



## *Cedar Band of Paiutes*

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July 27, 2020

President Donald Trump  
The White House  
1600 Pennsylvania Ave. NW  
Washington, DC 20500

The Honorable Dr. Benjamin S. Carson, Sr.  
Secretary  
U.S. Department of Housing and Urban Development  
451 Seventh Street, S.W. Room 9100  
Washington, D.C. 20410

Dear President Trump and Secretary Carson:

I would like to first and foremost thank you for the administration's tireless work to lead our country through this pandemic. Indeed, we find ourselves in the midst of an unprecedented economic environment, the effects of which are evident for both prospective and existing homeowners.

As we reflect on how we can continue to create affordable, sustainable opportunities for homeownership and the financial safety net it affords, I wanted to share with you some of the initiatives the Cedar Band of Paiutes (the "Band") has undertaken to support not only our tribal community but also households across the U.S.

I became Chairwoman of the Band in January 2019 and am excited to report on the incredible progress we continue to make, leaning into innovation to support a more competitive housing market, expand access to homeownership, create job opportunities for our band, and drive new sources of self-generated revenue. Our outreach and action continue to reflect our investment in the health, safety and wellbeing of our community and the homebuyers we work with – most of whom are first-time, low- to moderate-income, and/or minority borrowers.

Of all our programs, I am most proud of CBC Mortgage Agency's ("CBCMA") Chenoa Fund-branded down payment assistance program. CBCMA is wholly owned by Cedar Band Corporation, our federally chartered tribal corporation, which, in turn, is wholly owned by the Cedar Band of Paiute Indians. The Chenoa Fund program was carefully and thoughtfully designed to provide prospective and new homeowners with the tools they need to be financially

successful. As part of this program, we conduct post-purchase counseling, using a HUD-approved housing counselor, with all our borrowers following their home purchase. Because of the challenges borrowers are facing during the COVID-19 Pandemic, we just expanded our post-purchase counseling from one year following the closing of the loan to 18 months. During this time, we check-in with our borrowers every month to answer any questions they might have and serve as a resource should unexpected issues arise. We also require and provide pre-purchase counseling to all lower-FICO score borrowers.

Our hands-on approach to working with our borrowers is proving more valuable than ever as households across the country cope with the effects of COVID-19. In our monthly discussions with borrowers, we've aimed to equip them with the resources and information they need to make informed financial decisions. Our borrowers have been very engaged and responsive as we help them navigate available relief options and understand what to do in the event of financial hardship.

The positive effects of our program's counseling were already confirmed prior to this crisis, as we found that the default rate of our loans was below the average of all other housing finance agencies. These findings have been further validated as many borrowers face some of the most stressful economic and social conditions of their lifetime.

Our program complements other down payment assistance providers by serving a broader audience of consumers, driving a healthy, competitive mortgage market, and introducing innovative financial services products. Our forgivable second lien product, for example, incentivizes homeowners to make their first three years of their FHA mortgage payments on time. If they do, the second mortgage, which allowed them to qualify for the FHA mortgage, is forgiven.

Down payment assistance programs also play a critical role in combatting racial inequality in housing. As you may know, today's minority populations have a lower homeownership rate than non-minority populations. In the first quarter of 2020, the U.S. Census Bureau reported the country's overall homeownership rate was 65.3%. Among white households, the homeownership rate is 73.7%. However, the black homeownership rate is only 44%, hovering near 50-year lows. The homeownership rate for all minorities, including African Americans, Hispanics, Asians, Native Americans, Hawaiians, and Pacific Islanders is 50.7%.

This racial gap is due in part to the disproportionate challenges minority households face in achieving the "American Dream" of homeownership. Saving a down payment often proves particularly challenging for first-time, minority, and low- to moderate-income households. Without down payment assistance programs that help bridge this gap, we risk deepening racial disparities and worsening what many consider to be the most pressing civil rights issue of our day. As our country grapples with the challenges of systemic inequality, programs like those provided by CBC Mortgage Agency have an opportunity to affect real positive change for generations to come.

We've made it our mission to improve consumer financial literacy and homeownership across the country. As part of this mission, CBC Mortgage Agency sponsors the UHOUSI Initiative, which conducts free community workshops at local churches to provide financial information and guidance for minority and low- to moderate-income households that are interested in homeownership.

UHOUSI has remained active during COVID-19, providing new resources about federal relief programs and protections for renters and homeowners, as well as guidance for accessing unemployment insurance. The organization also recently convened a webinar that brought together faith and industry leaders to underscore the need for public policies that level the playing field across all demographics and reduce barriers to homeownership.

At a time when the country is wrestling with economic uncertainty and social unrest, UHOUSI is providing valuable resources to empower households and communities, connecting them with opportunities for affordable homeownership and the financial safety net it provides.

Following the model that the Cedar Band of Paiutes innovated across its many outreach initiatives, other Native American organizations are similarly looking for ways to support their community and advance a competitive housing market that creates opportunities for prosperity and wellbeing for all Americans.

I'm proud to report that we have invested much of our earnings back into the community by creating jobs and providing new financial resources to band members. We recently funded the construction of a new travel plaza, where we employ members. We also provide a burial benefit to members for as much as \$5,000 and extend a stipend to our elder members. In addition, we use our earnings to fund youth and elder programs that are aimed at helping both age groups identify opportunities and programs that will assist them.

As I share these exciting programs and accomplishments with you, I also want to communicate my deep concern that a Department of Housing and Urban Development (HUD) rulemaking to restrict the scope of our down payment assistance program would have damaging effects and unnecessarily discriminate against low- to moderate-income, first-time, and minority homebuyers.

I am extremely worried that a decision to limit national-scope governmental entities providing secondary financing would deepen divisions in racial homeownership disparities by restricting access to down payment assistance and dampening competition in the market. By limiting national government down payment assistance, HUD could upend what is currently a competitive market that delivers cost efficiencies to borrowers and encourages innovative product offerings that benefit borrowers.

As the administration contemplates this rulemaking, I ask that HUD carefully consider the long-term ramifications and pursue policy decisions that advance the economic prosperity of all Americans. I would encourage HUD to consult with the communities that rely on down payment assistance programs provided by federally chartered government entities, as well as collect and

make public the default performance and loan pricing data for each federal, state and local government entity before proceeding with a rulemaking. It would be incredibly unfortunate if HUD were to advance a policy that would harm communities and households that are otherwise able to responsibly purchase a home.

I appreciate the opportunity to share the work of the Cedar Band of Paiutes and want to again thank you for your continued leadership and attention to policies that benefit all Americans.

Sincerely,

CEDAR BAND OF PAIUTE INDIANS

A handwritten signature in cursive script, appearing to read "Delice Tom", is written over a horizontal line.

Delice Tom  
Chairwoman