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IMPROVING LAND TITLE GRANT PROCEDURES FOR NATIVE AMERICANS

JOINT HEARING

BEFORE THE

COMMITTEE ON FINANCIAL SERVICES

AND THE

COMMITTEE ON RESOURCES

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

JULY 19, 2005

Printed for the use of the Committee on Financial Services
and the Committee on Resources

Committee on Financial Services
Serial No. 109–46

Committee on Resources
Serial No. 109–25

U.S. GOVERNMENT PRINTING OFFICE

★24–401 PDF WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
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IMPROVING LAND TITLE GRANT PROCEDURES FOR NATIVE AMERICANS

Tuesday, July 19, 2005

U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON FINANCIAL SERVICES,
JOINT WITH THE
COMMITTEE ON RESOURCES,
Washington, D.C.

The committee met, pursuant to call, at 11:03 a.m., in Room 2128, Rayburn House Office Building, Hon. Robert Ney presiding.

Present from Committee on Financial Services: Lucas, Ney, Kennedy, Feeney, Renzi, Pearce, Neugebauer, Frank, Lee, Baca, Matheson, Scott, and Wasserman Schultz.

Present from Committee on Resources: Fortuno, McMorris, Kildee, Grijalva, Cardoza, Costa, and Herseth.

Mr. NEY. [Presiding.] The hearing will come to order.

This is a joint hearing on improving land title grant procedures for Native Americans.

One of the most important cornerstones to a strong community is homeownership. It creates stability and serves as a strong economic staple in our overall U.S. economy.

While the national homeownership rate has steadily risen to an all-time high of almost 70 percent, there are sectors of the population for whom homeownership remains unattainable. For Native Americans, just to mention one group, the focus of today's joint hearing, their homeownership rate is well below 50 percent.

Clearly more can and should be done to help all families realize the dream of owning a home. Presently, the Native American population is estimated at 2.5 million. While the national poverty rate is 12 percent, the rate among Native Americans is more than twice as high. Forty-five percent of all Native American households are located on tribal lands, and housing is one of the most pressing issues for Native Americans living on tribal lands.

Our ranking member, Maxine Waters, and I and Congressman Matheson, along with Congressman Frank's staff, went out and had a hearing. It was unbelievable what we viewed out there when it came to housing and the conditions.

Over 32.5 percent of the homes located on tribal lands are overcrowded and 7.5 percent of the Native American homes lack safe water and sewage systems. Less than 50 percent of the homes on reservations are connected to public sewer systems, and 16.5 percent of the homes on Native lands are completely without indoor plumbing. About 40 percent of the tribal homes are considered substandard when compared to a national average of 6 percent.

Again last year, the Housing Subcommittee held our field hearing on tribal land in Tuba City, Arizona, where again we were able to witness first-hand the chronic housing affordability and availability problems plaguing Native Americans.

I want to thank Congressman Renzi for asking us to do that. It was the first time that we could research that a House subcommittee ever held a hearing on tribal lands. That was at Congressman Renzi's request, and I appreciate both the majority and minority participating in that hearing.

Approximately half of Native American households in tribal areas pay over 30 percent of their income for housing expenses, compared to 23 percent of all U.S. residents who pay more than 30 percent of their income for their housing expenses.

The Arizona field hearing gave us the opportunity to learn that some of the housing problems in Indian Country can be attributed to the unique relationships Native American tribes have with the U.S. Government. Native Americans residing on reservations are U.S. citizens, but their tribes are recognized as domestic sovereign nations with treaty relationships with the U.S. Government.

The fact that the Bureau of Indian Affairs holds much in trust means the tribes are allowed only limited sovereignty over their lands. The special relationship limits the types of economic activities for which Indian lands may be used. We also found out out there that sometimes it takes up to 1 year or 1 1/2 or 2 years to get the title cleared. Of course, if you are trying to get a loan, that does not really work out, that time period. In order for Native Americans to build a home on trust land, they have to obtain a title status report, TSR, from the BIA.

Today's hearing will focus on what processes the BIA has in place to help produce a TSR for Native American lands in a timely fashion, as well as how BIA affects HUD's ability to help Native Americans achieve homeownership. It is important that an efficient process is adhered to by BIA, as HUD programs such as the Indian Community Development Block Grant Program and the Indian Housing Block Grant Program are affected by BIA's ability to issue this TSR.

Changing land status issues, diversity of tribal laws and governments, lack of mortgage information and credit issues all contribute to the challenges of mortgage lending in Indian nations. The governmental programs delivered to Indian Country should be highly flexible and adapted to the very unique and specific circumstances in each tribal setting. Native Americans must be able to take full advantage of partnering and leveraging across institutions at levels throughout the United States Government.

If we begin to succeed at these initiatives, then opportunities I think will move into these rural areas.

Again, the minority rate period in the United States is unacceptable in homeownership, and we have to raise that, and again today's issue of Native Americans.

So I want to thank again the joint hearing, Chairman Pombo, Mr. Frank, Mr. Kildee, Congresswoman Waters, and members from both sides of the aisle on both committees for this hearing.

We will move to an opening statement from Mr. Kildee of Michigan.

[The prepared statement of Hon. Robert W. Ney can be found on page 36 in the appendix.]

Mr. KILDEE. Thank you very much.

I want to thank Chairman Oxley and Chairman Pombo, along with Congressman Ney and Congressman Frank, for scheduling this hearing today.

For several years I have heard that the primary barrier to mortgage lending in Indian Country is that the BIA cannot process titles in a timely manner. Tribes assert that the process of attaining a certified TSR can take 6 months to several years. This has had a devastating effect on HUD's Section 184 program that requires a land title through the BIA.

A substantial portion of HUD's Section 184 program funding for fiscal year 2005 was rescinded because the funds were not fully used. As a matter of fact, under 184, $33 million was rescinded, and under another title, $21 million was rescinded.

In 2000, Congress authorized the Indian Lands Title Report Commission to make recommendations to the BIA to address the title processing issue. The commission has yet to be created because the Administration has yet to make its nominations. We cannot wait any longer to address this title issue. We must streamline the BIA's title system.

Among other things, this will require a review of the following: BIA's trust management reform efforts relating to land records, how land fractionation hinders the title process, missing historical land ownership and title data, and current procedures of the eight land title and record offices.

We must also explore alternative methods of expediting Indian land titles through, for example, Indian Self-Determination Act contracts or compacts. I am committed to working with the committees of jurisdiction, the Administration and the tribes, the sovereign tribes to develop a solution to this problem.

I look forward to today's hearing.

I thank you, Mr. Chairman.

[The prepared statement of Hon. Dale E. Kildee can be found on page 40 in the appendix.]

Mr. NEY. I want to thank the gentleman.

Next, the gentleman from Massachusetts.

Mr. FRANK. Thank you, Mr. Chairman. I appreciate your strong interest, not just in this particular issue, but in housing issues in general.

I want to pay tribute to the leadership that my colleague, the gentleman from Michigan, has provided on the whole question of Indian matters.

The housing situation is one that we ought to be able to improve significantly. I appreciate the acknowledgement in Mr. Wells's testimony that there have been some problems. Obviously, we cannot solve all the problems. I noticed, too, in Mr. Boyd's, he said that these problems are not responsible for all of the issues we face. Agreed, but we can clear this one up.

It is simply unacceptable for there to be any significant delay in issuing these TSRs. We should, I think, agree that within a couple of months they are going to be as quickly done as you can process the paper, unless you have one of those unusual situations where

there is a problem. I would think, given that we are talking about a fixed number of areas of the tribal trust lands that there ought to be a pattern that could be followed very quickly.

So I am going to be asking if anything needs to be done legislatively to speed this up, let us know. If not, I would then hope that we would know very soon that these things are going to be done in weeks at most, and even weeks seems too long. Everybody is in favor of this. The notion that processing paper should interfere is a problem, particularly when we are talking about the market for the interest rate float, et cetera. But I am told, as Mr. Kildee mentioned, that we have delays that go into months and maybe years. There is just no reason to do that. So if you need more people or if you need more legislative authority, you have to tell us.

The processing of these documents ought to be just a routine thing. That is not going to solve all the problems of the world, but that is a very big one we can go forward in solving. So I am delighted that we have had the hearing.

As we have often found, I think, the very fact that the chairmen of both committees agreed to have the hearing should be helpful. All the attention is focused. But I would hope that out of this meeting will come an agreement that we are going to move these things very, very quickly, and if there are any obstacles to moving them within days, then I would like to know what they are so we can go forward with it.

There is simply no reason why people who live in the tribal trust lands ought to be in any way disadvantaged in terms of housing. That is what I hope will come out of this hearing.

Mr. NEY. I thank the gentleman from Massachusetts for his concern and comments and also reiterate thanks to Chairman Oxley and Chairman Pombo for the hearing.

The gentleman from New Mexico?

Mr. PEARCE. Thank you, Mr. Chairman. I appreciate your having these hearings.

In my district, we find continuously that economic development is hindered because of the complex and often untanglable mass of bureaucracy around the trust lands.

In the past we have begun discussions with Native Americans in New Mexico about simply doing away with the trust status. I am not sure why we need it anymore. I think if we begin to unevolve that particular part of the problem, that Native Americans might be able to get somewhere on their own for the first time.

So we will be listening carefully to the comments. Thank you.

Mr. NEY. Thank you.

The gentlelady from South Dakota?

Ms. HERSETH. Thank you, Mr. Chairman, and thank you for having this hearing today. I appreciate the statements that have already been submitted, and I look forward to posing some questions to our witnesses today.

A lot of this has already been said by my colleagues, but I would just like to point out that in Indian Country and in South Dakota, I represent nine sovereign tribes. The ongoing perennial issues with regard to trust management more broadly, as we all know, pose some problems. But as tribal leaders across South Dakota and across the country are working towards solid economic development

plans for their tribes, for their members, homeownership, adequate housing for that matter, is a real and important part of their economic development plans.

To have the type of burden, the undue burden that has been placed on many individual Indians seeking homeownership opportunities because of the delays in clearing title is something that would try anyone's patience. People can only be patient for so long, not just the potential homebuyer, but the lender certainly.

So I look forward to a discussion today that hopefully, as Ranking Member Frank indicated, will help identify some ways, whether it is legislatively if need be, to advance this process in a way that is good for the nine tribes that I represent, as well as other tribes across the country.

At the same time and in different areas, we address the broader issues of trust management, fractionation of lands, and the difficulty that I know that poses, but, hopefully, we can address this issue in a more timely way because it is hindering other economic development that is good for communities in Indian Country and certainly good for individual Native Americans seeking to become first-time homebuyers.

Thank you, Mr. Chairman. I yield back.

Mr. NEY. I want to thank the gentlelady.

The gentleman from Arizona is here.

Prior to your arrival, we publicly recognized and thanked you for your interest in this when we went with the gentlelady from California, Ms. Waters and her staff, and also for the great cooperation which I think has led to this hearing on both sides of the aisle.

The gentleman from Arizona?

Mr. RENZI. Mr. Chairman, thank you so very much. I appreciate your time today and your commitment.

I represent over 60,000 square miles in the State of Arizona, 52 percent of the landmass of the State, which includes the Navajo, the Hopi, the Zuni, the San Juan Paiute, the Yavapai and Tonto Apache, the Yavapai Prescott Tribes, San Carlos, White Mountain Apaches.

Last year, Chairman Ney and Ranking Member Frank were kind enough to help me hold a hearing in Tuba City up in the Navajo Nation. Many of you guys were aware of that and some of the results that came out of it. I do appreciate those who helped us pull together those entities and have a successful hearing up in the Navajo Nation.

We saw devastating situations. We saw poverty rarely seen across America, where in the Navajo Nation over 27 percent of the people are in poverty conditions, which is twice the national average. Almost 33 percent of the reservation's homes are overcrowded, more than six times the national average. And 16 percent of the homes on the Navajo Nation lack indoor plumbing.

So despite the statistics, we came away with hope, with the idea of working together and trying to make a difference. Last year, we passed legislation where we were able to guarantee the loan program up to 95 percent under the Title VI. Those changes have helped some of the lenders who do participate in Indian Country loans to be more proactive.

At the same time, if you look traditionally at how Native Americans come to homeownership, it typically in the past was that you would inherit the land and then you would go out and build your own home on the land. It is not traditionally as you see in America now where it is so fluid that you actually go on the Internet, get a mortgage, go out and buy a home somewhere, and have 20 people beating down your door to give you a good loan. That does not happen up on the Navajo Nation. It does not happen in Indian Country.

