

1 **SECTION 184 INDIAN HOUSING LOAN GUARANTEE PROGRAM POLICY**
2 **HANDBOOK**

3
4 **Chapter II – Origination through Final Direct Guarantee Underwriter Approval**

5
6 This Chapter describes the Section 184 Indian Housing Loan Guarantee Program (“Section 184
7 Program”) origination through final Direct Guarantee (DG) Underwriter approval process and
8 requirements.

9
10 DG and Non-DG Lenders, DG Test Case Underwriters and DG Underwriters must review this
11 chapter prior to originating and underwriting loans intended for the Section 184 Program.

12
13 **For purposes of this Chapter, the term “Lenders” refers to the DG and Non-DG Lenders.**

14
15 This Chapter is divided into the following subsections.

- 16
- 17 • Subsection A: Loan Origination and Processing
- 18 • Subsection B: Loan Thresholds and Parameters
- 19 • Subsection C: Underwriting the Property
- 20 • Subsection D: Manually Underwriting the Borrower
- 21 • Subsection E: Appraisal
- 22 • Subsection F: Additional Requirements Related to Specific Transaction Types

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7 **A. LOAN ORIGINATION AND PROCESSING**

8 **1. Applications and Disclosures**
9

10 Lenders must obtain a completed [Fannie Mae Form 1003/Freddie Mac Form 65](#) *Uniform*
11 *Residential Loan Application (URLA)*, from the Borrower and provide all required
12 Section 184 Program, Tribal, federal and state disclosures to begin the origination
13 process. *URLA* also includes the Fannie Mae/Freddie Mac Form 1103, Supplemental
14 Consumer Information Form (SCIF), for sections II.A.1.a., II.A.7.d.ii., and
15 II.A.8.d.vi(C)(5) only. Lenders are responsible for using the most recent version of all
16 forms as of the date of completion of the form. Unless otherwise noted, *URLA* and
17 Section 184/184A Addendum to the *URLA* refer to both initial and final applications.
18 Lenders must obtain the Borrower’s initial complete, signed *URLA* (Fannie Mae Form
19 1003/Freddie Mac Form 65), form HUD-XXXX Section 184/184A Addendum to *URLA*,
20 before underwriting the loan application. Lenders are responsible for using the most
21 recent versions of all forms as of the date of completion of the form.

22 **2. Contents of Loan Application Package**
23

24 Lenders must maintain all information and documentation that is relevant to the approval
25 process for decision making in the loan file. All information and documentation that is
26 required in this Handbook, and any incidental information or documentation related to
27 those requirements, is relevant to the DG Lenders’ approval decision.

28 After obtaining all documentation required below, if DG Lenders believes they
29 needs additional support of the approval decision, DG Lenders must obtain
30 additional explanation and documentation, consistent with information in the loan
31 file, to clarify or supplement the information and documentation submitted by the
32 Borrower.

33 **3. General Requirements**

34 **a. Maximum Age of Documents; Counting Days**

35 Documents used in the origination and underwriting of a Loan may not be more
36 than 120 Days old from the date the loan documents are executed by the Borrower
37 (Closing Date), except for appraisals, which are subject to separate validity period
38 requirements. Documents whose validity for underwriting purposes are not
39 affected by the passage of time, such as divorce decrees or Tax Returns, may be
40 more than 120 Days old at the Disbursement Date.

1 For purposes of counting Days for periods provided in this Handbook, Day one
2 is the calendar day after the effective or issue date of the document, whichever
3 is later.

4 **b. Appraisal Validity Period**

5 **i. Initial Appraisal Validity**

6 The initial appraisal validity period is 180 Days from the effective date of
7 the appraisal report.

8 **ii. Appraisal Update Validity Period**

9 Where the initial appraisal report will be more than 180 days at Closing
10 Date, an appraisal update may be performed to extend the appraisal
11 validity period. When the initial appraisal is updated, the updated appraisal
12 is valid for one year after the effective date of the initial report that is
13 being updated.

