

Advancing Fundamental Financial Knowledge



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Section 184 & USDA Loans



Section 184

Topics Covered

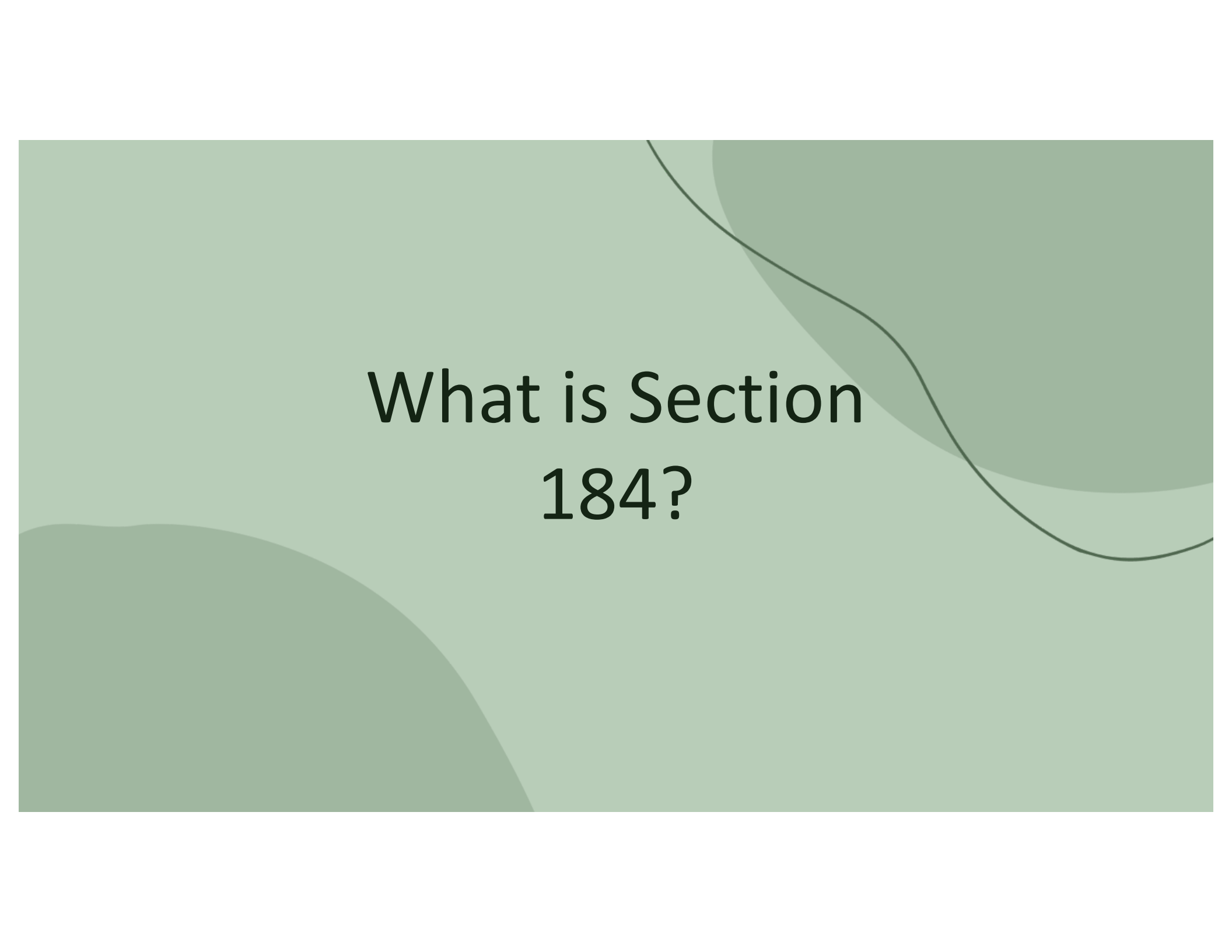
What is Section 184.

Who is eligible for this loan program.

Pros of the program

Fact or Fiction



The background is a solid light green color. It features several organic, flowing shapes in a slightly darker shade of green. A thin, dark green wavy line starts near the top center and curves downwards towards the right side of the frame.

What is Section 184?

The Section 184

Indian Home Loan Guarantee Program was created by the Housing and Community Development Act of 1992 to address the lack of mortgage lending in Indian Country. Native American homeownership has historically been an underserved market.



Who is Eligible?

Borrowers who are currently enrolled as member of a federally recognized tribe or Alaska Native

Pros of Section 184

Flexible terms

Min. of 1.25% on loan amounts of \$50K or less

Min. of 2.25% down on loans greater than \$50K

580 min. Fico

Can be used for Purchases, rehabilitation/renovation, new construction and no cash out refinances!

Low Mortgage insurance

Annual Mortgage insurance 0.15%

Low guarantee fee

1% up-front guarantee fee paid at closing OR Financed into the loan

Fact or Fiction

Section 184

Section 184 loans are only
available in select counties in
New Mexico

Fiction!

Section 184 loans are available anywhere in state
of New Mexico

Section 184 Loans are not
available to purchase a property
on the reservation.

Fiction!

You can buy a home on the reservation with this loan product subject to approval from the tribe.

Section 184 does not allow for DTIs
over 43%

Fact!

Section 184 allows for DTIs to be up to 43% with other compensation factors (reserves, strong credit history, minimal payment shock)

Section 184 loans are only
available as a primary residence

Fact!

Section 184 loans are only available if the
borrowers are intending to occupy as their
primary residence