And yet we have guaranteed programs where there is money each year that is unused that we are giving back. We are giving back money that could be used by our Native Americans, and we are giving it back to the Government. We are giving it back because there are not enough counselors and not enough people up there on the Native American lands, on their soil, teaching them how to engage in our traditional ways of homeownership, in educating them, in moving them.

I was on a recent visit to Camp Verde and saw a Yavapai Apache living, a family living in an old trailer behind the brand-new house because the BIA recordation process had not been completed. Native American families who are approved for mortgages are ready to move into their new homes, but they have to wait because mortgage companies will not transfer their ownership to the new homes until BIA then gives them final approval, secondary final approval. So you have people sitting in trailers when their home is complete waiting for final approval.

Now, Native Americans typically have about half the income as regular, average Americans, which is barely $20,000 up on the Navajo Nation. In Tuba City last year we heard testimony where the barriers were brought up with private mortgage lending in Indian Country. A lot of it has to do with the timely recordation of mortgage documents and the timely retrieval of title status reports, as well as the lack of public access to land ownership documents. Ninety percent of the land within the Navajo Nation is held in trust by the BIA.

Mr. Boyd and Mr. Wells, I know you are tired of hearing from me, but put yourself in the shoes of a young Native American on the Navajo Nation. You have a job that actually pays above $20,000. You have a wife and kids. You want to move out of the cluster development where the methamphetamine is the highest in the nation, and you want to get back to rural America and back to your traditional roots. It takes an average of 2 years for the title search to be done.

When a private organization wants to find out who owns vacant lots on trust land, the BIA will not release ownership information. The BIA has stated that the groups must get written permission from the owners before the BIA will tell them who the owner is.

This is BIA's version of the famous ″Catch-22.″ It might even seem comical if it weren't for the fact that absurd policies like this contribute to the terrible conditions many Native families find themselves in.

This kind of administrative bureaucracy has a tendency to repress the spirit of all the Native Americans, and I represent more of them than anybody else in Congress, to reach homeownership.

And homeownership in Arizona means better marriages, better math scores, higher attainment in high school in graduation degrees, lower crime, all the fruits of ownership we see particularly come true when you release that entrepreneurial and that independent spirit in Arizona so they can have homeownership.

Mr. Chairman, I realize I am going on. I very much appreciate you and the ranking member allowing us to have this hearing today. I am looking forward to drilling into some of these questions with the hope that this will begin to crack the nut on some of the administrative repressive policies that are in place. I want to work together to find solutions here.

Thank you so very much for coming over.

Mr. NEY. I thank the gentleman for his comments and interest.

The gentlelady from California?

Ms. LEE. Thank you, Mr. Chairman. Let me also thank you and our ranking member for holding this hearing today.

I just say quite frankly that I am appalled and shocked as I learn more about and read the huge statistics, first of all, with regard to the need for decent, affordable housing for our Native populations.

Secondly, the fact that we have authorized programs like Section 184 which guarantee, of course, this American dream of homeownership, yet it takes 6 months, a year, 2 years to process title for this. I mean, it is hard to believe that we are doing this. For the life of me, this is a bureaucracy that I think needs to be shattered, and hopefully this hearing can begin to do that.

We look and see the overcrowding issues in Native American families, sometimes 18, 20, 25 individuals living under one roof with as few as three bedrooms. So I think not only do we need to get going on this and try to figure out how to expedite this process, but I think Congress needs to appropriate and authorize more funding when you look at the huge need, where 200,000 units were needed immediately. This was in 2003. I am shocked to learn, well really I guess I should not be shocked to learn, that 90,000 Native families are homeless or under-housed.

I guess why I am so surprised and shocked is that we have this effort that is on the books. HUD should be able to process title more quickly so that we can begin to address these huge and desperate housing needs of our Native American families.

So thank you, Mr. Chairman, for this hearing and hopefully we will be able to begin to unravel the difficulties that our Native American people are faced with and begin to make sure that they, too, are afforded the opportunity of affordable, decent, and safe housing for their families.

Thank you.

Mr. NEY. I thank the gentlelady.

The gentleman from Florida, Mr. Feeney, if you have an opening statement.

Mr. FEENEY. I thank the chairman.

I was motivated by my colleague from Arizona's passionate discussion. I am here primarily because in my background; I am a real estate and title attorney, and if there is any way we can help cut through the roadmap. The truth of the matter is that, given the desire and the motivation and a computer system, in most places

in the country you can pull up a title report in about 35 minutes. You can have it off to the mortgage company with the push of a button on a fax machine.

So there is no reason for extended delays. And if they are happening, I am going to lend my expertise to cut them down.

I appreciate Mr. Renzi's comments.

Mr. NEY. Next, I want to recognize my aunt's and uncle's Congressman, the gentleman from California, Mr. Baca.

Mr. BACA. Thank you very much, ranking member and minority members.

It is a pleasure to be here today to discuss this very important issue regarding Native American housing. We must figure out how to cut the red tape, and to promote tribal sovereignty at the same time as Native American land ownership, which is very important. I state, Native American land ownership.

I have always been a strong supporter of Native American sovereignty. Through economic development and other initiatives, Native Americans have been able to build schools, roads, clinics, and other necessities. They have also been able to make deals and contributions to surrounding communities.

All of us have benefited by their contributions in our areas. They have built strong economic bases for a lot of us in our communities in maintaining jobs in our area without outsourcing. I continue to salute Native Americans for their achievement and sacrifices for this country. Many of them have served us gallantly in many of the wars and continue to do so. By currying legislation and encouraging teaching about Native Americans, they promote their history and establishing a holiday to recognize respected Native Americans and their culture. This is one of the things that I have done.

But we must also do more. Native Americans have a poverty level that is more than double the Nation's rate, and I state, Native Americans have a poverty level that is more than double the national rate. Much of Native American housing is overcrowded and substandard, and I state that. It is overcrowded and substandard. Native American housing is expensive. Approximately half of Native American households in tribal areas pay over 30 percent of their income for housing, compared to 23 percent of all other residents.

Native Americans lack sovereignty. Much of Native American land is held by trust, and I state, much of Native American land is held by trust by the Bureau of Indian Affairs. Tribes do not have the authority, I state, tribes do not have the authority to sell, lease, or mortgage trust land without Federal approval. Again, tribes do not have the authority to sell, lease, or mortgage trust land without Federal approval. We must address this problem.

Much land has been taken away from Native Americans. Approximately 90 million acres of trust lands have been removed from Native American lands since the late 1800s. We must address this injustice. Native Americans face a lot of bureaucracy in trying to build homes, and I state, bureaucracy in trying to build homes. The process is very lengthy and requires a great deal of work, time, and money. They should not be affected like anybody else who wants to build a home. We see these homes going up. We see no bureaucracy. We see them happening. But when it comes to Native Ameri-

cans, it seems like it requires a lot more time, work, and money. This needs to be changed.

It is my understanding that in California there alone is a backlog of over 4,000 title status report requests. In fact, one of the tribes that I am aware of this has had Title I statute report requests processed in the past 2 years, and that is a long time, with 50 requests pending, many of which are from the year 2001 or even 2000. Meanwhile in the private sector, title status reports can often be completed in 24 hours. That is double standards. Why is it that we can do it in the private sector, yet we cannot do it in tribal land?

This is not acceptable. We can do better. I look forward to being here today so that we can examine and address the problems.

Thank you very much, Mr. Chairman.

[The prepared statement of Hon. Joe Baca can be found on page 38 in the appendix.]

Mr. NEY. Thank you.

The gentleman from Arizona, Mr. Grijalva?

Mr. GRIJALVA. Thank you very much, Mr. Chairman and ranking member. I appreciate the opportunity and appreciate this hearing very much.

Let me at the beginning associate myself with the comments that Ms. Lee and Mr. Baca have just made. The issue of homeownership is a national priority for this Administration and this Congress. The consequence of the hearing today I hope is to examine and change the process by which Native American people can meet that goal of homeownership in this country, which is a laudable goal and a necessary goal.

So in associating myself with their comments, let me stress that the issue is also sovereignty, but the issue is to extend the dream of homeownership to every American, and this certainly includes our first Americans.

Thank you.

Mr. NEY. Thank you.

The gentleman from Utah, Mr. Matheson, who was at our hearing. We appreciated that.

Mr. MATHESON. I would just like to say, first of all, Mr. Chairman, thank you for initiating that hearing. I thought it was real helpful. I want to acknowledge also my colleague, Mr. Renzi. for his leadership on this. I have really enjoyed working on Native American housing issues with him. I look forward to this hearing.

Thanks so much.

Mr. NEY. With that, we will go on to the two witnesses.

First is Mr. Rodger Boyd. Mr. Boyd is the Deputy Assistant Secretary for the Office of Native American Programs, known as ONAP, the Department of Housing and Urban Development. Prior to his position, he was Program Manager in the Community Development Financial Institutions Fund for the Department of the Treasury. As a program manager, he designed and directed the fund's congressional-mandated Native American Lending Study.

Throughout his career, Mr. Boyd has worked with Indian tribal governments, Federal agencies, and the private sector to explore and develop economic development opportunities for the Native

American communities with the goal of establishing self-sustaining economies.

Mr. Arch Wells was appointed acting Bureau Deputy Director, Office of Trust Services for the BIA, in 2004. As the Bureau Deputy Director, Mr. Wells is responsible for all activities associated with management and protection of trust and restricted lands. This protection involves the oversight of national programs including land title and records offices, minerals and energy management, and forestry and fire management.

Previously, Mr. Wells served as the acting Director for the BIA's southwest region in Albuquerque, New Mexico, beginning in 2002 to 2003. Prior to that position, he served as Trust Resources Protection Manager for the BIA's southwest region from 2000 to 2002.

I would also, before we proceed, note that without objection all members's opening statements will be made part of the record for members who were not here at this particular time.

We will begin with Mr. Boyd. Thank you.

STATEMENT OF RODGER J. BOYD, DEPUTY ASSISTANT SECRETARY, PUBLIC AND INDIAN HOUSING, OFFICE OF NATIVE AMERICAN PROGRAMS, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. BOYD. Thank you, Mr. Chairman and members of the Financial Services and Resources Committees, for inviting me to comment today on the BIA's title status report process and its impact on homeownership and the implementation of HUD's Indian Housing Block Grant and Indian Community Development Block Grant Programs.

As mentioned, I am the Deputy Assistant Secretary for the Office of Native American Programs in the Office of Public and Indian Housing. I am responsible for the management, operation, and oversight of HUD's Native American programs.

These programs are available to over 562 federally recognized tribes throughout the country. We serve these tribes directly or through their tribally designated housing entities, or TDHEs, by providing grants and loan guarantees designed to support affordable housing and community and economic development activities.

For more than 5 years, the Office of Public and Indian Housing has been in discussions with various departments to formulate a memorandum of understanding to develop an expedited process for land title searches for homeownership in Indian Country and to better coordinate our respective programs.

Agency representatives signed an MOU in September 2004. Since the MOU signing, an interagency task force has participated in a series of meetings that have generated meaningful discussions and a greater understanding of the impact that the title status report or TSR process has on Federal loan guarantee initiatives in Indian Country.

The Office of Native American Programs can see where progress has been made to improve the TSR process in some regions. However, there continue to be inconsistencies in the time it takes to process the TSR request from region to region. The BIA has informed HUD and USDA that the newly developed residential lease regulations will be released later this summer.

I am optimistic that the new leasing regulations and the resulting guidelines will provide a uniform process that supports mortgage financing. The creation of a centralized process will enhance the leasehold lending process by eliminating the different policy interpretations that occur on a regional basis.

HUD has received feedback from lenders who are concerned about the length of time it takes to process leasehold transactions. The discussion has focused on the potential costs to the borrower, who is subject to interest rate fluctuations due to market conditions while waiting out the process.

The homeownership rate among Native Americans lags behind that of the rest of the country. Although there are a number of contributing factors, the lack of a resale market on reservations is a major consideration. Streamlining the TSR process and increasing the level of homeownership and credit counseling will support the evolution of a more vibrant housing market in Indian Country.

In addition to our work looking at options with other agencies on the memorandum of understanding, HUD has worked with a Northeast tribe and the Department of the Interior's solicitor's office in Washington to create mortgage lending based on tribal assignment law. The solicitor's office has issued an opinion that the assignment law would not require secretarial approval.