14 Additional guidance on appraisals is provided in subsection E of this
15 chapter.

16 **4. Handling of Documents**

17 Lenders must not accept or use documents relating to the employment, income, assets, or
18 credit of Borrowers that have been handled by or transmitted from or through unknown
19 parties or Interested Parties. Lenders may not accept or use any Third-Party Verifications
20 (TPV) that have been handled by or transmitted from or through unknown parties,
21 Interested Parties, or the Borrower. Lenders are permitted to handle documents related to
22 the employment, income, assets, credit, or occupancy of Borrowers.

23 **a. Information Sent to the Lenders Electronically**

24 Lenders must authenticate all documents received electronically by examining the
25 source identifiers (e.g., the fax banner header or the sender's email address) or
26 contacting the source of the document by telephone to verify the document's
27 validity. Lenders must document the name and telephone number of the
28 individual with whom the Lender verified the validity of the document.

29 **b. Information Obtained via Internet**

30 Lenders must authenticate documents obtained from an internet website and
31 examine portions of printouts downloaded from the internet. Documentation
32 obtained through the internet must contain the same information as would be
33 found in an original hard copy of the document.

34

1 **c. Confidentiality Policy for Credit Information**
2

3 Lenders must not divulge sources of credit information, except as required by a
4 contract or by law. All personnel with access to credit information must ensure
5 that the use and disclosure of information from a credit report complies with:
6

- 7 i. the Fair Housing Act, 42 U.S.C. §§ 3601–3619
8 ii. the Fair Credit Reporting Act (FCRA), 15 U.S.C. §§ 1681a–1681x
9 iii. the Right to Privacy Act, 5 U.S.C. § 552a
10 iv. the Right to Financial Privacy Act, 12 U.S.C. §§ 3401–3423
11 v. the Equal Credit Opportunity Act (ECOA), 15 U.S.C. §§ 1691a–1691f

12 **5. Signature Requirements for All Application Forms**
13

14 All Borrowers must sign and date the initial and final *URLA*. All Borrowers must sign
15 and date the initial form HUD-5XXXX Section 184/184A Addendum to *Uniform*
16 *Residential Loan Application*. Borrowers must also sign and date the complete final form
17 HUD-5XXXX. The application may not be signed by any party who will not be on the
18 Note.
19

- 20 • For Borrowers that are Tribes, Tribally Designated Housing Entities (TDHE),
21 or Alaska Native village or regional or village corporation, the signatory must
22 be a representative who is duly authorized to bind the Tribe or entity.
23
- 24 • A Power of Attorney (POA) may not be used unless the DG Lender verifies
25 and documents that all the following requirements have been satisfied:
26
- 27 i. For military personnel, a POA may only be used:
28 a) when the service member is on overseas duty or on an
29 unaccompanied tour;
30 b) when the DG Lender is unable to obtain the absent Borrower’s
31 signature on the application by mail or via fax; and
32 c) where the attorney-in-fact has specific authority to encumber
33 the Property and to obligate the Borrower. Acceptable evidence
34 includes a durable POA specifically designed to survive
35 incapacity and avoid the need for court proceedings.
36
- 37 ii. For incapacitated Borrowers, a POA may only be used where:
38 a) a Borrower is incapacitated and unable to sign the loan
39 application;
40 b) the incapacitated individual will occupy the Property to be
41 encumbered by a loan guaranteed by the Section 184 Program;
42 and
43 c) the attorney-in-fact has specific authority to encumber the
44 Property and to obligate the Borrower. Acceptable evidence
45 includes a durable POA specifically designed to survive
46 incapacity and avoid the need for court proceedings.

1 For guidance on use of POA on closing documents refer to Use of Power of Attorney at
2 [Closing in Chapter XXX](#), Closing.

