



[Regs.comments@federalreserve.gov](mailto:Regs.comments@federalreserve.gov)

Regulation BB  
Docket (R-1723)  
RIN numbers (7100-AF94)

## **Advanced Notice of Proposed Rulemaking Modernizing the CRA**

The Native Partnership for Housing, Inc. (NPH) was incorporated in 1996 (formerly Navajo Partnership for Housing) and has its main office in Gallup, New Mexico. NPH is a 501c3 and has been a Native CDFI since 2002 and a HUD Approved Housing Counseling Agency since 1999. Historically NPH has focused its work on the 27,000 square mile Navajo Nation. However, NPH also serves Native Americans in border communities of the Navajo Nation, as well as customers in Phoenix and Albuquerque. The primary loan products have been residential first and second mortgage loans. However, recently in response to the 33 Payday Lenders located in Gallup, NPH has begun providing debt consolidation, credit repair and small business loans at low rates to help some customers exit the endless debt cycle of high-interest payday lending. Lack of available funds prevents NPH from rapidly expanding this program.

NPH through its affiliated corporation, Clear Water Construction Partners, also runs a construction crew and builds the highest quality homes on the Navajo Nation. Homes that anyone would be proud to live in and would fit into any community. The construction crew is 100% Navajo / Native, allowing the crew to work close to where they live, rather than being forced to work 100s of miles away from home for weeks, if not months on end.

When NPH was created there was one bank branch on the Navajo Nation, located in Window Rock, AZ, covering the 27,000 square mile reservation. Through a CRA merger protest filed by the Navajo Nation the merger between Norwest and Wells Fargo resulted in 4 Wells Fargo Branches being placed in growth communities on the Navajo Nation. At some point in time over a decade ago Wells Fargo discontinued offering home loans on Tribal Trust Land further drying up opportunities for mortgage credit. To offset this void of mortgage opportunities on Trust land, NPH has teamed with the Chickasaw Community Bank in Oklahoma to secure home loans for our customers on the Navajo Nation.

Construction financing to build homes is also a major challenge. As the Navajo Housing Authority does not offer any of the Indian Housing Block Grant funds to support nonprofits like NPH, NPH must rely on borrowed capital from another CDFI as other financial institutions are



risk adverse and therefore will not issue interim construction loans within the boundaries of the Navajo Nation.

There are few places within the United States of America that need more investment and access to credit than Native CDFI's serving the Navajo Nation and other Native American communities.

Native CDFI's are embedded in their communities, know their needs, and are technically and professional well prepared to serve their communities. The current pandemic has showcased many of the conditions that as of this writing, have led to over 1,097 of deaths and 29,098 positive COVID-19 cases on the Navajo Nation. This alarming situation is largely due to overcrowding and lack of access to running water in 30% - 40% of their homes. The current infection rate equates to 1 in 6 Navajos living on the Navajo Nation being infected by COVID-19. Other Tribes are undergoing similarly heartbreaking experiences with the COVID-19 virus that has been ravaging our communities.

We need CRA to encourage significant capital investment in Native CDFI's that are engaged in providing crucial support services to the members of the Navajo Nation and other Native American communities. To that end we wish to comment on the ANPR.

### **Question 39**

#### **Promote Investments in Native CDFIs for CRA Credit**

Native CDFIs are local Intermediaries, that understand their customers and community development needs. They have the relationships, knowledge of Trust Land procedures, and counseling and education capacity to help ensure successful borrowers. Native CDFIs can reduce the loan manufacturing costs of marketing, origination, processing, closing, and even servicing because of their close relationship with the Native American consumer and their community.

**Regarding Assessment Areas for Lending and Community Development Activity.** Large financial institutions should receive CRA Consideration for investing in Indian Country, even if outside their traditional Assessment Areas. Example: when NPH has approached Industrial Banks in Utah for investment they have been informed by the Industrial Banks that they can only invest in the Utah portion of the Navajo Nation which only consists of 10% of the Navajo Nation. For the most part Indian Country is highly rural with few financial institutions nearby.

#### Question 41

**Allow CRA Credit for Investments and lending Indian Country WITHOUT regard to income targeting.** Tribal Communities have a very strong need to retain their professionals and income diversification in their economies. The Tribal Housing Authorities NAHSDA funding is restricted to low and moderate income. Many professionals working for the Tribe, Tribal Enterprises, Indian Health Services, other businesses supporting Tribal activities such as Internet Technology, etc. have incomes over 80% AMI and even greater than 120% AMI. Individuals making above 80% AMI are not allowed to live in tribal housing. Without housing opportunities, especially home ownership, Tribes are at risk of losing highly skilled professionals.

Furthermore, it should be noted that when you live in the poorest communities in the United States, an income of 120% of AMI is still often inadequate to purchase a home in what can be one of the most expensive locations in our Nation to construct a home. To compound matters, Native American culture instills a sense of responsibility for those who have good incomes to care for those who are less fortunate. And they do, often providing financial and housing support for those in need. Taking this into consideration; professional Native Americans who have an income essential to provide safe housing for their family should be able to do so rather than be penalized and deprived of the opportunity to own a home. It is not uncommon for a successful Native individual(s) to provide a safe home for what can be 3 to 4 generations living in a single home. The impact of this kind gesture can be providing a grandmother with a home that for the first time in her life has electricity, running water, kitchen and restroom facilities, central heat rather than wood or coal burning stove, and a floor that is not packed dirt. The same can be true for the single mother working hard, doing her best to provide a safe home in which she can raise her family.

Without CRA support of Native CDFI's, tribal communities are at grave risk of losing highly skilled professional members of our communities. This would be a tragic loss. A loss to the tribes and a loss for our Nation's soul. We should never turn our backs on what are among the most underserved members of our Nation.

#### Question 49

**Allow CRA Consideration for Financial Literacy and Housing Counseling without regard to income level.** Native Americans often have few options that are not predatory. These range from fast food and poor diets, to payday lenders and pawn shops that charge interest rates from 90% - 400%. To move the majority of Native Americans into a position where they can be



successful consumers with financial security there is an immense need for Financial Literacy education and Housing Counseling support.

We should never forget the United States was built, 100% on Native American land. Unfortunately, Native Americans have become the invisible minority within our Nation. CRA can help ensure Native Americans can strive and achieve the same levels of opportunity and success other members of our Nation have attained.

Thank you for your efforts to improve the CRA with new opportunities for Native Americans. Native Americans who have fought our Nations wars, constructed our hospitals, schools, and transportation systems. Thank you for your efforts to ensure Indian Country should never be overlooked during the process of Modernizing the CRA.

Sincerely,

Rollin Wood

Executive Director  
Native Partnership for Housing, Inc.  
Gallup, New Mexico