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About Mazaska Owecaso Otipi Financial

Founded in 2004, Mazaska Owecaso Otipi Financial (Mazaska) aims to create homeownership opportunities for Oglala Sioux Tribe tribal members and members of other federally recognized tribes living on or near the Pine Ridge Reservation in South Dakota. As a certified Native community development financial institution (CDFI), our mission is to create safe and affordable housing opportunities by providing loans, development services and financial insight to empower our Native people to build assets and create wealth.

www.mazaskacdfi.org

About Enterprise Community Partners Rural and Native American Programs

Enterprise’s Rural and Native American Programs have sought to support safe, decent, and culturally appropriate housing on tribal lands and rural communities since 1997. We develop tools and resources for our partners delivering housing on the ground to build their capacity and amplify their impact. Well-designed quality affordable housing helps provide opportunities for low- and moderate-income households in rural and Native American communities, providing stability and a better life for residents.

www.enterprisecommunity.org/solutions-and-innovation/rural-and-native-american-program
The purpose of this guide is to provide an overview of the homeownership process for Oglala Sioux Tribal veterans living on or near the Pine Ridge Reservation. It summarizes the kinds of homeownership opportunities available, including how to buy an existing house, construct a new one or renovate a home you already own.

The guide will help to get you started on your journey. It walks through the available loan products and the loan application process. The U.S. Department of Veterans Affairs (VA) offers the Native American Direct Loan (NADL) program designed specifically for veterans living on Indian reservations, but there are several different types of mortgage loans to consider. If you are building a new house, the guide will also help you to navigate the construction process. Finally, you’ll get some tips on how to prepare for your new financial life as a homeowner.

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EXPLORING HOMEOWNERSHIP OPPORTUNITIES

Veterans living on the Pine Ridge Indian Reservation can achieve their dreams of homeownership in several different ways.

NEW CONSTRUCTION
If you have a tribal lease or allotted land, you can build your own home using one of these methods:

A *stick-built home* is a wooden house constructed on the home site, rather than in a factory or similar facility. The “sticks” refer specifically to the structure of the walls and roof.

A *manufactured home* is a type of prefabricated housing that is assembled in a factory and then transported to the home site. A manufactured home may be a single- or double-wide unit and must be on a permanent foundation to finance it with a mortgage loan. This is different than a “mobile home” or “trailer,” which may still have axels and can be easily moved around.

The Governor’s House program provides reasonably sized, affordable homes to income-qualified individuals and families. These manufactured homes are installed on a permanent foundation with an optional basement. Delivery time is about six months.
A modular home is built in one or more sections, known as modules, inside a climate-controlled production facility. The modules are cube-shaped boxes constructed remotely, then delivered and assembled at the home site.

**PURCHASE (AND RENOVATE) AN EXISTING HOME**

While existing homes available for purchase on the Pine Ridge reservation are limited, there are several sources:

- A family who owns a home and would like to sell it,
- A non-profit organization operating on the reservation like Lakota Funds or Oglala Sioux Tribe Partnership for Housing, or
- For Mutual Help Homeownership tenants, Oglala Sioux Lakota Housing (OSLH), when the Housing Authority transfers ownership of the unit to the tenant who becomes the homeowner.

When you buy an existing home from another family or an organization, you may be able to include the cost of renovating the home in your mortgage loan. You could also use a home improvement loan to renovate an OSLH unit that has been conveyed to you.

**RENOVATE AN EXISTING HOME YOU ALREADY OWN**

If you already own your home, you can use a home improvement loan to make repairs, build additions to make the house bigger, improve energy efficiency or add features to accommodate elderly or disabled family members.
GETTING STARTED WITH YOUR HOMEOWNERSHIP COACH

A homeownership coach is someone who can help you to navigate through your homeownership journey. They will coach you through the process and answer any questions you may have along the way. You can find a homeownership coach at any of the following organizations:

**MAZASKA OWECASO**
**OTIPI FINANCIAL**
108 Oglala Street
P.O. Box 1996
Pine Ridge, SD 57770
(605) 867-1018 www.mazaskacdfi.org

*Services provided:* homebuyer education, credit improvement plans, credit builder loans, mortgage loans, home improvement loans, loan packaging for VA NADL and Section 502 loans.