3 **Prohibition on Documents Signed in Blank.** Lenders are not permitted to have
4 Borrowers sign documents in blank, incomplete documents, or blank sheets of paper.

5 **6. Policy on Use of Electronic Signatures**

6 **a. Definition**

7 An Electronic Signature refers to any electronic sound, symbol, or process
8 attached to or logically associated with a contract or record and executed or
9 adopted by a person with the intent to sign the contract or record. The Section 184
10 Program does not accept an electronic signature that is solely voice or audio.
11 Digital signatures are a subset of electronic signatures.

12 **b. Use of Electronic Signatures**

13 An electronic signature conducted in accordance with the Electronic Signature
14 Performance Standards (Performance Standards) is accepted on Section 184
15 Program documents requiring signatures to be included in the case binder for loan
16 insurance, unless otherwise prohibited by law. Electronic signatures meeting the
17 Performance Standards are treated as equivalent to handwritten signatures.

18 **c. Electronic Signature Performance Standards**

19 The Performance Standards are the set of guidelines that govern Section
20 184 Program acceptance of an electronic signature. The use of electronic
21 signatures is voluntary. However, Lenders choosing to use electronic
22 signatures must fully comply with the Performance Standards.

23 **i. The Electronic Signatures in Global and National** 24 **Commerce Act Compliance and Technology**

25 Lenders' electronic signature technology must comply with all
26 requirements of the Electronic Signatures in Global and National
27 Commerce Act (ESIGN Act), including those relating to
28 disclosures, consent, signature, presentation, delivery, and
29 retention, and with any Tribal or state law applicable to the
30 transaction.

31 **ii. Third Party Documents**

32 Third Party Documents are those documents that are originated and
33 signed outside of the control of the Lender, such as the sales
34 contract. ONAP will accept electronic signatures on Third Party
35 Documents included in the case binder for endorsement in
36 accordance with the ESIGN Act and the Uniform Electronic

1 Transactions Act (UETA). An indication of the electronic signature
2 and date should be clearly visible when viewed electronically and
3 in a paper copy of the electronically signed document.

4 **iii. Authorized Documents**

5 Authorized Documents refer to the documents on which ONAP
6 accepts electronic signatures provided that the Lender complies
7 with the Performance Standards.
8

- 9 **a) Loan Guarantee Endorsement Documents:** Electronic
10 signatures will be accepted on all documents requiring
11 signatures included in the case binder for the Section 184 loan
12 guarantee except the Note.
13 **b) Servicing and Loss Mitigation Documentation:** With the
14 exception of the Note payable to the DG Lender and/or HUD,
15 electronic signatures will be accepted on any documents
16 associated with servicing or loss mitigation services for Section
17 184 Guaranteed Loans.
18 **c) Loan Guarantee Claim Documentation:** With the exception
19 of the Note payable to the DG Lender and/or HUD, electronic
20 signatures will be accepted on any documents associated with
21 the filing of a claim for Loan Guarantee benefits.
22 **d) ONAP Real Estate Owned (REO) Documents:** Electronic
23 signatures will be accepted on the ONAP REO Sales Contract
24 and related addenda.

25 **iv. Associating an Electronic Signature with the**
26 **Authorized Document**

27 Lenders must ensure that the process for electronically signing
28 authorized documents provides for the document to be presented to
29 the signatory before an electronic signature is obtained. Lenders
30 must ensure that the electronic signature is attached to, or logically
31 associated with, the document that has been electronically signed.

32 **v. Intent to Sign**

33 Lenders must be able to prove that the signer certified that the
34 document is true, accurate, and correct at the time signed.
35 Electronic signatures are only valid under the ESIGN Act if they
36 are “executed or adopted by a person with the intent to sign the
37 record.” Establishing intent includes:
38

- 39 **a)** identifying the purpose for the Borrower signing the
40 electronic record.
41 **b)** being reasonably certain that the Borrower knows which
42 electronic record is being signed; and

- 1 c) providing notice to the Borrower that their electronic
2 signature is about to be applied to, or associated with,
3 the electronic record.

