

Mortgaging Trust Properties

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Introduction

- Indian land owners may mortgage trust properties
- US Statutes place limitations on the alienation or encumbrance
- Authority – 25 USC & 25 CFR 152.34
- Policy of BIA to assist individual Indian owners of trust/restricted land to obtain adequate financing



Overview

- **End product: An approved or disapproved request for a trust mortgage**



Qualifying criteria

- **Repayment ability**
- **Sole ownership**
- **Legal age**



Advantages to owner

- **Trust status remains**
- **Lands provide security for the loan**
- **economics**



Applicant responsibility

■ **Complete application for lender**

■ **Provide:**

- **Tribal membership card**
- **Ownership documents**
- **Income verification**
- **Copy of lender application**
- **Credit Report**
- **Appraisal**
- **Business plan, if applicable**



BIA Process

- Order Title Status Report (TSR)
- Appraisal review
- Analysis
 - LTV
 - Credit history
 - Business expertise
 - Recommendation & Approval

