	WATERSTONE	Bank or Affiliate	8	48	56
8	DEL NORTE CU	Credit Union	13	43	56
9	MID AMERICA MORTGAGE	Mortgage Company	23	27	50
10	GATEWAY FIRST BANK	Mortgage Company	5	38	43
Additional 11 rows not shown.					
Created with Datawrapper					

Manufactured Housing Home Purchase Loans 2018-2021

Rate spreads on tribal lands are much higher than off tribal lands and in comparison to non-Native borrowers.

	Site-built		Manufactured Home	
	Non-Native	Native American	Non-Native	Native American
No Tribal Area	48	62	149	352
Tribally Impacted Areas	42	43	144	420
Primarily Tribal Areas	50	79	164	458
Tribal Lands	64	51	339	549
All Areas	48	62	150	418

Originations on owner occupied, 1-4 unit properties 2018-2021.

Table: NCRC • Source: CFPB • Created with Datawrapper

- National average mortgage interest rate as of Feb 15th, 2024: 6.77%.
- Off Tribal land non-Native buyers would pay 8.26% interest rate.
- Native buyers on Tribal land: 12.26% interest rate.
- Over twenty years on a \$100,000 loan this results in \$63,978 in *additional* interest paid by the Native buyer on Tribal land.

usury

[yoo-zhuh-ree] [SHOW IPA](#)



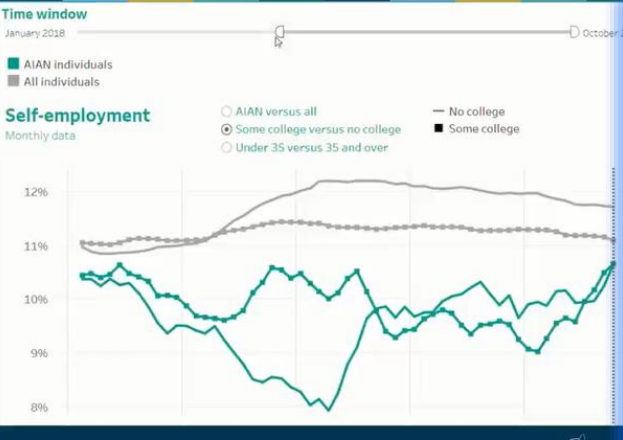
[See synonyms for usury on Thesaurus.com](#)

noun, plural **u·su·ries.**

1. the lending or practice of lending money at an exorbitant interest.
2. an exorbitant amount or rate of interest, especially in excess of the legal rate.

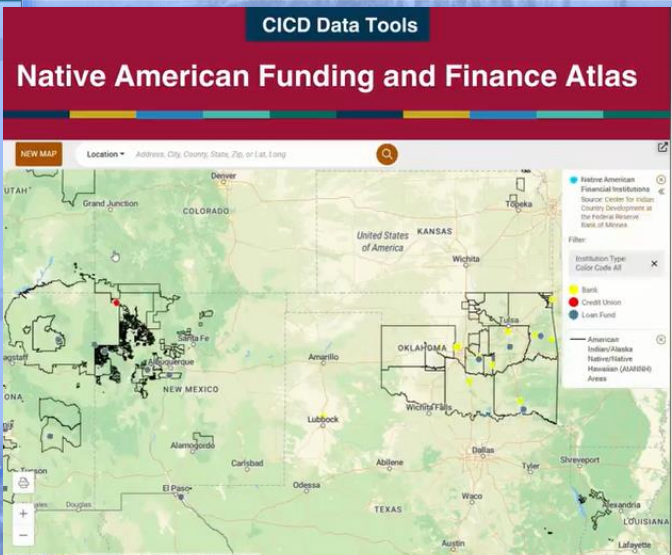
CICD Data Tools

Native Entrepreneurship Dashboard



CICD Data Tools

Tribal Economic Zones



DATA SOVEREIGNTY



CENTER FOR INDIAN COUNTRY DEVELOPMENT



FEDERAL RESERVE BANK OF MINNEAPOLIS

DATA SOVEREIGNTY



John Morseau
Senior Policy Analyst
Center for Indian Country Development

At-Large Member of the Tribal Council
Pokagon Band of Potawatomi

Pokagon Band of Potawatomi

Pokagon Tribal Census



Pokagon Band of Potawatomi 2018 Census Summary of Results



SURVEY METRICS

Number of Responses

700

WITHIN SERVICE AREA

Response Rate | 48%

833

OUTSIDE SERVICE AREA

Response Rate | 46%

1,533

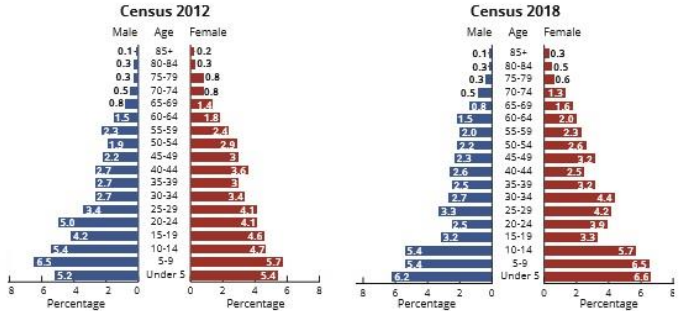
OVERALL

Response Rate | 47%

1,181

representatives
completed the
household section
of the survey

DEMOGRAPHICS



Veterans

7.1%

of the respondents
are veterans

20.4%

of the veteran respondents
acknowledged TRICARE coverage

33%

of the veteran respondents reported that
they have either medical or behavioral



CENTER FOR INDIAN COUNTRY DEVELOPMENT



FEDERAL RESERVE BANK OF MINNEAPOLIS

Policy Recommendations



1. Position Native-led institutions to direct effective capital and services to meet financial needs that traditional institutions are neglecting in tribal areas.
2. Implement all 21 specific policy recommendations from the latest Native Nations Institute (NNI)
3. Stop allowing the Government-Sponsored Enterprises (GSEs) to ignore their legal obligation to provide a secondary market for manufactured home loans.
4. Use the year-long on-ramping period for new Section 1071 small business loan data collection rules to fund studies that will generate a more robust understanding of how that much-anticipated data can be best used to assist economic development for AIAN communities.
5. **Prioritize enforcement of Community Reinvestment Act (CRA) rules connected to Native Land Areas.**

ADVOCACY

- 1) New Regs = New Opportunities
- 2) Data Sovereignty is Power
- 3) Use the New Regs & Data to...
Make the Investment Case for
Building Tribal Economies



ARIZONA
FINANCE AUTHORITY





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