4 Intent to use an electronic signature may be established by, but is
5 not limited to:

- 6
7 d) an online dialog box or alert advising the Borrower that
8 continuing the process will result in an electronic
9 signature.
10 e) an online dialog box or alert indicating that an
11 electronic signature has just been created and giving
12 the Borrower an opportunity to confirm or cancel the
13 signature; or
14 f) a click-through agreement advising the Borrower that
15 continuing the process will result in an electronic
16 signature.

17 **vi. Single Use of Signature**

18 Lenders must require a separate action by the signer, evidencing
19 intent to sign, in each location where a signature or initials are to be
20 applied. This provision does not apply to documents signed by
21 Lenders' employees or Lenders' contractors provided the Lenders
22 obtains the consent of the individual for the use of their electronic
23 signature. Lenders must document the employee's or contractor's
24 consent.

25 **vii. Authentication**

26 **a) Definition**

27 Authentication refers to the process used to confirm a
28 signer's identity as a party in a transaction.

29
30 **b) Standard for Authentication**

31 Before a DG Lender submits the case for endorsement, the
32 DG Lender must confirm the identity of the signer by
33 authenticating data provided by the signer with
34 information maintained by an independent source.
35 Independent sources include, but are not limited to:

- 36
37
 - national commercial credit bureaus.
 - commercially available data sources or services.
 - state motor vehicle agencies; or
 - government databases.

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1 Lenders must verify a signer’s name and date of birth, and
2 either their Social Security Number (SSN) or driver’s license
3 number.

4 **viii. Attribution**

5 **a) Definition**

6 Attribution is the process of associating the identity of a
7 signer with their signature.
8

9 **b) Standard for Attribution**

10 Lenders must maintain evidence sufficient to establish that
11 the electronic signature may be attributed to the individual
12 purported to have signed.

13 Lenders must use one of the following methods, or combinations of
14 methods, to establish attribution:

- 15 • selection by or assignment to the individual of a
16 Personal Identification Number (PIN), password,
17 or other shared secret, that the individual uses as
18 part of the signature process.
- 19 • delivery of a credential to the individual by a
20 trusted third party, used either to sign
21 electronically or to prevent undetected alteration
22 after the electronic signature using another
23 method.
- 24 • knowledge base authentication using
25 “out of band/wallet” information.
- 26 • measurement of some unique biometric
27 attribute of the individual and creation of a
28 computer file that represents the
29 measurement, together with procedures to
30 protect against disclosure of the associated
31 computer file to unauthorized parties; or
32 • public key cryptography.

33 **ix. Credential Loss Management**

34 Lenders must have a system in place to ensure the security of all
35 issued credentials. One or a combination of the following loss
36 management controls is acceptable:

- 37
- 38 **a)** maintaining the uniqueness of each combined
39 identification code and password, such that no two
40 individuals have the same combination of
41 identification code and password.

- b) ensuring that identification code and password issuances are periodically checked, recalled, or revised.
- c) following loss management procedures to electronically deauthorize lost, stolen, missing, or otherwise compromised identification code or password information, and to issue temporary or permanent replacements using suitable, rigorous controls.
- d) using transaction safeguards to prevent unauthorized use of passwords or identification codes; or
- e) detecting and reporting any attempts at unauthorized use of the password or identification code to the system security unit.

d. Required Documentation and Integrity of Records

Lenders must ensure that they employ industry-standard encryption to protect the signer's signature and the integrity of the documents to which it is affixed. Lenders must ensure that their systems will detect and record any tampering with the electronically signed documents. ONAP will not accept documents that show evidence of tampering.

If changes to the document are made, the electronic process must be designed to provide an "audit trail" showing all alterations, the date and time they were made, and identify who made them.