A national title insurance company is prepared to issue title opinions on the assignments, creating the necessary mechanism to perfect a lien on the assignment. The tribe must develop an approved process to record the assignments that meet the title company's requirements. ONAP is cautiously optimistic that the assignment law option can assist tribes that have the capacity and expertise to implement such a program.

The TSR process has minimal impact on the Indian Housing Block Grant and the Indian Community Development Block Grant Programs. The Native American Housing Assistance and Self-Determination Act of 1996 recognized and simplified the department's system of housing assistance to Native Americans by eliminating several separate HUD programs of assistance and replacing them with a single block grant made directly to the tribes or tribally designated housing entities. This Act recognizes the right of tribal self-governance and the unique relationship between the Federal Government and the respective Governments of Indian tribes.

NAHASDA, as it is called, significantly changed the way HUD provides housing funds to Indian communities. The Indian Housing Block Grant Program offers maximum flexibility to tribes or their TDHEs to design, implement, and administer their own unique housing programs. The department is no longer involved in the day-to-day operations of the housing program and our involvement with tribes, and the Bureau regulating lease issues for the housing developments is limited.

Also, development projects using Indian Housing Block Grant funding are typically larger in scale and require more planning, which allows more time for interaction with the BIA. Although there have been some delays, the impact is not as great as seen in the Section 184 program.

Tribal governments and a limited number of tribal organizations are the only eligible participants in the Indian Community Devel-

opment Block Grant Program, and new housing construction is limited under this program. In most cases, the development of community facilities, including health facilities, would be on tribal land and there would not be a need for tribes to issue a lease to themselves.

Decisions to acquire fee land, former reservation lands, and other parcels of land to be put into trust are tribal decisions. The status of such lands would not ordinarily affect the viability of an economic development project so long as the tribe has control over the land sufficient to accomplish its proposed goals and objectives as stated in its application.

In summary, the TSR process has room for improvement, but it is not solely responsible for the current homeownership rate in Indian Country. HUD has seen an increase in cooperation with the BIA and looks forward to working with the Bureau to develop solutions that streamline the TSR process. HUD is committed to supporting homeownership education programs and is working with the BIA and USDA to develop some successful models that demonstrate the benefits of a collaborative interagency initiative.

Thank you for providing the department the opportunity to testify about this issue.

[The prepared statement of Rodger J. Boyd can be found on page 42 in the appendix.]

Mr. NEY. Thank you.

Mr. Wells?

STATEMENT OF ARCH WELLS, ACTING DIRECTOR, OFFICE OF TRUST SERVICES, BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. WELLS. Thank you.

In saying that I am heartened to hear the field experience that sits in this room, it is where I come from.

Mr. NEY. That is okay. We are still not used to it ourselves, so you are in good company.

[Laughter.]

Mr. WELLS. Good.

So good morning Chairman Oxley, Chairman Pombo, members of the committee. My name is Arch Wells. I am the acting Director for Trust Services for the Bureau of Indian Affairs. I come out of the Southwest. I have at least 28 1/2 years of experience in Indian Country.

I am heartened to hear the interest in getting this resolved. I, too, have witnessed a lot of what you have witnessed. The gentlemen from Arizona and New Mexico, you come from my stomping grounds. You have obviously seen what I have seen, so I am glad to be here.

I am here today to provide the Department's testimony on the BIA's role in assisting individual Indians in the pursuit of homeownership. I will begin by providing some background information on the current process and procedures for obtaining a title status report, known as TSRs, and the BIA, and comment on this process.

The BIA has land title and records offices, or LTRO, located within eight of its regions, those being Anchorage, Alaska; Muskogee, Oklahoma; Aberdeen, South Dakota; Portland, Oregon;

Sacramento, California; Billings, Montana; Anadarko, Oklahoma; and Albuquerque, New Mexico, where I hail from. Each LTRO is responsible for recording all title and encumbrance documents for Indian lands within their respective regions and they issue certified TSRs to provide a record of ownership.

A TSR is a compilation of the information in the LTRO ownership. It is a compilation of all of that data. It is a legal description of recorded liens and encumbrances on a designated parcel of land. The production of TSRs for mortgages is our LTRO offices' top priority. We are striving to get those things out the door as fast as possible. We strongly support programs that improve or develop housing on Indian lands for Indian people, as does HUD, as stated by Mr. Boyd.

The current procedure requires that all requests for a TSR for mortgage purposes first go through the agency superintendents at the relevant BIA office or through the regional director on behalf of the tribal member. The certified title is required by the lending institution as part of the lending institutions effort to verify that the loan applicant has acquired a leasehold interest on tribal land or that the loan applicant has total ownership on trust land and that the title is clean and clear of any liens against the property so the loan application process can move forward unimpeded.

Once the mortgage has been approved using the BIA-generated TSR, the document is sent to the LTRO for recording purposes with a request for a second certified TSR, as Mr. Renzi noted. HUD requires the subsequent TSR showing the mortgage as an encumbrance to the title before the loan is guaranteed. That is a requirement. Some lending institutions also require this additional TSR before releasing the funds.

There are very few differences in the production of TSRs from location to location. When there are, often those differences are dictated by the particular lending institution or Federal agency providing the loan. Requirements and standard operating procedures vary from Federal agency to Federal agency. The BIA LTROs strive to accommodate these differences as we support the mission to provide home loans to Indian people. Private lending institutions also have varying requirements and procedures. Consequently, our process for providing TSRs may vary to accommodate the lender.

Due to increasing workloads within the LTRO program over the years, we found that some offices have provided an uncertified title status report showing the mortgage as reflected in the LTRO records as an encumbrance to the property in lieu of the certified report. There has been some heartburn over that. On April 13, 2005, BIA issued a directive requiring that all LTROs provide certified title status reports when requested by the agency superintendents or regional directors.

BIA has qualified and dedicated personnel within the LTRO program to examine our records and produce TSRs. We are the sole source for Indian trust land records. Because Indian trust land records are to a degree confidential, lending institutions and other Federal lenders are completely dependent upon the BIA for all certified TSRs, thus creating a significant workload.

Since the inception of the Federal loan programs, the mortgage requests for TSRs have been a high priority for the LTROs. We

have made significant changes to our title program, as Mr. Boyd noted, over the past 3 years aimed at improving our ability to deliver in an accurate and timely manner in all aspects of our Indian land title operations, including the processing of TSRs. We have additional changes planned in the near future which will improve the quality of the data in our title system, thus improving our overall product.

One of the improvements to the BIA title system is the recently completed conversion to the Trust Asset and Accounting Management System, known as TAAMS for processing titles at all LTRO program offices. The system has greatly improved our ability to provide title information to tribes and Indian people. That, I might add, is getting us closer to the computerized system noted by the gentleman on my right.

The quality of the data has been significantly improving. We have been conducting a comprehensive data cleanup, which we expect to be completed in 6 to 8 months. Without clean data, we are nowhere, I might add that. So there is a huge effort onboard right now to get the data cleaned up.

The BIA currently has an efficient process of providing TSRs upon request within a reasonable time frame. In the recent memorandum of understanding, noted by Mr. Boyd again, between the Departments of Housing and Urban Development, Agriculture, and the Interior, the BIA's realty and LTRO programs agreed to provide the necessary products and services within 30 days to keep the process moving forward to assist Indians in becoming homeowners. Lenders can utilize the information in those TSRs to assist in assuring that the lands are free of liens and are available for mortgaging.

The BIA's process has remained fairly constant through all of these years. However, lenders often do not take the time to learn the process or provide sufficient notice that a loan is being processed, so we do have a disconnect we need to work on. The BIA needs a reasonable lead time to provide a certified TSR. Thus, a key part of an efficient process includes early notice from the borrower or the lender.

When this takes place, our LTROs are able to produce TSRs in a time period comparable to the private sector. Some of the BIA regional offices have started providing training to lenders in order to facilitate a timelier processing of TSRs. I intend to roll that out to all of the BIA regional offices to make sure all 12 regions are working with the lenders in a training effort to try to bridge this gap.

In conclusion, anytime a mortgage is approved, it has the potential to improve the quality of life for Indians. As stated earlier, requests for title status reports for mortgage purposes are and will remain a high priority for the BIA. Over the past decade, our legacy title system has served us well in spite of its shortcomings. Now with our recent conversion to a new real-time title system, it has already shown increased efficiency and cost savings.

As we continue to enhance our title system, streamline our business processes, and develop adequate budgets through performance measures to address our workloads, we hope to eliminate any situation where we have failed to provide timely title service to meet the needs of our Indian clients.

I would also like to add, in a nutshell, lenders must recognize that, one, obtaining a TSR should be part of the lender's overall effort to verify the condition of title; and two, a TSR is a summary of the information from the current records of the BIA at the time of the issuance of the TSR, so there is no confusion on what a TSR truly provides.

Thank you.

[The prepared statement of Arch Wells can be found on page 45 in the appendix.]

Mr. NEY. Thank you.

The question I have, based on the hearing, lenders said they were growing weary of how long it takes and that they were not able to commit, obviously, to interest rates and things like that.

So my one question is—I hate to use the word ″privatize,″ but if we privatized this—we buy a house through standard process and it takes 2 days; you pay about $600—if we privatized this, would it work, where you have private attorneys, would that work or not?

Mr. WELLS. I would like to take a first crack at that, if I could.

I would love to say yes, but I do not think it would because they are going to be relying on the same data that we are relying on.

We are just now becoming automated with the TAAMS system. It is a huge conversion from pen and paper-type data into an automated system, and it involves a monumental cleanup effort.

The private entity would be faced with the same daunting task that we are faced with and have less corporate memory to understand it.

Mr. NEY. Okay. From today forward, how long would it take to clean up the data so it is ready? You are in the process of automation and corrections.

Mr. WELLS. We are on track right now for an 8-month timeframe to get all of that cleaned up at eight LTROs.

Mr. NEY. So are you telling me that 8 months from now we will not ever have to have a hearing because it is going to go through in 2 days?

Mr. WELLS. I wish that would be the case. I am not saying that, but all the data is going to be cleaned up if we can get all the lenders and the other Federal entities in concert, one way of doing business, and Mr. Boyd noted we are going through a new regulation change associated with the fiduciary trust model.

It is not only the regulation change on TSRs, but it is a regulation change on how we do business in all of realty. We should be able to streamline the system. That is one of the primary reasons we are doing the regulation change.

Mr. NEY. So having the private sector clean up the data would not help. You are convinced that the way you are doing it will be the fastest way to clean the data up.

Mr. WELLS. I am convinced that the way we are doing it will get the job done, and we are using private contractors. There is no way that the present staff can do all of this. The way we are doing it with private contractors, trying to provide our corporate memory to them to get over the rough spots, is about the fastest way we are going to get there.

Mr. NEY. And the estimates are within 8 months from now and the data is up. How long would it take to get the title done?

Mr. WELLS. I am saying with 30 days it should be done.

Mr. NEY. Thirty days.

Mr. WELLS. Within a 4-week timeframe.

Mr. NEY. The gentleman from Massachusetts?

Mr. FRANK. I want to follow up on that.

Mr. Wells, you say that part of this is coordination among the various Federal agencies to agree on a common mode of dealing with the land title questions. Is that right?

Mr. WELLS. That is correct.

Mr. FRANK. How many agencies are we talking about?

Mr. WELLS. Primarily three.

Mr. FRANK. HUD, BIA, and what is the third?

Mr. WELLS. Agriculture.

Mr. FRANK. Now, where are we in getting that agreement? Can we have it in an hour? If not, why not?

Mr. WELLS. The agreement was signed in 2004.

Mr. FRANK. So we have the agreement.

Mr. WELLS. The agreement is in place.

Mr. FRANK. And are the procedures carrying out the agreement in place?

Mr. WELLS. I am going to defer to Mr. Boyd on that.

Mr. FRANK. Mr. Boyd?

Mr. BOYD. What we have been doing recently is to look at different case studies, developing case studies, if you will, around the country. One of them is in New Mexico, actually, and we are working with the State finance agency, the Enterprise Foundation and a number of tribes, and BIA's title plant out of Albuquerque to begin to really sit down and begin to assess what we really have to do to streamline this process. So we are taking it on a case-by-case basis.

As I mentioned in my testimony as well, what we are doing is looking at other options. One of them is the assignment law that we have been working on with a tribe in the Northeast and the Solicitor's office at Interior.

Mr. FRANK. But this agreement we are talking about, is the agreement now in effect?

Mr. BOYD. Yes, it is.

Mr. FRANK. I guess, you know our frustration, doing this on a case-by-case basis troubles me. Why don't we have just one model that we execute?

