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## GENERAL MEMORANDUM 22-014

### Efforts to Reduce Barriers to Accessing Veterans Affairs' Native American Direct Loan Program

Congress established the Native American Veterans Direct Loan program (NADL Program) in 1992 (PL 102-547) to help Native Veterans or spouses of Native Veterans secure Veterans Affairs loans to buy, build, or improve homes. At that time, there had “not been a single documented case of a Native American receiving a VA guaranteed home loan on reservations or trust lands. In contrast, over 13 million other veterans have used their entitlements to obtain more than \$250 million in home loans.”<sup>1</sup> Since its inception, barriers to access have plagued the NADL Program. On August 10, 2022, [National Public Radio reported](#) (NPR) on challenges that Tribes face when accessing funding made available through the US Department of Veterans Affairs (VA) [Native American Direct Loan Program](#). NPR spoke to Bryant Lacey, who oversees the NADL Program at VA, and heads the NADL team that was created on October 1, 2021. NPR also spoke to several Tribal Veterans regarding their experiences with accessing the NADL Program.

For years, Tribal advocates and their congressional delegations have reported significant difficulties and inefficiencies related to the NADL Program, and worked to streamline the process. Last year, Senator Rounds (R-SD) requested a Report ([#GAO-22-104627](#)) by the U.S. Government Accountability Office (GAO) on the effectiveness of the NADL program. On July 12, 2022 Senator Rounds and Senator Tester (D-MT) introduced the Native American Direct Loan Improvement Act, [S. 4505](#).

While there are several NADL Program eligibility requires, a first step is that Tribal governments must enter into a Memorandum of Understanding (MOU) with the VA. This MOU must detail how the program will work on its trust lands. As NPR reported, only twenty percent of Tribal governments have a current MOU. The VA includes [draft MOU language](#) and lists of Tribes with MOUs by state on its [website](#).

The GAO found that in FYs 2012-2021, the NADL Program originated loans to less than 1 percent of the estimated potentially eligible population in the contiguous United States, Hawai'i, and Alaska. Further, there hasn't been a single NADL originated in Alaska, nor has VA developed an operating plan for making NADL loans on the vast majority of NADL-eligible land in Alaska. The GAO also found that VA outreach reaches less than 1 percent of eligible Native veterans.

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<sup>1</sup> Statement of Rep. Lane Evans, *Housing Benefits for Native American Veterans and Oversight of Title Insurance, Subcomm. on Housing and Memorial Affairs of the Comm. on Veterans' Affairs* (Oct. 1, 1992).

Tribes and individuals can contact an NADL coordinator by email at [NADL@va.gov](mailto:NADL@va.gov) or by phone at 888-349-7541.

Over the years, Hobbs Straus has worked on both Tribal-VA MOUs, as well as Private Homeownership Lease Ordinances and leasing and purchase documents. While the process has been difficult, the process is not impossible, and the recent administrative and legislative developments have the potential to streamline the process.

Please let us know if you would like further information regarding the Native American Veterans Direct Loan program or need assistance navigating the MOU process or contacting your congressional delegation.

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