Lenders' system must be designed so that the signed document is designated as the Authoritative Copy. The Authoritative Copy of an electronically signed document refers to the electronic record that is designated by the Lender or holder as the controlling reference copy.

e. Initial Supporting Documentation

i. Loan Application Name Requirements

a) Standard

All loan applications must be executed in the legal names of all applicants on the loan application; one or more loan applicants are allowed on the application.

Loan applications from a Tribe, TDHE or Alaska native village or regional or village corporation must be in the legal name of the entity.

1 In the event the Indian Family Borrower’s name on his or
2 her Tribal identification document does not match the Indian
3 Family Borrower’s U.S government or state issued
4 identification document, please see Appendix XX “Name
5 Variations” for further guidance.

6 **b) Required Documentation**

7 See Chapter II, Subsection B.1

8
9 **ii. Borrower Authorization for Verification Information**

10 **(a) Standard**

11 Lenders must obtain the Borrower’s authorization to verify
12 the information needed to process the loan application.

13 For Indian Family Borrowers, Lenders must obtain a non-
14 borrowing spouse’s consent and authorization where
15 necessary to verify specific information required to process
16 the loan application, including the non-borrowing spouse’s
17 consent for the Lender to verify their SSN with the Social
18 Security Administration (SSA).

19 **(b) Required Documentation**

20 For each individual or entity, Borrower authorization may
21 be accomplished through a blanket authorization form.

22 **iii. Form HUD-5XXXX – Borrower Consent for Social**
23 **Security Administration to Verify Social Security**
24 **Number**

25 For Indian Family Borrowers, Lenders must obtain the
26 Borrower’s signature on Part V of the Section 184/184A
27 Addendum to the *URLA*, form HUD-5XXXX, to verify the
28 Borrower’s SSN with the SSA, or use standard form SSA-89.

29 **iv. Tax Verification Form or Equivalent**

30 Lenders must obtain the Borrower’s signature on the appropriate
31 Internal Revenue Service (IRS) form to obtain Tax Returns
32 directly from the IRS for all credit-qualifying Loans at the time
33 the final *URLA* is executed.

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v. Borrower’s Authorization for Use of Information Protected under the Privacy Act

a) Standard

Lenders must obtain the Borrower’s consent for use of the Borrower’s information for any purpose relating to the origination, servicing, loss mitigation, and disposition of the Loan or Property securing the Loan and relating to any Loan Guarantee claim and ultimate resolution of such claims by the Holder, Lender and ONAP.

b) Required Documentation

Lenders must obtain a signed statement from the Borrower that clearly expresses the Borrower’s consent for the use of the Borrower’s information as required above.

vi. Borrower’s Authorization for Tribal Notification

a) Standard

Lenders must obtain a signed form from the Borrower whereby the Borrower elects whether to authorize the Lender or Servicer to notify the Tribe in the event of default. The Borrower may change their election at any time by submitting a new form to the Lender or Servicer.

b) Required Documentation

Lenders must obtain a signed form HUD-5XXXX, Borrower’s Authorization for Tribal Notification, from the Borrower.

vii. Sales Contract and Supporting Documentation

a) Standard

Lenders must not originate a loan intended for the Section 184 Program if any provision of the sales contract violates Section 184 Program requirements.

Lenders must ensure that (1) all purchasers listed on the sales contract are Borrowers, and (2) only Borrowers sign the sales contract.

1 An addendum or modification may be used to remove or
2 correct any provisions of the sales contract that do not
3 conform to these requirements.

4 **Amendatory Clause:** If the following verbiage is not included into
5 the sales contract, then a separate document must be signed and
6 dated by the borrower, seller, and any realtors in the transaction.
7

8 “It is expressly agreed that notwithstanding any other
9 provisions of this contract, the purchaser shall not be
10 obligated to complete the purchase of the property described
11 herein or to incur any penalty by forfeiture of earnest money
12 deposits or otherwise, unless the purchaser has been given, in
13 accordance with Section 184 requirements, a written
14 statement by the Direct Guarantee Lender setting forth the
15 appraised value of the property of not less than \$_____*.