Mr. BOYD. When we look at the BIA's total process, we have found out that throughout the country there are maybe a couple of different agencies that are responding on a timely basis. We are thinking that that could very well be a model.

Mr. FRANK. What agency, BIA?

Mr. BOYD. Yes.

Mr. FRANK. So you said BIA, some agencies are on a timely basis, but others apparently are not?

Mr. BOYD. Yes, sir. That is true.

Mr. FRANK. Why aren't they? Mr. Wells, do you know which ones they are? It is so frustrating. Why can't they just process the

paper? What is the reason people are not responding on a timely basis?

Mr. WELLS. It would be wonderful if everybody could respond on a timely basis. One of the reasons they cannot respond on a timely basis outside of the two regions that were just mentioned, fortunately Southwest being one of them where I come from, is because we have this huge uphill battle to do the data cleanup. We also have a massive probate initiative.

Mr. FRANK. All right, let's take these one at a time. What is the data cleanup issue?

Mr. WELLS. The data cleanup issue is the issue where we are converting all of the hard-copy data that is in all the files for a century's worth of material over to an automated system called TAAMS, which is the Trust Asset and Accounting Management System.

Mr. FRANK. Why does that have to hold up the individual case?

Mr. WELLS. Because it is the same individuals that are doing all of that data conversion that have to do that.

Mr. FRANK. Okay. So it is a manpower shortage.

Mr. WELLS. It is a manpower shortage.

Mr. FRANK. If you had more people, then you have the same people doing the data cleanup who would be doing the processing on the individual cases. So if you had more people to do the individual cases, then people would not have to wait so long. Is that correct?

Mr. WELLS. I would add one qualifier to that.

Mr. FRANK. What is that?

Mr. WELLS. More qualified people.

Mr. FRANK. I will stipulate to that. Yes, I will stipulate to that. I am not asking you to hire unqualified people. I appreciate that.

All right, so how many people would it take? I would like this in writing. How many people would it take for the BIA to hire so there would be no more delays due to the fact that people were busy with the data cleanup, in the whole country?

Mr. WELLS. I do not have that number right off the top.

Mr. FRANK. Right. I would like to have that.

Mr. WELLS. We can get that to you.

Mr. FRANK. Okay. And then the other thing, you said something about probate.

Mr. WELLS. Yes, sir.

Mr. FRANK. What is that issue?

Mr. WELLS. All right. Probate also has a tremendous backlog. I do not want to open that can of worms here.

Mr. FRANK. Why not? No, no. We are here to open cans of worms, Mr. Wells.

Mr. WELLS. Okay, we will open that can of worms.

Mr. FRANK. The problem is that the worms are giving us problems. That is exactly why we are here. Please.

Mr. WELLS. It is like a court scenario.

[Laughter.]

Mr. FRANK. A what scenario?

Mr. WELLS. A court scenario. I should not have said it.

Mr. FRANK. No, excuse me. That bothers me. We are here to try to fix the problem, and no, you should not be withholding or worrying about opening cans of worms. The victims of the unopened

cans of worms are why we are here. And no, that is totally inappropriate. We are here to fix this problem.

What is the probate issue?

Mr. WELLS. The probate situation is that there have been a myriad of probates that have not been tackled over a long period of time. We are all about getting the backlog cleaned up, because you cannot do new probates without getting the old probates cleaned up. You do the new probates without getting the old probates cleaned up and the old probates affect the new probates.

Mr. FRANK. Again, is it a case of not having enough people?

Mr. WELLS. Pardon me?

Mr. FRANK. On the probate, this is because the land has been split up. Is that the problem?

Mr. WELLS. Fractionation is part of the problem. The Indian Land Consolidation Act is spurring a lot of this along.

Mr. FRANK. Again, is it a manpower shortage, a person-power shortage? A qualified person-power shortage?

Mr. WELLS. Absolutely, no question about it. I have 144 people strictly working on probates. That is not near enough. I have had to extract those people out of the realty function that do what you are talking about doing on TSRs.

Mr. FRANK. All right. This, I think, we are getting somewhere. So, in other words, what we have is basically the Native Americans who want to take advantage of these programs, who want to be able to participate, they are being it seems to me doubly victimized. First of all, they are victimized historically because we let things get screwed up. And now they are being victimized because the people who should be helping them process the documents to buy their homes are too busy unscrewing things up. So it seems to me we owe people just to hire some more people. Again I will ask you, as I did in the first case, please let me know how many people we would need to fix it up. I think that is something we will address.

Mr. WELLS. We will do that.

Mr. FRANK. Thank you, Mr. Chairman.

Mr. WELLS. Thank you.

Mr. RENZI. [Presiding.] I thank the ranking member.

We will move to the gentleman from New Mexico, Mr. Pearce.

Mr. PEARCE. Thank you.

I am frankly pretty underwhelmed by the factual data presented in both reports. It seems if you have a shortage of people, your report should have documented that.

In the past when we processed one of these TSRs—say I am a Native American and bought a property and 2 weeks later someone else wanted to buy that property from me, would that transaction be all categorized and clean so that the next one could go through? Or is it going to take another 2 years?

Mr. WELLS. I do not think it would take 2 years.

Mr. PEARCE. How long would it take?

Mr. WELLS. Let me ask my learned crew back here for a minute, if you could hold for a second.

Mr. PEARCE. By the way, you are already one-thirty-fifth into the 35 minutes that it would take on the initial transaction, according to Mr. Feeney's expertise.

Mr. WELLS. I bet so.

Mr. PEARCE. Just in asking back and forth.

Mr. WELLS. Thirty days.

Mr. PEARCE. Thirty days.

Mr. WELLS. That is an estimate.

Mr. PEARCE. Why, once you have done the data, why don't you store it in the fashion that makes it accessible and easy so that we do not have to recreate the wheel every time? Is there some cultural bias inside the institution that hates solutions or what?

Mr. WELLS. No, it is not a cultural bias. It is the fact that we are now moving it all into an automated system.

Mr. PEARCE. I mean, you knew, according to a GAO report in 1998 you had 113 man-years backlog, and the fact that you are now creating a TAAMS system, to me, if you are sitting here solving the same problems over and over again, that is more than a people shortage. That is a cultural problem. It is a mental problem inside.

Wal-Mart bought a large retailer in Canada. My daughter went up there. And just by reorganizing on the shelf, the stuff that was there, the items began to fly out of the door, and the old employees from the Canadian firm said stop, stop, you are going to sell all the inventory. Well, that is the function of retail management.

I think maybe you all have a culture that just says just send us more people, but we do want these convoluted old processes, because you say in your report that the lenders should become more familiar. That is, we should give the lenders the same change that we giving to the borrowers and maybe we would all then walk at the same speed because we have weighted everybody down with the same kind of a process.

I am sorry, but when you describe that the lenders do not come in and learn the convoluted processes, that is a cultural problem; that is not a problem of not enough people. It is a cultural problem inside the organization that says we are going to demand that these people on the Indian reservations never get a breath of fresh air, never get economic development because we are going to make it so convoluted that only very few lenders will learn the process, and we are going to make them learn the process, rather than simplifying it to the 35 minutes that Mr. Feeney suggested.

You say in your report that the TAAMS has greatly, greatly improved the processing. How much has it lowered the time to process the papers?

Mr. WELLS. It is still being loaded-in right now.

Mr. PEARCE. But your comments say that it is greatly improved. How can you say it is greatly improved?

Mr. WELLS. It is no longer 2 years or 4 years or 6 years.

Mr. PEARCE. That is my question. How long? It has decreased from 2 years to how long?

Mr. WELLS. I will get you the matrix. I do not have it right in front of me, but I can get that to you.

Mr. PEARCE. That is the reason I am saying I am very underwhelmed by the amount of detail that you put into these reports and the effort that you put in. We are dragging the committee here trying to solve very difficult problems. The gentleman that just spoke in front of me has commented that we appear to

be asking the questions all from our side, and I agree with his concept that we have sort of avoided unraveling this.

How many tribes have taken over the administrative duties of the BIA and real estate actions under the Indian Self-Determination and Educational Assistance provision?

Mr. WELLS. I do not have that off the top of my head. I know in the Northwest, it is four, but I only know that because I have just recently worked with it.

Mr. PEARCE. Would the BIA be open to, not you personally, I know you cannot speak for the BIA, but would you personally be willing to accept requests from individual tribes saying, look, we do not need tribal monitoring anymore. We do not need trust status. We have an articulate, good, open governance. We have educated people who are knowledgeable.

And those tribes who would make application, for just you to distribute all the trust land to them, that belongs to them under your trust? Not the ones who are a little nervous and the ones who are concerned, would you personally think that would be one way to start unraveling this complex array of problems?

Mr. WELLS. Are you describing a compact situation?

Mr. PEARCE. I am just saying, just give the land to the people it belongs to; take it out of trust; write them a deed; hand it to the tribe and require that they administer their own problems instead of having this trust status. That is what I am asking.

Mr. WELLS. I personally cannot do that.

Mr. PEARCE. I did not ask. I said would you favor it?

Mr. WELLS. What I would favor is a compact situation which is clear to what you are describing right now. They take over all the responsibilities. They do it all. We, in fact, have tribes that do that, Flathead being one of them who actually took over the LTRO title duties.

Mr. PEARCE. Thank you.

Mr. RENZI. I thank the gentleman from New Mexico.

We move to the gentleman from Michigan, Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman.

I think I would hope that both of you would take away from this hearing a sense of urgency. We take this matter very, very seriously here. I have been in Congress now 29 years. I have been working on Indian matters 29 years. Very often when the Indians are not getting good service, it is in many instances because of a lack of a sense of urgency. I think that is responsible for you two to take that back to your agencies and try to disseminate that sense of urgency.

My wife is a realtor. Among her responsibilities in selling a home is to make sure that they clear the title. That really is one of the less complex parts of her job, clearing the title. Now, in Michigan to clear the title, of course, you go to the Register of Deeds. They really have a really up-to-date automated, very, very modern function. They have to perform. The Register of Deeds in Michigan has to turn over those titles and get that cleared very quickly, maybe because they are elected. They run for a 4-year term, and they really have to put it out. And when one does get defeated, it is because maybe they have not had that sense of urgency that I think that really you should carry back to your agencies.

I do not mean you two specifically. I have been here 29 years, and I have felt very often sometimes an improvement in the sense of urgency on Indian matters and a diminution of that sense of urgency. But I think they have been left out very often.

Let me ask you this question, Mr. Boyd. If the BIA can expedite the TSR, is HUD prepared to expeditiously complete the process, your responsibility?

Mr. BOYD. Absolutely.

Mr. KILDEE. How long after you get a TSR do you complete your responsibility?

Mr. BOYD. It is almost instantaneous. I mean, once the TSR is cleared by the Bureau and the transaction takes place between the borrower and the lender, that completes a great requirement that we have. The next step, then, is leading towards the guarantee itself. That is literally within a matter of days, we have to get that TSR cleared.

Mr. KILDEE. So once you get it, how long does it take you then, how many days to process?

Mr. BOYD. Twenty-four hours.

Mr. KILDEE. Twenty-four hours.

All right, within BIA, what is the average length of time that it takes you to process a TSR?

Mr. WELLS. What we are shooting for is 30 days.

Mr. KILDEE. I do not know what you are shooting for. They have been shooting for many, many years. They have always promised me. I have served under so many BIA Directors, I have lost track.

Mr. WELLS. Six hours from beginning to end on a national level.

Mr. KILDEE. What was the time again?

Mr. WELLS. Six hours to complete the TSR. Six hours.

Mr. KILDEE. Six hours to complete the TSR. One day here, 6 hours here, that is 1 1/4 days then. Where does the delay come in? I got straight A's in math. I am trying to figure this out now. Where does the delay come in? One day for one; 6 hours for the other. The Postal Service? We have not learned a whole lot here today.

Mr. WELLS. The delay comes in because, as I noted, it would take 6 hours to do the TSR from start to finish. Getting to the TSR due to the backlogs that we have built up is the delay. That is the 30-day timeframe that we are referring to.

Mr. KILDEE. Thirty days. Now we are up to 31 days, rather than 1 1/4 days; 31 days.

You say that you are trying to work with the lenders so they will be able to access you and know what they are supposed to do. How intense is your training to the lenders, and what does it consist of?

