

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

NATIVE HAWAIIAN LOAN GUARANTEE FUND (Section 184A)

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ESTIMATE 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal H: Increase homeownership opportunities.			
Discretionary BA (Dollars in Thousands)	\$1,000	\$1,000	\$1,000
FTE			
Headquarters	1	1	1
Field	0	0	0
Subtotal	1	1	1
S&E Cost (Dollars in Thousands)			
Personal Services	\$94	\$97	\$100
Travel	5	10	10
Supplies	1	1	1
Subtotal	100	108	111
Strategic Objective H.2: Increase minority homeownership.			
Indicator: Section 184 A mortgage financing is guaranteed for Hawaiian homeowners during fiscal year 2004.	NA	10	20

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

Funding in the amount of \$1 million in program funding and \$111 thousand in Salaries and Expenses for a total of \$1.1 million is request to support Strategic Goal H: Increase homeownership opportunities.

The Native Hawaiian Loan Guarantee Fund (Section 184A) directly supports the strategic goal to increase Homeownership opportunities. In addition, it also supports the President and Secretary's goal of adding 5.5 million minority homebuyers by the end of the decade.

This program is authorized by subtitle B of Title V of the Hawaiian Homelands Homeownership Act of 2000 (Public Law 106-569) enacted December 27, 2000. Funding for this program provides loan guarantees for Native Hawaiian individuals and families, the Department of Hawaiian Home Lands, the Office of Hawaiian Affairs, and private nonprofit organizations experienced in the planning and development of affordable housing for Native Hawaiians. The loans may be used to purchase, construct, and/or rehabilitate single-family homes on Hawaiian Home Lands. It makes possible the private financing of home mortgages by private financial institutions, which would otherwise not be possible because of the unique legal status of Hawaiian Home Lands.

Due to the unique legal status of Hawaiian Home Lands, lenders are hesitant to provide home mortgage financing where legal title to the real property cannot be used as collateral. Through this program, private financing will be used to cover construction or purchase costs while Federal dollars are used only to guarantee payment in the event of a default.

This program is not restricted to low-income families. It provides opportunities for income-eligible families currently living in subsidized units to afford a market-rate home mortgage and thus frees up assisted housing units for use by other lower-income families.

Native Hawaiian Loan Guarantee Fund (Section 184A)

Strategic Goal H, increase homeownership opportunities, and Strategic Objective H.2, increase minority homeownership, are supported by the Section 184A Native Hawaiian Loan Guarantee Program's performance indicator of guaranteeing 20 home mortgages for Native Hawaiian families in fiscal year 2004. Virtually all program activities are directed toward achieving this goal. As a new program, there will be a period of time in which the target population, Native Hawaiian families eligible to reside on the Hawaiian Home Lands, must be educated on the benefits to them of program participation. The Department of Hawaiian Home Lands controls leasehold interest allocations on the Home Lands, and must also gear up for the anticipated increase in leaseholds that will result. Final regulations for the implementation of the Section 184A loan guarantee program for Native Hawaiians will be completed by the fourth quarter of fiscal year 2003.

Resource Management Information

The Office of Native American Programs, Office of Loan Guarantee does not anticipate a need to increase staff in fiscal year 2004. At present, goals and objectives can be accomplished within existing FTE levels.