16 The purchaser shall have the privilege and option of
17 proceeding with consummation of the contract without
18 regard to the amount of the appraised valuation. The
19 appraised valuation is arrived at to determine the maximum
20 loan the Department of Housing and Urban Development,
21 Office of Native American Programs (ONAP), will guarantee.
22 ONAP does not warrant the value or condition of the
23 property. The purchaser should satisfy himself/herself that
24 the price and condition of the property are acceptable.”

25 * Lenders must ensure the actual dollar amount of the sales
26 price stated in the contract has been inserted in the
27 amendatory clause. Increases to the sale price require a
28 revised amendatory clause.

29 **Real Estate Certification:** The Borrower, seller, and the real estate
30 agent or broker involved in the sales transaction must certify, to the
31 best of their knowledge and belief, that (1) the terms and
32 conditions of the sales contract are true and (2) any other
33 agreement entered into by any parties in connection with the real
34 estate transaction is part of, or attached to, the sales agreement.

35 A separate certification is not needed if the sales contract
36 contains a statement that (1) there are no other agreements
37 between parties and the terms constitute the entire
38 agreement between the parties, and (2) all parties are
39 signatories to the sales contract submitted at the time of
40 underwriting.

1 **Property Assessed Clean Energy:** Where the subject Property is
2 encumbered with a Property Assessed Clean Energy (PACE)
3 obligation, the sales contract must include a clause specifying that
4 the PACE obligation will be satisfied by the seller at, or prior to,
5 closing.

6 **b) Required Documentation**

7 Lenders must obtain all signed copies of sales contract(s),
8 including a complete copy of the final sales contract with
9 any modifications or revisions agreed upon by Borrower
10 and seller.

11 **viii. Disclosures and Legal Compliance**

12 Lenders must provide or ensure the Borrower has been provided
13 with any disclosure required by the Section 184 Program, including
14 the following disclosures.
15

16 **a) Form HUD-5XXXX, *Important Notice to Homebuyers***

17 Lenders must provide a copy of form [HUD-XXXXX](#),
18 *Important Notice to Homebuyers*, signed by the Borrower
19 and provide the Borrower with a copy to keep for the
20 Borrower's records when the Borrower applies for the
21 Section 184 loan. Lenders must retain the original form
22 signed by the Borrower.

23 **b) Lead-Based Paint**

24 If the Property was built before 1978, the seller must
25 disclose any information known about lead-based paint and
26 lead-based paint hazards before selling the house, in
27 accordance with the [HUD-EPA Lead Disclosure Rule \(24](#)
28 [CFR 35, subpart A](#), and the identical [40 CFR 745, subpart](#)
29 [E](#)). For such Properties, Lenders must provide or ensure
30 that:

- 31 • the Borrower has been provided the EPA-approved
32 information pamphlet on identifying and controlling
33 lead-based paint hazards ("[Protect Your Family from](#)
34 [Lead in Your Home](#)");
- 35 • the Borrower was given a 10-Day period before
36 becoming obligated to purchase the home to
37 conduct a lead-based paint inspection or risk
38 assessment to determine the presence of lead-based
39 paint or lead-based paint hazards or waived the
40 opportunity.

- the sales contract contains an attachment in the language of the contract (e.g., English, Spanish), signed and dated by both the seller and purchaser:
 - containing a lead warning statement as set forth in 24 CFR § 35.92(a)(1).
 - providing the seller’s disclosure of the presence of any known lead- based paint and/or lead-based paint hazards in the target housing being sold, or indication of no knowledge of such presence.
 - listing any records or reports available to the seller pertaining to lead- based paint and/or lead-based paint hazards in property housing being sold, or indication by the seller that no such records or reports exist; and
 - affirming that the Borrower received the pamphlet, disclosure, and records or reports, above; and
- when any agent is involved in the transaction on behalf of the seller, the sales contract includes a statement that the agent has informed the seller of the seller’s Lead Disclosure Rule obligations, the agent is aware of their duty to ensure compliance with the requirements of the Rule, and the agent has signed and dated the contract.