Mr. WELLS. It has started in only one region so far, and it consists of going to the lenders, not bringing them in, but going to the lenders, explaining to them what we go through to do a TSR, what a TSR in fact is, and what the process is, and the timeframes that they need to give us to get geared up to do the TSR, and that encompasses that backlog issue which I just mentioned. They also understand that we have a limited supply of people to do all of the same type of stuff. They need to get in the pipeline as soon as possible so that we can get the TSRs elevated.

Mr. KILDEE. Well, my final statement will be, take back that sense of urgency. I think that is very, very important. These are people out there. Homeownership is very important in this country. We are lagging behind in Indian Country, so urgency is needed.

Thank you, Mr. Chairman.

Mr. RENZI. I thank the gentleman.

I have just a few questions, and then we will move on.

Mr. Boyd, in the year 2000, Congress passed and the President signed the establishment of the Indian Title Commission. Five years ago it was established. There is no commission. There is no report. There is no recommendation.

I and my office, and I know several other Congressmen's and Congresswomen's offices have recommended individuals to serve on that commission. I have nominated a Navajo gentleman, Chester Carl, who has served on the Navajo Housing Authority for many years.

What is the status of the commission?

Mr. BOYD. To my knowledge, I know that names have been submitted to the White House, and that is about as far as I know.

Mr. RENZI. Is it the White House that is holding it up?

Mr. BOYD. I am not sure, sir. I know that we have submitted names.

Mr. RENZI. I will need a status on it.

Mr. Wells, I do appreciate your coming out from the Southwest and your backbone. I can feel your desire. I also appreciate your candor when you said there is significant workload. We both know there is a possibility you could break through, uncorrupt your database, your baseline database, get it in, get the new $1 million, $1 trillion TAAMS system up and running, and you could get this thing going. You possibly could. That is why we are going to have to follow up with this kind of a hearing.

But let me say this to you. Right now, if you and I went out and bought a home and they did a title search, when we get our lender approval and guarantee, we can move into the home. We do not have to wait for the second one to come around. There is another report that is done to make sure there is no cloud on the title in between the time we were approved and the time we close. You are right, but we can move in.

And when you go out in Indian Country and you see the folks just sitting there, the houses are empty and they are being vandalized, or the copper tubing, as you know, coming from the Southwest, they are going in and ripping out all the plumbing, all the copper tubing, and then we are left with houses where families were approved, the first title search was done, and now the house is vandalized and we are left nowhere. And you are seeing it all over the country like I am.

This duplication has got me absolutely frustrated. Go ahead, Mr. Wells. Your thoughts?

Mr. WELLS. I think it is an understatement to me to say ″frustrating.″ I am really torqued about it, coming from where I am, and that is one of the reasons why you sense the expediency and the ownership that I have right now to get to a clear way of doing business and an expedited way of doing business.

Mr. RENZI. You talked about changes in the future.

Mr. WELLS. Yes, sir.

Mr. RENZI. What about the double, can we get rid of it? Can we move them in and then go to the final cloud, looking, you know, just to make sure?

Mr. WELLS. That is one of the reasons why we need to work very closely with HUD to do this. I want to get rid of having to do two and sometimes three TSRs. I want to just do one and just get it cleared right there.

Mr. RENZI. Homeownership is the release. You talked about no move-up market, Mr. Boyd. Homeownership becomes the economic incentive. It becomes the release for people to borrow against their home and then buy businesses; borrow against their home and send their kids to college. It is the fundamental economic engine in America, particularly in small town and rural America, and yet it is bound; it is hamstrung on the Native American reservations.

I think, Mr. Boyd, in your testimony, I was trying to listen closely, you even went and talked about something I am going to drill into later, which is business leasing, which can take 2 and 3 years. If we wanted to be partners together and open up a business on the Navajo Nation, it would take 3 damn years to get approved. That is a whole different can of worms, Mr. Wells, as you referred to it. Okay?

So here we are trying to buy our homes which can take 1 year or 2 years for title searches, nevermind the fact of trying to open a business. And it feels like, Mr. Wells, is that BIA and the Government of America is actually a repressive body on the Native American trust lands that do not allow them that economic release.

Go ahead, yes.

Mr. WELLS. Same feeling I have, coming from the same neck of the woods that you do. That is one of the reasons why all of the realty regulations are being rewritten so that we can begin to streamline this process and standardize it so we do not feel that.

Mr. RENZI. Is the multiple TSRs that we do, the two, and you have enlightened me on three, is that regulation procedural or administrative? What is that?

Mr. WELLS. As far as I know—

Mr. RENZI. It does not conform to industry standards.

Mr. WELLS. It is procedural.

Mr. RENZI. Procedural?

Mr. WELLS. I am going to defer to Mr. Boyd because HUD requires that that occur.

Mr. RENZI. Mr. Boyd, you know what we are talking about right now? Okay? We are talking about double, triple TSRs before you can move in that leaves houses vacant and vandalized. Is that procedural?

Mr. BOYD. Part of it is procedural. One of the things, Congressman, that as we look at the process in total, initially it begins with the lender and the borrower sitting down. What the lender is now requiring from the potential borrower is a clear TSR. The individual then has to go, working with their tribe and with the BIA, then they get a TSR.

Mr. RENZI. Okay.

Mr. BOYD. Once they get that, they come back. They get the mortgage, and then we wait for BIA to record that. Once they record it, then we will do the guarantee.

Mr. RENZI. Okay. I am going to come back for a second round. I move to the gentlelady from South Dakota, Ms. Herseth.

Ms. HERSETH. Thank you, Mr. Chairman.

Mr. Boyd, in your written statement you indicated that the TSR process has minimal impact on IHBG and ICDBG programs. But isn't it true that last year $54 million from Section 184, the loan guarantee program administered by HUD, went unused and was rescinded?

Mr. BOYD. That is correct.

Ms. HERSETH. How long have those funds been going unused, and what steps has the department taken to better serve tribal needs under that program that was authorized?

Mr. BOYD. The breakdown was a combination of Title VI and 184, so the total amount that was rescinded was $33 million. At the time, certainly I think that, and what we have done just recently to correct that situation, and part of it had to do a lot with marketing. A lot of it had to do with getting out and being more proactive with tribes and with the lenders.

What we have done over the past couple of years is that we have begun to more aggressively work with tribes by having individuals from our respective six area offices to do more training, to actually in a sense, if you will, to help create housing deals to take place. In other words, lend the expertise to the tribe and act as the intermediary between the lenders and the tribes to structure new deals.

As a result of this, especially in 184, the comparison of growth in the program has been tremendous. From 2004 to 2005, we increased the amount of home mortgages on reservations by 130 percent. Right now in fiscal year 2005, we project that we will do about $80 million to $100 million worth of mortgages in Indian Country. So we had a learning curve, but I think that we have a better handle on it, and we are being a lot more aggressive.

Ms. HERSETH. I appreciate the update. If you could perhaps keep us posted, maybe with each quarter of the rest of the year based on what you are projecting and the increase based on the improved marketing and being more proactive.

Which leads me to just make a comment about the need to be proactive. When we established a commission 5 years ago and you have Members of Congress who are trying to be proactive in submitting names for nominations, as Mr. Renzi mentioned, I would just like to reiterate the points made there, and the committee's efforts and staff, our offices's efforts to try to advance the ball, but we need your assistance as well.

Mr. Wells, let's get to the automated system and the efforts to streamline this process. Is this related to the Cobell litigation?

Mr. WELLS. To some degree.

Ms. HERSETH. And do you feel that you have adequate funding once you anticipate that within 8 months, bringing us to about February or March 2006, to fully integrate this new automated system into each of the eight locations around the country?

Mr. WELLS. I would say no.

Ms. HERSETH. No, you do not have adequate funding to integrate it?

Mr. WELLS. Correct.

Ms. HERSETH. So even though by March you will have cleaned up the data, turning the hard copies in to the automated system, we, therefore, lack funding at that point to integrate it fully, in addition to all the training that will be necessary for those eight offices. So we cannot get to the 30 days that you estimate unless we have adequate funding to integrate the system and to train people to clear the titles.

Mr. WELLS. Correct. Two downfalls on this, and that is that, one, as Congressman Frank noted, qualified staffing is a problem. It takes time to train people and to get the corporate memory instilled in them. Two, we need a central repository for all of the information that is in all of these eight title operations. At present, the title entities are compartmentalized, and they need to be able to cross-speak, so to speak, because Indian people have land all across the United States. They do not have land just in one tribal base or one region. It is all over the place. So we need that.

And quite frankly, we need to be able to combine TAAMS and TFAS together in a meaningful way so that we get not only correct information, but we also have the ability to collect and invest and distribute the funding that is associated with a correct title.

Ms. HERSETH. Mr. Chairman, may I ask just a couple of follow-ups?

I agree that we need that clearly. In your opinion, do we also need a settlement in the Cobell litigation?

Mr. WELLS. I am not going to speak on that.

Ms. HERSETH. Let me spin this out a little bit then.

Mr. WELLS. Okay.

Ms. HERSETH. If we have hard copies, as you said earlier, that date back centuries.

Mr. WELLS. That is correct.

Ms. HERSETH. And we all know that there have been problems with historical accounting, according to other officials within BIA about the adequacy of those records, the availability of those records.

So as we are integrating into an automated system, yet records sit and in some cases are incomplete, what do we do then about moving to an automated system that is used not only for the purpose of dealing with titles, but when you said in part this automated system is driven by the Cobell litigation and we are cleaning up this data, and perhaps you could explain more about what cleaning up the data means.

Is this automated system going to be used in any other way? Or does it have the capability to be used in any other way to ensure better management of trust accounts?

Mr. WELLS. Yes, it does. It is also title and leasing at the present time. It also incorporates, as it was initially designed several years ago, it incorporates a forestry entity and a land grazing entity. It will allow you to be able to manage most of the resources throughout Indian Country in an automated fashion, hooking into the title hook. The title is key. If you do not have correct title data, what do you have?

Ms. HERSETH. That is a good question.

Mr. WELLS. That is the reason why we are performing a tremendous task right now of cleaning up data.

Ms. HERSETH. So one last question because I have gone overtime. In your opinion, in light of the questions Mr. Frank posed earlier and the other questions of my colleagues about the shortage of qualified people to be doing what needs to be done within the next 8 months to automate the system, to clean up the data, then the additional funds that will be necessary to integrate that into the eight regions around the country, as well as to tie it in with other systems.

Up to this date, does this constitute another example of putting funding based on what you said earlier about, even though it takes 6 hours to do the TSR, it is a matter of getting to the TSR, that this is another example in which the monies that have gone into the Cobell litigation have been diverted away from other programs like probate and like the TSRs?

Mr. WELLS. Again, I am not going to comment on the Cobell situation.

Ms. HERSETH. Thank you, Mr. Chairman.

Mr. RENZI. The gentleman from California, who has been so patient?

Mr. BACA. Thank you very much, Mr. Renzi, and thank you for your leadership in this endeavor.

By the way, Mr. Boyd and Mr. Wells, I am a native of New Mexico and was born in New Mexico, so when it comes to problems in that area, all of us are very much concerned not only what happens with New Mexico or South Dakota or Arizona or California, but throughout our Nation, especially as it impacts sovereignty and equal rights.

As we address homeownership and the American dream, you have talked about a lot of the problems, but I know that the Democrats were trying to increase the funding for the BIA. They were actually denied the additional funding. It seems like it boils down to a lot of the problems due to the lack of funding to the BIA to implement some of these programs, especially if you are talking about an automated system or streamlining part of the process. Without the additional revenue, it seems like we cannot apply the same kind of services.

So it seems like there are double standards. Off the reservation, it seems like there is additional funding in the area of housing to assure that the process is implemented in a timely process, but yet within our reservations and sovereignty country, we are not willing to provide the revenues. So it seems to be a major problem. If we got over this hurdle, maybe then we could solve some of the problems that currently exist by implementing the kind of staff, to implement the kind of processes, procedures, and guidelines and criteria that can be expedited in assuring that everyone gets treated equally.

Let me ask my question. I have a series of nine questions. I will submit the rest of them for the record, since I will not have time.

One that I would like to address particularly, In 1986, there was an unverified status report completed on all existing properties in Southern California. Yet the land title and the record office staff

continually disregarded this report. Instead of using this record and updating the records from the 1986 baseline, the land title and record office staff reconstructed the entire record.

Why can't BIA have a convenient manager sign off an updated status report from 1986 so we do not have to continue to recreate the records and, thus, take even longer to process this request?

Mr. WELLS. That is for me, right?

Mr. BACA. That is for you, Mr. Wells.