**LAKOTA FUNDS**
Lakota Trade Center, BIA 2
P.O. Box 340
Kyle, SD 57752
(605) 455-2500 www.lakotafunds.org

*Services provided:* basic financial education, homebuyer education, post-purchase education, Native American Veteran Homeownership Savings Account, NADL loan packaging, credit builder loans, free tax return preparation, homes for sale.
A GUIDE TO HOMEOWNERSHIP for Oglala Sioux Tribal Veterans

THUNDER VALLEY COMMUNITY DEVELOPMENT CORPORATION
290 Empowerment Dr.
PO Box 290
Porcupine, SD 57772
(605) 455-2700 www.thundervalley.org

Services provided: financial education, homebuyer education, post-purchase education, homes for sale.

OGLALA SIOUX TRIBE PARTNERSHIP FOR HOUSING, INC.
96CC-Old Ambulance Building
PO Box 3001
Pine Ridge, SD 57770
(605) 867-1555 www.ostpartnershipforhousing.info

Services provided: financial education, homebuyer education, individual development accounts, credit improvement plan, assistance with mortgage loans and building homes, homes for sale.

LAKOTA FEDERAL CREDIT UNION
Lakota Trade Center, Suite 103/104
Kyle, SD 57752
(605) 455-1515 www.lakotafcu.org

Services provided: checking and savings accounts, NADL loan packaging, mortgage loans, home improvement loans, mobile home loans.

OGLALA SIOUX LAKOTA HOUSING
4 SuAnne Center Drive
Pine Ridge, SD 57770
(605) 867-5161 www.oslh.org

Services provided: homeownership coaching, transfer of homeownership units.
FIRST STEPS ON YOUR HOMEOWNERSHIP JOURNEY

You and your homeownership coach will develop an action plan to guide you through your homeownership journey. Depending on your situation, the steps may not happen in this order, but this is what you need to do to get squared away.

1. **Complete an intake form.** Once you identify a homeownership coach, complete the intake form that they provide so they can learn about your interests in homeownership and your financial situation. They are there to help you to qualify for your mortgage loan so be honest about all of your sources of income, debts and credit issues. Be sure to tell them that you are a veteran.

2. **Apply for a new lease or update your existing lease.** If your home site will be on tribal trust land, you need obtain a lease or make sure the lease you already have meets the lender requirements. Contact the Oglala Sioux Tribe (OST) Land Office to begin this process. If your home site will be on allotted land, you will need to complete an application with the Bureau of Indian Affairs (BIA) Realty Office. This step is not necessary if your home is not on trust land.

3. **Obtain your Veteran Certificate of Eligibility.** The first step to getting a VA Native American Direct Loan is getting your Certificate of Eligibility (COE), which confirms that you qualify for the VA home loan benefit. It does not mean you are approved for a mortgage loan. If you don’t already have a COE, you should submit a Request for Certificate of Eligibility online or by mail using VA Form 26-1880. You will need a copy of your discharge or separation papers (DD214). To obtain your COE, visit www.va.gov/housing-assistance/home-loans/how-to-apply.
4. **Determine how much you can afford to build, buy or renovate your home.**

Your homeownership coach can help you to calculate the mortgage amount that you can afford based on your income, other debt obligations, credit history and available subsidies. This information will help you decide what type of a house you should plan for. Remember, you may have to include additional costs like water, sewer and utilities infrastructure.

5. **Obtain pre-qualification from your lender.** This will tell you how much a lender is willing to lend to you for your new home, based on your current financial situation. Your homeownership coach will help you to get your pre-qualification letter, which you can use when you are shopping for your home or meeting with contractors.

6. **Decide on the type of home you want to build, buy or renovate.** Once you know how much you can afford and how much your lender is willing to finance, you and your family should explore all available housing options that meet your family’s needs but are affordable enough for you to stay within your budget and cover your monthly mortgage payments.

7. **Attend a homebuyer education course.**

As soon as possible, attend a homebuyer education course offered by one of the organizations listed on pages 6 and 7. Your homeownership coach may recommend additional financial coaching and following a credit improvement plan if you need help building or repairing your credit before you can qualify for a mortgage loan. This may take some time — a few months or even a few years — but don’t get discouraged.
SELECTING YOUR LOAN PRODUCT

As a veteran, you have several loan products to choose from to finance your home. Your homeownership coach will help you to select the best loan based on your income level, credit history, existing debt, whether you have money saved for a down payment and where your home will be located. While the VA NADL loan may be the best option for most veterans, if you are building a new home, you might consider using a construction loan first to build the home and then apply for an NADL loan for the permanent financing.