c) Form HUD-5XXXX, *For Your Protection: Get a Home Inspection*

Lenders are required to provide form [HUD-5XXXX](#), *For Your Protection: Get a Home Inspection*, to prospective homebuyers at first contact, be it for pre- qualification, pre-approval, or initial application.

d) Compliance with All Applicable Laws, Rules, and Requirements

Lenders are required to comply with all Tribal, federal, state, and local laws, rules, and requirements applicable to the loan transaction, including all applicable disclosure requirements and the requirements of the [Consumer Financial Protection Bureau \(CFPB\)](#), including those related to:

- Truth in Lending Act (TILA); and
- Real Estate Settlement Procedures Act (RESPA).

1 **e) Nondiscrimination Policy**

2 Lenders must fully comply with all applicable provisions of:

- 3 • the Fair Housing Act, 42 U.S.C. §§ 3601–3619;
4 • the FCRA, 15 U.S.C. §§ 1681a–1681x; and
5 • the ECOA, 15 U.S.C. §§ 1691a–1691f.

6 The DG Lender must make all determinations with respect
7 to the adequacy of the Borrower’s income in a uniform
8 manner without regard to race, color, religion, sex
9 (including sexual orientation or gender identity), age,
10 national origin, familial status, disability, marital status,
11 receipt of public assistance, location of the Property, or
12 because the applicant has in good faith exercised any right
13 under the Consumer Credit Protection Act.
14

15 **7. Application Document Processing**

16 **a. Initial Document Processing**

17
18 Lenders begins processing the loan application by obtaining an initial *URLA* and
19 Section 184 *URLA* Addendum from the Borrower.
20

21 **b. Use of Eligible Contractors; Excluded Parties; Housing Counseling**

22 **i. Contract Service Providers**

23 Lenders may utilize Eligible Contractors to perform the following
24 administrative and clerical functions: typing of loan documents,
25 mailing out and collecting verification forms, ordering credit
26 reports, and/or preparing for endorsement and other administrative
27 tasks involving the sale of loans to investors.

28 Eligible Contractors are entities that have written contract between
29 the Lender and the Eligible Contractor stating the scope of services
30 that will be provided to the Lender. Eligible Contractors must not
31 Excluded Parties.

32 **ii. Excluded Parties**

33 Lenders may not contract with entities or persons that are
34 suspended, debarred, or otherwise excluded from participation in
35 HUD programs, or under a [Limited Denial of Participation \(LDP\)](#)
36 that excludes their participation in Section 184 programs. Lenders
37 must ensure that no Eligible Contractors or, where applicable,
38 sponsored entity, engages any entity or person to perform any

1 function relating to the origination of a loan intended for the
2 Section 184 Program. Lenders must check the System for Award
3 Management (SAM) (www.sam.gov) and must follow appropriate
4 procedures defined by that system to confirm eligibility for
5 participation.

6 **iii. Housing Counseling**

7 Lenders should encourage Borrowers to receive any available
8 counseling that may be provided by Tribes, Tribal entities, or
9 HUD-approved housing counseling agencies.

10 **c. Section 184 Case Number Ordering**

11 **i. Requesting a Case Number**

12 The DG Lender must order the Section 184 case number and
13 perform any associated tasks in ONAP's *Native Advantage* system.
14 Additional information regarding the *Native Advantage* system,
15 including the User Guide, can be found at [Native Advantage](#)

16 DG Lenders must use [Native Advantage](#) to order a Section 184 case
17 number. A case number can be obtained only when the DG Lender
18 has an active and complete loan application for the Borrower and
19 Property.