Mr. WELLS. Mr. Baca—a very familiar name from New Mexico, by the way—I am not sure of the answer, going back to 1986, why that was the situation. But my staff sitting behind me, I am sure have duly noted that, and we will get a response to you.

Mr. BACA. Right. And hopefully you guys can just sign off instead.

My other question is, it is my understanding that many of the records to complete a title status report are not computerized and are not microfiched or even handwritten. Is there a process in place to computerize these records? If so, how long will it take? If not, why not?

Mr. WELLS. There is a process in place, and that is the one I have been referring to as TAAMS, the Trust Asset and Accounting Management System. That is the data cleanup, part of the data cleanup that I am referring to is getting that hard copy stuff in whatever form it is in, and you have noted several forms, into an automated system which will help to streamline this thing once and for all. That is what we are all about.

Mr. BACA. Okay. This question is for Mr. Boyd from HUD. Because title status reports and processes are so time consuming, tribes have started to contract with BIA to conduct these functions themselves without the Department of Housing and Urban Development. Would the Department of Housing and Urban Development accept title status reports completed by tribal land titles and record offices?

Mr. BOYD. Yes.

Mr. BACA. Remember, that is for the record. You are saying yes, and it is noted here.

Mr. BOYD. Well, one of the things that we have been working with the BIA on under the memorandum of understanding was to look at the process in such a way that we might be able to accept on a quicker basis their recording of different TSRs. So once we know that they have submitted a TSR to a lender and the actual mortgage takes place, then there is a time when that has to go back to BIA to be approved again and to be recorded. At that time, we will accept the soft, if you will, answer from BIA with regard to that and turn the guarantee around on a very quick basis. That is when we mentioned within 24 hours.

Mr. BACA. Okay. Next question. Native American housing is overcrowded and substandard. Over 32 percent of the houses located on tribal lands are overcrowded; 7.5 percent of the Native Americans' homes lack safe water sewage systems; and less than 50 percent of the homes on reservations are connected to public sewer systems; and 16.5 percent of the homes on tribal lands are without indoor plumbing.

These are serious issues. I am pleased with the strides that Native Americans have made to begin to address these problems when allowed to develop their own independent source of revenue and autonomy. What can we do to continue to make Native Americans more self-sufficient?

Mr. BOYD. What we have been doing over the past couple of years, and I think that through the 184 program and the Title VI program and through the participation of a number of tribes throughout the country, the whole leveraging of public money with private money has expanded tremendously. We know that there are limited funds, but some tribes have really, I think, set the record and set the mark for leveraging these funds.

I think it has only happened, with my knowledge, probably within the last 6 or 7 years where the whole concept of leveraging has really taken a foothold in Indian Country. That has helped us with regard to expanding the coordination that we have with tribes with State housing finance agencies, with foundations. It is taking I think a lot of outreach. It has taken a lot of education, both on our behalf as well as the tribe's behalf in the art of leveraging. That has helped tremendously.

Mr. BACA. Thank you. I know that my time has expired, but one last question.

Much land has been taken away from Native Americans. Approximately 90 million acres of land trusts have been removed from Native American hands since the late 1800s, and they continue to lose land through the process of condemnation, eminent domain, foreclosures, and transfer of property to non-Native Americans.

What can we do to compensate Native Americans for these losses, and how can we ensure that they do not lose more land?

And then I will submit the rest of my questions for the record.

Any one of you?

Mr. BOYD. I would like to defer that to Mr. Wells since the whole land aspect of trust land is really under his jurisdiction and not HUD's.

Mr. WELLS. What we have attempted to do is stem that tide dramatically by taking more fee land into trust. We have a fairly good track record of that over the last 10 years. Rather than have it go out of trust along the lines you are talking about, condemnation, being sold off, and so forth, have it pulled into the reservation level, those lands that are within the exterior boundaries of the reservation or closely associated therewith. That is what we have attempted to do.

As far as compensation, other than what the Bureau of Indian Affairs is attempting to do right now, I have no other answer.

Mr. BACA. Then we continue to steal from them.

Thank you.

Mr. WELLS. Thank you, sir.

Mr. RENZI. I thank the gentleman from California.

Mr. Cardoza from California?

Mr. CARDOZA. Thank you, Mr. Chairman.

I am interested in asking a couple of questions on this Cobell case. We all want a fair and thoughtful and equitable settlement that all parties can agree on. I am sure, Mr. Wells, you agree with that so that we can move on, the bureau can move on, the Depart-

ment of Interior and Congress can concentrate its efforts on other issues important to Indian Country. Given that the Indian-proposed settlement in June was rejected, what would the bureau and the Department of Interior be willing to accept in terms of a settlement?

Mr. WELLS. Again, I am not going to respond on Cobell. That is open litigation with the Department of Justice and not me.

Mr. CARDOZA. Well, maybe you can answer this question, which relates, but is not specific to the case. If there was a settlement or if Congress decided to intercede and force a settlement, where would the funds come? Certainly, we have a limited amount of money. It would have to come from some other place within your department under the current rules. Do you have any suggestions where we could find the critically needed funds? You say that in order to staff up and reposition and provide enough, we are going to need additional funding. Do you have any ideas where that funding could come from?

Mr. WELLS. The soft answer is no, I do not.

Mr. CARDOZA. Well, it has been a number of years since we have been trying to solve these issues. It really seems to me that it is time for someone to step in and solve the problem. Do you think it is appropriate for Congress to take action at this time?

Mr. WELLS. Again, I am not going to comment on it. That is for the Department of Justice. I am sorry.

Mr. CARDOZA. Thank you, Mr. Chairman.

Mr. RENZI. I thank the gentleman.

We will move to the gentleman from Utah, Mr. Matheson.

Mr. MATHESON. Thank you, Mr. Chairman.

It seems to me that this is a problem that has been going on for a long time. I would share some of the frustrations of some of my other colleagues, but I am not hearing very many alternatives expressed. I am hearing we need to clean up data, and it all sounds fine and well, but I am not sure that that is going to solve the problem. I do not think you have made a compelling case. I do not think you have offered solutions for us to consider up here about how we can fix this problem.

I think that in your written responses to some questions that are going to be given to you and you can compile after the hearing, maybe you can give a little more thought to coming up with constructive solutions, because in my opinion I have not heard it today. This is an ongoing problem, and we are not getting the right answer.

A couple of thoughts I wanted to throw out that I would like your response to. First of all, has there been any initiative or is there thought given to the notion of giving tribal members more of a participatory role in this process? I have heard that within the Navajo reservation there is a desire to work more with local county recorders' offices and help solve this problem. I am wondering if there has been thought or effort to try to engage a program like that. These counties have the ability to process title reports. They probably are suffering from the same data problems you all are. I am wondering if that has been considered.

Mr. WELLS. It has been considered, but the fact that it is a trust responsibility, it has not been allowed to be an option. The closest

that I can get to that is, again, the example that I used before, and that is the Flathead reservation where they have compacted the LTRO operation and they perform their own title operations as a tribe. They do very well.

Mr. MATHESON. Let me follow up. Chairman Ney asked this question at the start. What are the impediments to having these title searches conducted by outside title companies?

Mr. WELLS. The outside title company is not a trust entity, and that is a major impediment in that it is a trust responsibility, thus, restricted to the Federal Government.

Mr. MATHESON. So it would require a legislative change to allow that to happen.

Mr. WELLS. I would say that is an accurate read.

Mr. MATHESON. Okay.

Thank you, Mr. Chairman.

Mr. RENZI. I thank the gentleman.

The gentlelady from Florida?

Ms. WASSERMAN SCHULTZ. Thank you, Mr. Chairman.

Mr. Wells, you have indicated in your testimony, and during the course of this back and forth discussion, that staffing was one of your significant problems. Yet, and I checked to make sure that I was correct in this assumption, you did not ask for funding for additional staffing in your budget request. I am wondering, if that is such a significant problem and one of the major obstacles to you solving the problems that exist with this title issue, why you would not have asked for more money for staff?

Mr. WELLS. One of the reasons why I did not ask for additional money is because, one, I have been here for about a year now; and two, it takes time to pull the matrix together. It cannot be anecdotal anymore, like I need a whole lot more staff. Well, everybody wants to know how much more; what are they going to do; is your staff working at the full potential; and we are all about putting that matrix together right now.

What we did do, though, was carve out of the realty component as a specific entity 144 people just to take care of the backlog in probate. It affects everything else we are talking about here. We have to get that taken care of.

Ms. WASSERMAN SCHULTZ. At what point in the year that you have been here did you determine that you needed more staff? Because a year is not a short period of time. I mean, you were aware and were brought in with these problems existing. So I hate to tell you, but that is not really a short period of time in which you could have determined and then asked for funding for additional staff.

Mr. WELLS. Understood. Right after I came here, I noted that where I come from there is a lack of staff to be able to take care of these situations and take care of these operations to the degree that we would hope to be able to do this, thus eliminating the backlog and getting things taken care of, as in someone comes in the door and you deal with it, and it is done within a reasonable amount of time.

But to make the case for a budget increase, I was told that I needed to produce the matrix and measures, and that is what I am doing right now.

Ms. WASSERMAN SCHULTZ. You know, maybe it is that I am a freshman, and I am not familiar with the Washington window, but I was in the legislature for 12 years before coming here. I thought that bureaucracy in State government was significant. It is amazing that the Federal Government even functions at all. I can understand now why my constituents, who include the Seminole tribe, just want to throw up their hands and turn around and walk away from the whole ball of wax.

Native Americans are being treated like second-class citizens when it comes to their being able to access affordable housing or housing at all. And you all are not doing very much of anything to show them that you are trying, up until this conversation and being asked questions that you admitted you wished you were not asked or that you had not revealed your hand on. It is difficult for me to understand why it should have taken this long for someone to come in and even recognize that there was a problem and that it needed to be unraveled.

I will be honest with you. All I have heard from you is excuses. It is unacceptable. I came to this hearing expecting to hear your proposal for a solution and you are talking about matrix's and jargon that just makes no sense to the average person. I really think you need to do a quite a bit better job at unraveling the problem and proposing a solution because we are out of patience and so are the Native American tribes.

Thank you, Mr. Chairman. I yield back the balance of my time.

Mr. RENZI. Mr. Wells, Mr. Boyd, I just have a couple more questions, if you don't mind. I do appreciate your coming over.

I want to ask, in the testimony that I read, there is a hint of the lenders being able to do a little more. I do not doubt that. Can you go ahead and drill into that a little bit for me? Mr. Wells?

Mr. WELLS. The need for the lenders to do some more is to understand, and this is just a common man's parlance here, that there is a backlog that I have been talking about, that there is a need to get in front of the Bureau of Indian Affairs immediately when they know there is a need for a loan, to trigger that switch and say we are going to need a TSR as soon as possible.

Mr. RENZI. Mr. Wells, let me ask you, and forgive me for my ignorance. Loan origination documents are done; It looks like there is going to be approval. Is that when you are notified? Do you want them to back up a little bit earlier and give you a little bit of notice, knowing that they are dealing with a different entity than the commercial world?

Mr. WELLS. Exactly.

Mr. RENZI. And ideally how would you see that, sir? What process?

Mr. WELLS. I would like to see—

Mr. RENZI. Preliminary underwriting acceptance?

Mr. WELLS. Something along those lines. I would like to have that. That is along the lines that I believe that Mr. Boyd is talking about. I believe you call it a soft document. I would love to entertain that idea.

Mr. RENZI. And that would give you maybe another 30 days possibly?

Mr. WELLS. Sure. And that would be able to begin to bridge the gap that we have been talking about here.

Mr. RENZI. Mr. Boyd, any thoughts on lender participation, lender improvement for the system, other than what Mr. Wells talked about?

Mr. BOYD. Well, throughout the course of the year, we do 184 lending training sessions. We probably spend about 30 percent of our time in those sessions with the lenders, educating them, introducing them to not only the 184 process, but also as it includes what they have to do working with the borrower to get the TSRs cleared. I think that that has helped tremendously, and I think it has also given them a window, if you will, into the entire process. I do know that that has helped them.

Mr. RENZI. I appreciate that. Do you in your seminars explore at all the fact that we are having monies rescinded each year out of NAHASDA? Last year, $33 million were rescinded back, unused monies that the Government is actually putting out there for Native Americans to achieve homeownership, and yet we are not using it. Any thoughts in both your experiences on how we can buy down, use that money, get it down to zero, and why we are not?

