Federal Institutions Assist Native American Groups Through Community Development Groups

By David Thomas

Native American homebuyers in Fayetteville’s metropolitan area tend to find themselves in the lower income brackets, and HMDA data seems to indicate that they face higher home loan denial rates because of it.

Members of the Home Mortgage Disclosure Act’s Native American racial group’s median family income was close to $30,000 dollars in the area, second lowest only to Native Hawaiian/Pacific Islander home loan applicants. These two groups pulled the highest denial rate for their home loans, both approaching 30 percent.

Dick Todd, a representative of the Federal Reserve Bank in Minneapolis, says that denial rates in the area are high as opposed to national averages. However, the trends aren’t rare among Native American home buyers living off-reservation across the United States.

“The denial rates… are somewhat elevated above the national,... but for a relatively small community, not necessarily out of line.”

The region covered by Minneapolis’ Federal Reserve stretches from Minnesota to Montana, so Todd has dealt extensively with the complications that arise from dealing with and purchasing property on northern Indian reservations.

To help deal with these unique lending issues, Federal Reserve banks such as Minneapolis’ have established departments called Centers for Indian Country Development. These government offices support efforts to give Native American citizens the help they need to be successful in qualifying for home loans.

One such effort led by a group called the National Native Homeowners’ Coalition held a conference at the Salt River Indian Community near Phoenix, AZ.

Todd says that development programs such as the Center of Indian Country Development act in compliment to federal examiners looking for misconduct and discrimination among lenders.

“Community Development departments work outside the bank, work with community groups… and grassroots and nonprofit organizations to try and get the flow of credit into moderate income communities.”