DEFERRED HOUSING REHABILITATION LOANS FOR MEMBERS OF THE MINNESOTA CHIPPEWA TRIBE AND THE RED LAKE BAND OF CHIPPEWA INDIANS.

A REPORT TO THE LEGISLATURE

February 18, 1986

The 1985 Legislature allocated $150,000 to the Minnesota Housing Finance Agency (MHFA) to make deferred loans to enrolled members of the Minnesota Chippewa Tribe and the Red Lake Band of Chippewa Indians to rehabilitate single family homes under Minnesota Statutes, Section 462A.05, Subdivision 14a. Laws 1985, First Special Session, Chapter 13, Section 44, Subdivision 4, directs the Minnesota Housing Finance Agency to report to the legislature on the progress of this program.

> "...The housing finance agency shall report to the legislature by March 1, 1986, on the progress of this loan program."

Pursuant to that requirement, the Agency has prepared this report.

The Minnesota Housing Finance Agency allocated 32% of the funds or $48,000 to the Red Lake Band and 68% or $102,000 to the Minnesota Chippewa Tribe. These figures were based on the Minnesota Housing Finance Agency Tribal Indian Housing Allocation Plan and approved by the MHFA Board on July 25, 1985.

Progress to date has been satisfactory. One application has been received and approved for the Red Lake Housing Finance Corporation (administrator for the Red Lake Band of Chippewa Indians). Also, one application has been received and approved for the Minnesota Chippewa Tribe Housing Corporation (administrator for the Minnesota Chippewa Tribe). According to information submitted to MHFA by both of these entities, all deferred loan funds have been committed to eligible borrowers and are in the process of being prepared for submission to MHFA.

The MHFA has held the Red Lake Housing Finance Corporation and the Minnesota Chippewa Tribe Housing Corporation to the same standards as other Rehabilitation Loan Program administrators. On July 18, 1985, letters were sent to Leslie Henson, Minnesota Chippewa Tribal Housing Corporation, and Kathleen Dudley, Red Lake Housing Finance Corporation explaining that the $150,000 special allocation would be administered as part of the Rehabilitation Loan Program, Phase III. They were also informed that the program would begin on September 1, 1985, and that several requirements would have to be met prior to MHFA's entering into a contract with them. The requirements were:

1. All previous Grant and Rehabilitation Loan files had to be completed and approved by MHFA.

2. An Application for Funding had to be completed and approved by MHFA.

3. Representatives of the entities had to attend a MHFA Rehabilitation Loan Program training session.

Three representatives of the Red Lake Housing Finance Corporation and two representatives of the Minnesota Chippewa Tribe attended a Rehabilitation Loan Program training session on the morning of August 20, 1985, in Bemidji. Minnesota Housing Finance Agency staff, including the MHFA Indian Housing Coordinator, met with these same five people for several hours the same afternoon to answer questions and to discuss concerns about the program. Three additional representatives of the Minnesota Chippewa Tribe attended a training session in Alexandria on August 27.

The Red Lake Housing Finance Corporation completed all of the requirements as explained above and received their contract on September 13, 1985. The Minnesota Chippewa Tribe completed the requirements and received their contract on October 11, 1985.

The Rehabilitation Loan Program staff intends to visit both the Red Lake Housing Finance Corporation and the Minnesota Chippewa Tribe Housing Corporation during June to review their program operations.

A final report on the number of loans made and the type of rehabilitation financed will be submitted to the legislature when the program is completed.