Mr. BOYD. As I mentioned before, I think what we have begun to do a better job of being more proactive. Under the Office of Native American Programs, we have six area offices throughout the country. We have designated staff in those area offices to go out and be more aggressive not only in marketing, but working with tribes, TDHEs, tribal entities and the borrowers.

Mr. RENZI. Are these circuit riders or are these actual locations?

Mr. BOYD. Within their respective regions.

Mr. RENZI. Have you thought about maybe doing more offices, actual permanent locations? Maybe Congress needs to plus-up and provide better money so that you can actually have more locations spread out in Indian Country where you have a permanent office where people are going and the local community is seeing successes being made, and then their word-of-mouth is getting around, well, even more than that, advertising, marketing, but word-of-mouth of success stories. You know, you can go up here to a local office and they will find a way for you to own a home.

Mr. BOYD. I think that would be helpful. I know, and as I mentioned earlier, there are a number of tribes that are doing a great job out there and are great success stories on leveraging both public and private, and in some cases tribal money, to do very good housing not only for rental, but for homeownership.

Mr. RENZI. Mr. Wells, you came out of Albuquerque, and I appreciate having you back here. I do believe that just a year is not enough. I lend myself to the comments earlier. I do believe that your intention is honest. I want to ask you, the Navajo Nation paid for a staffer to be out there and participate in the Albuquerque office to try and help process quicker internally. How did that turn out?

Mr. WELLS. My understanding is, yes they did pay for a staffer out there and that turned out well. Anytime that we can get additional qualified staff to help, and key to this is that they are a tribal member. They know the nuances. As you are talking, word-of-

mouth is the way to go on the reservation. Now, you can do all the advertisement and emails or whatever it is.

Mr. RENZI. Success stories up there on the reservation are like wildfire. It spreads.

Mr. WELLS. It is the key.

Mr. RENZI. So, Mr. Wells, the Navajo Nation sends an individual, well-trained, qualified as you have been talking about, embedded in your system in Albuquerque and they are able to work through the nuances and help speed up the system a little bit. We could do a curtain call maybe to some of the tribes and ask them to come back to be part of your new system here in Washington, or you would rather have them out there in the field?

Mr. WELLS. I would rather have them in the field any day.

Mr. RENZI. Okay.

Mr. WELLS. That is where the action is, and that is where the rubber meets the road.

Mr. RENZI. Okay. Mr. Wells, last question. I do appreciate both you guys coming over here and taking some hits. At the same time, you can see that we are trying to keep pushing you a little bit and let you know that we are on this issue. How long do you want me to give you before we do this again, before we come back and dance with each other?

[Laughter.]

Mr. RENZI. Honest. Reasonable, because Mr. Wells, I am going to request you. I realize you were like a last-minute replacement from what I hear, but you did a hell of a job. I am going to request you next time, though. How long do you want before you come back and face the music again?

Mr. WELLS. I would like 8 months.

Mr. RENZI. Eight months. I will see you in 8 months.

Mr. WELLS. I would like to see 8 months and see what type of progress we have made.

Mr. RENZI. Especially with the TAAMS system and the database. We could look at how the database is actually fleshing out.

Mr. WELLS. There is an activity. There you go. Exactly. That is what I would like.

Mr. RENZI. Okay. And then maybe during budget season, will you guys come over and visit me in my office, okay, and we will talk, particularly some of the people have good points on budget. Okay?

Thank you all.

Mr. Kildee, anything else in closing comments?

Mr. KILDEE. No.

Mr. RENZI. The Chair notes that some members may have additional questions for this panel which they wish to submit in writing. Without objection, the hearing record will remain open for 30 days for members to submit written questions to these witnesses and to place their responses in the record.

I want to thank both witnesses today. I appreciate it very much.

The hearing is dismissed.

[Whereupon, at 12:49 p.m., the committee was adjourned.]

A P P E N D I X

July 19, 2005

Opening Statement of the Honorable Bob Ney
Chairman, Subcommittee on Housing and Community Opportunity

Joint Hearing on

"Improving Land Title Grant Procedures for Native Americans"

Tuesday, July 19, 2005

One of the important cornerstones to a strong community is homeownership. It creates stability and serves as a strong economic staple in our overall U.S. economy. While the national homeownership rate has steadily risen and is at an all-time high of almost 70 percent, there are sectors of the population for whom homeownership remains unattainable.

For Native Americans, who are the focus of today's joint hearing, their homeownership rate is well below 50 percent. Clearly, more can and should be done to help all families realize the dream of owning a home.

Presently, Native American population is estimated at 2.5 million. While the national poverty rate is 12 percent, the rate among Native Americans is more that twice as high. Forty-five percent of all Native American households are located on tribal lands, and housing is one of the most pressing issues for Native Americans living on tribal lands.

Over 32.5% of the homes located on tribal lands are overcrowded; 7.5 percent of Native American homes lack safe water and sewage systems; less than 50 percent of homes on reservations are connected to public sewer systems; and 16.5 percent of homes on native lands are completely without indoor pluming. About 40 percent of tribal homes are considered substandard compared to a national average of six percent.

Last year, the Housing Subcommittee held a field on tribal land in Tuba City, Arizona, where we were able to witness firsthand the chronic housing affordability problems plaguing Native Americans.

The Arizona field hearing gave us the opportunity to learn that some of the housing problems in Indian country can be attributed to the unique relationships Native American tribes have with the U.S. government. Native Americans residing on reservations are U.S. citizens, but their tribes are recognized as domestic sovereign nations with treaty relationships with the U.S. government.

The fact that the Bureau of Indian Affairs (BIA) holds much of the land in trust means that tribes are allowed only limited sovereignty over their lands. This special relationship limits the types of economic activity for which Indian lands may be used.

In order for Native Americans to build a home on trust land, they must obtain a Title Status Report (TSR) from the BIA. Consequently, the Title Status Report is an integral part of helping Native Americans become homeowners. At our Arizona field hearing, concerns were raised about the inefficiencies in BIA's title process. Today's hearing will focus on what processes the BIA has in place that helps produce a TSR for Native American Lands in a timely fashion, as well as how BIA affects HUD's ability to help Native Americans achieve homeownership. It is important that an efficient process is adhered to by BIA, as HUD programs such as the Indian Community Development Block Grant Program and the Indian Housing Block Grant Program are affected by BIA's ability to issue a TSR.

The changing land status issues, diversity of tribal laws and governments, lack of mortgage information, and credit issues all contribute to the challenges in mortgage lending in Indian Country.

Developmental programs delivered to Indian Country should be highly flexible and adaptive to the very unique and specific circumstance in each tribal setting. Native Americans must be able to take full advantage of partnering and leveraging efforts across institutions and at all levels of government.

If we begin to succeed at these initiatives, then opportunities will move into these rural areas.

As we work to help strengthen homeownership opportunities in Indian Country, together we will all continue to play a significant role in improving the quality of life for all families.

THE HONORABLE JOE BACA

STATEMENT FOR JOINT HEARING ON NATIVE AMERICANS:

Chairman Oxley and Ranking Member Frank; Chairman Pombo and Ranking Member Rahall:

It is a pleasure to be here today to discuss these very important issues regarding Native American housing.

We must figure out how to cut out the red tape, and promote tribal sovereignty and Native American land ownership.

I have always been a strong supporter of Native American Sovereignty. Through **economic development** and other initiatives, Native Americans have been able to build schools, roads, clinics, and other necessities. They have also been able to make deep and lasting contributions to their surrounding communities!

I have continued to salute Native Americans for their achievements and sacrifices for this country, by carrying legislation to encourage teaching about Native Americans and their proud history, and establishing a holiday to recognize and respect Native Americans and their culture.

But we must do more!

Native Americans have a poverty level that is more than double the national rate!

Much Native American housing is overcrowded and substandard!

Native American housing is expensive! Approximately half of Native American Households on tribal areas pay over 30 percent of their income for housing, compared with 23 percent of all U.S. residents!

Native Americans lack sovereignty! Much Native American land is held in trust by the Bureau of Indian Affairs. Tribes do not have the authority to sell, lease, and mortgage the trust land without federal approval. We must address this problem!

Much land has been taken away from Native Americans: approximately 90 million acres of trust land have been removed from Native Americans hands since the late 1800s. We must address this injustice!

Native Americans face a lot of bureaucracy in trying to build homes. The process is very lengthy, and requires a great deal of work, time, and money. This needs to be changed!

It is my understanding that in California alone there is a backlog of over 4000 Title Status Report requests. In fact, one tribe that I am aware of has had 1 Title Status Report request processed in the past two years, with 50 requests pending, many of which are from 2001 or even 2000. Meanwhile, in the private sector, Title Status Reports can often be completed in 24 hours. This is not acceptable! We can do better!

I look forward to being here today, so that we can examine and address these problems. Thank you.

STATEMENT OF DALE E. KILDEE, M.C.

COMMITTEE ON FINANCIAL SERVICES
AND
COMMITTEE ON RESOURCES

JOINT HEARING ON "IMPROVING LAND TITLE GRANT PROCEDURES FOR NATIVE AMERICANS

JULY 19, 2005

I WANT TO THANK CHAIRMAN OXLEY AND CHAIRMAN POMBO FOR SCHEDULING THIS HEARING TODAY.

FOR SEVERAL YEARS, I HAVE HEARD THAT THE PRIMARY BARRIER TO MORTGAGE LENDING IN INDIAN COUNTRY IS THAT THE BIA CANNOT PROCESS TITLES IN A TIMELY MANNER.

TRIBES ASSERT THAT THE PROCESS OF OBTAINING A CERTIFIED T.S.R. CAN TAKE 6 MONTHS TO SEVERAL YEARS.

THIS HAS HAD A DEVASTATING AFFECT ON HUD'S SECTION 184 PROGRAM THAT REQUIRES A LAND TITLE THROUGH THE BIA.

A SUBSTANTIAL PORTION OF HUD'S SECTION 184 PROGRAM FUNDING FOR FY 2005 WAS RESCINDED BECAUSE THE FUNDS WERE NOT FULLY USED.

IN 2000, CONGRESS AUTHORIZED THE "INDIAN LANDS TITLE REPORT COMMISSION" TO MAKE RECOMMENDATIONS TO THE BIA TO ADDRESS THE TITLE PROCESSING ISSUE.

THE COMMISSION HAS YET TO BE CREATED BECAUSE THE ADMINISTRATION HAS YET TO MAKE ITS NOMINATIONS.

WE CANNOT WAIT ANY LONGER TO ADDRESS THE TITLE ISSUE.

WE MUST STREAMLINE THE BIA'S TITLE SYSTEM.

AMONG OTHER THINGS THIS WILL REQUIRE A REVIEW OF THE FOLLOWING—

1. BIA'S TRUST MANAGEMENT REFORM EFFORTS RELATING TO LAND RECORDS
2. HOW LAND FRACTIONATION HINDERS THE TITLE PROCESS
3. MISSING HISTORICAL LAND OWNERSHIP AND TITLE DATA
4. CURRENT PROCEDURES OF THE EIGHT LAND TITLE AND RECORDS OFFICES

WE MUST ALSO EXPLORE ALTERNATIVE METHODS OF EXPEDITING INDIAN LAND TITLES THROUGH, FOR EXAMPLE, INDIAN SELF- DETERMINATION ACT CONTRACTS OR COMPACTS.

I AM COMMITTED TO WORKING WITH THE COMMITTEES OF JURISDICTION, THE ADMINISTRATION, AND THE TRIBES TO DEVELOP A SOLUTION TO THIS PROBLEM.

I LOOK FORWARD TO HEARING TODAY'S TESTIMONY. THANK YOU.

STATEMENT OF RODGER J. BOYD
Deputy Assistant Secretary
U.S. Department of Housing and Urban Development
Public and Indian Housing
Office of Native American Programs

BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
JOINT COMMITTEE ON
FINANCIAL SERVICES AND RESOURCES

JULY 19, 2005

INTRODUCTION

Mr. Chairman, Mr. Vice Chairman, and Members of the Financial Services and Resources Committees, thank you for inviting me to provide comments on the BIA "Title Status Report" (TSR) process and its impact on homeownership and the implementation of the Indian Housing Block Grant (IHBG) and Indian Community Development Block Grant (ICDBG) programs.

My name is Rodger J. Boyd, and I am the Deputy Assistant Secretary for the Office of Native American Programs in the Office of Public and Indian Housing. I am responsible for the management, operation and oversight of HUD's Native American programs. These programs are available to over 562 federally recognized Indian tribes. We serve these tribes directly, or through their tribally designated housing entities (TDHE), by providing grants and loan guarantees designed to support affordable housing, and community and economic development activities.