20 Non-DG Lenders must work with their approved DG
21 Lender/Sponsor to obtain a Case Number. Non-DG Lenders are
22 not permitted to request Section 184 Case Numbers.

23 To obtain a case number, DG Lenders must complete the data fields and
24 upload all required documents per NTV.

25 **NOTE:** DG Lenders are required to have a Section 184 Case
26 Number prior to ordering the appraisal.

27 **ii. ONAP Validation of Case Number Eligibility**

28 Following issuance of the Section 184 Case Number to the DG
29 Lender, ONAP will confirm that the prospective Section 184
30 Borrower:

31 **a) Has no existing Section 184 Guaranteed Loan, with**
32 **the following exceptions:**

33 ****Prospective Section 184 Borrower is a Non-Occupant**
34 **Indian Family Co-Borrower on an existing Section 184**
35 **Guaranteed Loan.**

1 **Prospective Section 184 Borrower is a borrower on an
2 existing Section 184 Guaranteed Loan, whereby the
3 property is being occupied by his or her primary residence
4 and intends to be a Non-Occupant Indian Family Co-
5 Borrower on a new Section 184 Guaranteed Loan.

6 **Property securing the existing Section 184 Guaranteed
7 Loan is pending sale.

8 ** The existing Section 184 Guaranteed Loan is being
9 refinanced to new Section 184 Guaranteed Loan; and

10 **b. Has not defaulted on a Section 184 Guaranteed Loan**
11 **whereby a claim payment by HUD occurred in the**
12 **last 7 years.**

13 Section 184 Guaranteed Loan Borrowers who have received
14 a Loss Mitigation Advance (LMA) and has paid off or will
15 be paying off the LMA in full, shall not be regarded as
16 having a claim payment by HUD.

17 During the ONAP Validation period DG Lenders cannot
18 proceed with requesting a Firm Commitment.

19 Upon ONAP's determination that the validation of the Case
20 Number meets eligibility requirements, *Native Advantage*
21 will be updated clearing any restrictions related to the Case
22 Number issuance.

23 **iii. Canceling Case Numbers and Automatic Cancellation of**
24 **Case Numbers**

25 DG Lenders may request Case Number cancellation by submitting a
26 request to *Native Advantage*.

27 Case Numbers issued through *Native Advantage* are valid
28 for 60 days. Case numbers will automatically be canceled at
29 the end of the 60-day validity period. After a Case Number is
30 automatically cancelled, if a Case Number is still needed the
31 DG Lender must submit a new request for a Case Number
32 through *Native Advantage*.

33 Prior to the expiration of the 60-day validity period, DG
34 Lenders may extend a Case Number validity period for an
35 additional 30 days through *Native Advantage*.

36

1 **iv. No Reinstatement of Cancelled Case Numbers**

2 When Case Numbers are cancelled whether due to a request
3 by the DG Lender or by automatic cancellation there are no
4 reinstatements of cancelled Case Numbers.

5 **d. Ordering Initial and Final Certified Title Status or Title Commitments**

6 Lenders are required to obtain an initial certified Title Status Report
7 (TSR), followed by a Final Certified TSR from the Bureau of Indian
8 Affairs for Tribal Trust Land properties. Additional information about the
9 BIA process for mortgages on Trust Land can be found at [BIA Mortgages](#)
10 [on Trust Land](#).

11 For fee simple properties, a title commitment must be obtained. These
12 steps ensure that the property is free from any impermissible restrictions,
13 encumbrances, or liens, and that the first-position loan under the Section
14 184 Program can legally encumber the property, in compliance with
15 Section 184 requirements.

16 **e. Ordering and Transferring Appraisals**

17 Guidance on the Lender ordering appraisals, appraisal effective date,
18 transferring appraisals, ordering a second appraisal, and ordering an update
19 to an appraisal can be found in Chapter II, Section E.

20 Additionally, Chapter II, Section E overall contains comprehensive
21 guidance on the appraisal and property requirements.
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