DIRECT LOANS FROM FEDERAL AGENCIES

VA Native American Direct Loan (NADL):
• For eligible Native veterans
• Must be on-reservation
• No income limits or down payment requirements
• Some fees may be waived based on service-connected disability rating

U.S. Department of Agriculture (USDA) Section 502 Direct Home Loan:
• May be on- or off-reservation but must be in rural area
• No down payment requirements
• Income limits based on area median income

GUARANTEED LOAN FROM PRIVATE LENDERS

U.S. Department of Housing and Urban Development (HUD) Section 184 Indian Home Loan Guarantee Program:
• No income limits
• May be on- or off-reservation
• 1.25% down payment for loans under $50,000; 2.25% for loans over $50,000

LOCAL CDFI LOANS

Mazaska Owecaso Otipi Financial:
• No income limits
• May be on Pine Ridge Reservation or within 50 miles of the reservation border
• Flexible credit standards

Lakota Federal Credit Union (LFCU):
• No income limits
• Must be a LFCU member
• Flexible credit standards
Once you decide on your loan product and determine your loan amount, you are ready to start the loan application process. Here is an overview of the steps in the process:

1. Request a certified Title Status Report (TSR) from the Bureau of Indian Affairs.
2. For an existing home, your homeownership coach will help you to get a home inspection and appraisal.
3. Complete the loan application form and gather your supporting documentation, which may include:
   - Tax returns from the past two years, including W-2 and 1099 forms
   - Verification of employment from last two paystubs
   - Bank statements
   - Copy of tribal or state identification
   - Veteran Certificate of Eligibility
   - Award letter for Social Security or retirement income
   - Purchase Agreement
   - Construction bids (at least three), if applicable
   - Lease Agreement
   - Homeowners insurance estimate
   - Certificate of completion for financial and/or homebuyer education class
4. Once you submit your loan application to the lender, they will submit your loan application to their underwriting department.
5. Your lender will approve the application or return it with suggestions for additional actions.
6. Once loan is approved, your lender will send the documents to the BIA for pre-certification and recording (or to county records office, if off-reservation).
7. Your lender will schedule a closing date when you will sign your loan agreement documents.
8. If new construction, you can begin the construction process.
9. If you are purchasing an existing house, you will receive the keys and you can move in!
NAVIGATING THE CONSTRUCTION PROCESS

If you are building or renovating your home, your homeownership coach will help you to follow these steps in the construction process which involve selecting a contractor, deciding what you want to build and setting up a construction and payment timeline. Depending on your source of financing, you might have two loan closings — one for your construction loan and another for your mortgage loan.

1. Review the approved list of contractors from the OST Tribal Employment Rights Office (TERO) or from your homeownership coach.

2. Obtain bids from at least three contractors.

3. Select the contractor you like the best, based on the proposed design. You don’t have to pick the lowest bid, as long as you can afford the cost of the bid you select.

4. Meet with your contractor to finalize the bid and decide on your construction timeline.

5. Submit your final construction contract to your lender, who will pay the contractor along the way (usually in three to five draws or phases).

6. Set the closing date for your construction loan. Your lender will disperse the funds to your contractor for the first construction phase.

7. As each construction phase is completed, your lender may need to order an inspection of the construction.

8. Once all construction is completed, your lender will obtain a final inspection and a Certificate of Occupancy, which means the home is ready to be occupied.

9. Set a closing date for your permanent mortgage loan.

10. After this loan closing, you can move into your newly constructed or renovated home!
TOP TEN TIPS TO PREPARE FOR YOUR NEW FINANCIAL LIFE AS A HOMEOWNER

Even after you move into your new home, your homeownership coach will be there to help you follow these tips to prepare for your new financial life as a homeowner:

1. Pay your monthly mortgage on time. Your mortgage should be the first bill you pay.
2. Sign a release form to allow your lender to notify your homeownership coach if your loan payment is late so they can help you to get back on track.
3. Before making major purchases like furniture or electronics, give yourself a chance to get used to having a monthly mortgage payment due every month.
4. Attend a post-purchase education class.
5. Learn about home maintenance. This is your responsibility.
6. Start an emergency savings account to pay for unexpected expenses like replacing old appliances, making emergency repairs or paying an insurance deductible.
7. Understand how your escrow account works. This account is set up to pay your homeowners insurance premiums and any property taxes you may owe if your home site is not on trust land.
8. Prepare a will so that if something happens to you, the title for your home and lease assignment will be conveyed to your heirs and not get caught up in red tape.
9. Find out who will service your loan. This may not be the same person you worked with to close your loan. Be sure to pay attention to all correspondence from your loan servicer to make sure your loan stays current. Know your options if you get into financial trouble and can’t make your monthly loan payment. Let your loan servicer know what is going on AS SOON AS POSSIBLE so you can work things out together.
10. Have a celebration. You are a new homeowner!