It is a pleasure to appear before you, and I would like to express my appreciation for your continuing efforts to improve the housing conditions of American Indians and Alaska Natives. Tribes are taking advantage of new opportunities to improve the housing conditions of the Native American families who live on Indian reservations, on trust or restricted Indian lands and in Alaska Native Villages. This momentum needs to be sustained as we continue to work together toward creating a better living environment in Native American communities.

For more than 5 years, the Office of Public and Indian Housing has been in discussions with various departments to formulate a memorandum of understanding (MOU) to develop an expedited process for land title searches for homeownership in Indian Country and to better coordinate our respective programs. Agency representatives signed an MOU in September 2004. Since the MOU signing, an interagency taskforce has participated in a series of meetings that have generated meaningful discussions and a greater understanding of the impact that the Title Status Report or TSR process has on federal loan guarantee initiatives in Indian Country.

The Office of Native American Programs can see where progress has been made to improve the TSR process in some regions; however, there continue to be inconsistencies in the time it takes to process the TSR request from region-to-region. The BIA has informed HUD and USDA that the newly developed residential lease regulations will be released later his summer. I am optimistic that the new leasing regulations and the resulting guidelines will provide a uniform process that supports mortgage financing. The creation of a centralized process will enhance the leasehold lending process by eliminating the different policy interpretations that occur on a regional basis.

HUD has received feedback from lenders who are concerned about the length of time it takes to process leasehold transactions. The discussion has focused on the potential costs to the borrower, who is subject to interest rate fluctuations due to market conditions while waiting out the process. The homeownership rate among Native Americans lags behind that of the rest of the country. Although there are a number of contributing factors, the lack of a resale market on reservations is a major consideration. Streamlining the TSR process and increasing the level of homeownership and credit counseling will support the evolution of a more vibrant housing market in Indian Country.

In addition to our work with other agencies on the memorandum of understanding, HUD has worked with a Northeast tribe and the Department of the Interior's Solicitor's Office in Washington to create mortgage lending based on "Tribal Assignment Law." The Solicitor's Office has issued an opinion that the assignment law would not require Secretarial approval under either 25 U.S.C. § 81 or § 415. A national title insurance company is prepared to issue title opinions on the assignments, creating the necessary mechanism to perfect a lien on the assignment. The tribe must develop an approved process to record the assignments that meet the title company requirements. ONAP is cautiously optimistic that the assignment law option can assist tribes that have the capacity and expertise to implement such a program.

The TSR process has minimal impact on the IHBG and the ICDBG programs. The Native American Housing Assistance and Self Determination Act of 1996 reorganized and simplified the Department's system of housing assistance to Native Americans by eliminating several separate HUD programs of assistance and replacing them with a single block grant program made directly to the tribes or tribally designated housing entities. This Act recognizes the right of tribal self-governance and the unique relationship between the Federal Government and the governments of Indian tribes.

NAHASDA significantly changed the way HUD provides housing funds to Indian communities. The Indian Housing Block Grant program offers maximum flexibility to tribes or TDHEs to design, implement and administer their own unique housing programs. The Department is no longer involved in the day-to-day operations of the housing program and our involvement with tribes and the Bureau regarding lease issues for the housing developments is limited. Also, development projects using IHBG funding are typically larger in scale require more planning, which allows more time for interaction with the BIA. Although there have been some delays, the impact is not as great as seen in the Section 184 program.

Tribal governments and a limited number of tribal organizations are the only eligible participants in the ICDBG program and new housing construction is limited under this program. In most cases, the development of community facilities, including health facilities, would be on tribal land and there would not be a need for tribes to issue a lease to themselves. Decisions to acquire fee land, former reservation lands, and other parcels of land to be put into trust are tribal decisions. The status of such lands would not ordinarily affect the viability of an economic development project so long as the tribe has control over the land sufficient to accomplish its proposed goals and objectives as stated in its application.

In summary, the TSR process has room for improvement, but it is not solely responsible for the current homeownership rate in Indian Country. HUD has seen an increase in cooperation with the BIA and looks forward to working with the Bureau to develop solutions that streamline the TSR process. HUD is committed to supporting homeownership education programs and is working with the BIA and USDA to develop some successful models that demonstrate the benefits of a collaborative interagency initiative.

Thank you again for providing the Department the opportunity to testify about this issue. I would be glad to answer any questions you may have.

TESTIMONY
OF
ARCH WELLS
ACTING DIRECTOR, OFFICE OF TRUST SERVICES
BUREAU OF INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
FOR THE HEARING
BEFORE THE
COMMITTEE ON FINANCIAL SERVICES
AND
COMMITTEE ON RESOURCES
UNITED STATES HOUSE OF REPRESENTATIVES
ON
IMPROVING LAND TITLE GRANT PROCEDURES FOR NATIVE AMERICANS

July 19, 2005

Good morning, Chairman Oxley, Chairman Pombo, and Members of the Committees. My name is Arch Wells, the Acting Director for Trust Services for the Bureau of Indian Affairs (BIA). I am here today to provide the Department's testimony on the BIA's role in assisting individual Indians in the pursuit of homeownership. I'll begin by providing some background information on the current process and procedures for obtaining a Title Status Report (TSR) within the BIA and then comment on this process.

The BIA has Land Titles and Records Offices (LTRO) located within eight of its regions: Anchorage, Alaska; Muskogee, Oklahoma; Aberdeen, South Dakota; Portland, Oregon; Sacramento, California; Billings, Montana; Anadarko, Oklahoma; and Albuquerque, New Mexico. Each LTRO is responsible for recording all title and encumbrance documents for Indian lands within their respective region(s) and they issue certified TSR's to provide a record of ownership. A TSR is a compilation of the current ownership, legal description and recorded liens and encumbrances on a designated parcel of land. The production of TSR's for mortgages is our LTRO offices' top priority. We strongly support programs that improve or develop housing on Indian lands for Indian people.

The current procedure requires that all requests for a TSR for mortgage purposes first go through the Agency Superintendents at the relevant BIA office or through the Regional Director on behalf of the tribal member. The certified title is required by the lending institution to verify that the loan applicant has acquired a leasehold interest on Tribal land or that the loan applicant has total ownership on trust land, and that the title is clean and clear of any liens against the property so the loan application process can move forward.

Once the mortgage has been approved using the BIA-generated TSR, the document is sent to the LTRO for recording purposes with a request for a second certified TSR. HUD requires the subsequent TSR showing the mortgage as an encumbrance to the Title before

the loan is guaranteed. Some lending institutions also require this additional TSR before releasing the funds.

There are very few differences in the production of TSR's from location to location. When there are, often those differences are dictated by the particular lending institution or federal agency providing the loan. Requirements and standard operating procedures vary from federal agency to federal agency. The BIA LTRO's strive to accommodate these differences, as we support the mission to provide home loans to Indian people. Private lending institutions also have varying requirements and procedures, consequently our process for providing TSR's may vary to accommodate the lender.
Due to increased workloads within the LTRO program over the years, we found that some offices have provided an uncertified title status report showing the mortgage as an encumbrance to the property in lieu of the certified report. On April 13, 2005, BIA issued a directive requiring that all LTROs provide certified title status reports when requested by the Agency Superintendents or Regional Directors.

BIA has qualified and dedicated personnel within the LTRO program to examine and certify land title and produce TSR's; however, we are the sole-source for Indian trust land records. Because Indian Trust land records are to a degree, confidential, lending institutions and other federal lenders are completely dependent upon the BIA for all certified TSR's, thus creating a significant workload.

Since the inception of the Federal loan programs, the mortgage requests for certified titles have been a high priority for the LTROs. We have made significant changes to our title program over the past three years aimed at improving our ability to deliver in an accurate and timely manner in all aspects of our Indian land title operations, including the processing of TSR's. We have additional changes planned in the near future which will improve the quality of the data in our title system, thus improving our overall product.

One of the improvements to the BIA Title system is the recently completed conversion to the Trust Asset and Accounting Management System (TAAMS) for processing Titles at all LTRO program offices. The system has greatly improved our ability to provide title information to tribes and Indian people. The quality of the data has been significantly improving. We have been conducting a comprehensive data cleanup, which we expect to be completed in six to eight months.

The BIA currently has an efficient process of providing TSR's upon request within a reasonable time frame. In the recent Memorandum of Understanding (MOU) between the Departments of Housing and Urban Development, Agriculture, and the Interior (BIA), the BIA's Realty and LTRO programs agreed to provide the necessary products and services within 30 days to keep the process moving forward to assist Indians in becoming homeowners. Lenders can utilize the information in those TSR's to insure that the lands are free of liens and are available for mortgaging. The BIA's process has remained fairly constant through the years. However, lenders often do not take the time to learn the process or provide sufficient notice that a loan is being processed. The BIA needs a reasonable lead time to provide a certified TSR. Thus, a key part of an efficient

process includes early notice from the borrower or the lender. When this takes place, our LTRO's are able to produce TSR's in a time period comparable to the private sector. Some of the BIA Regional Offices have started providing training to lenders in order to facilitate a timelier processing of TSR's.

CONCLUSION

Anytime a mortgage is approved it has the potential to improve the quality of life for Indians. As stated earlier, requests for title status reports for mortgage purposes are and will remain a high priority for the Bureau. Over the past decade our legacy title system has served us well in spite of its shortcomings now with our recent conversion to a new, real time title system has already shown increased efficiency and cost savings. As we continue to enhance our title system, streamline our business processes and develop adequate budgets through performance measures to address our workloads, we hope to eliminate any situation where we have failed to provide timely title service to meet the needs of our Indian clients.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

HUD SECTION 184 MONTH END REPORT

Office of Loan Guarantee Summary Report 7/31/2005

	Aggregate Totals		FY2005 Loan Activity		FY2004 Loan Activity		FY2003 Loan Activity	
	Loans	Dollar Volume	Loans	Dollar Volume	Loans	Dollar Volume	Loans	Dollar Volume
TOTAL	2452	$251,565,171	514	$60,686,640	619	$62,260,487	271	$27,201,649
Fee Simple	1459	$170,440,832	388	$48,888,651	318	$37,368,660	119	$15,472,175
Allotted	108	$11,276,550	25	$3,217,987	46	$4,846,464	7	$791,387
Tribal Trust	885	$69,847,789	101	$8,580,002	255	$20<045,363	145	$10,938,087

Ranking Minority Member, Representative Barney Frank

QUESTION: How many people would it take for the Bureau of Indian Affairs (BIA) to hire so there would be no more delays due to the fact that people were busy with the data cleanup, in the whole country? Page 42, Line 964

ANSWER: **The Land Title and Records Office (LTRO) must record all title and encumbrance documents. In order to produce completed title search records (TSR) all of the work in the LTRO Backlog and TAAMS Conversion –Cleanup project must be processed concurrently. A TSR is a compilation of the information in the LTRO ownership record - a legal description of recorded liens and encumbrances on a designated parcel of land. A single TSR is dependent on the information produced from the LTRO-Backlog of Normal Workload and TAAMS Conversion-Cleanup project and additionally may be impacted by liens or encumbrances due to the Youpee-ILCA Reversal project or the LTRO-Specific Backlog Projects.**

Assuming unlimited resources were available, to cleanup projects to effectively produce the number of TSRs that are being requested, 218 realty specialists dedicated to the LTRO Backlog and TAAMS Conversion would be needed. Sixty-nine of those personnel must be dedicated to LTRO backlog cleanup, 98 to the TAAMS Data Conversion & Cleanup, three for the Youpee-ILCA Reversal Project and 48 for the LTRO-Specific Backlog projects.

This initiative should not be confused with the Probate Backlog Initiative, an additional priority of the Department. One Hundred forty four probate specialists are currently dedicated to reducing the Probate backlog. Before undertaking the current Department initiatives, these probate specialists had been assigned to general realty specialist duties that included the processing of probates and the processing of TSRs. The need for qualified realty specialists can be attributed to a majority of experienced realty specialists being reassigned to process the Probate Backlog initiative. The result is a shortage in experienced realty specialists to process the myriad other realty functions that the BIA performs.

Representative Steve Pearce, Page 47, Line 1091:

QUESTION: You say in your report that the TAAMs has greatly, greatly improved the processing. How much has it lowered the time to process the papers?

ANSWER: **Before TAAMS, the LTRO relied upon the information in the Land Records Information System (LRIS). LRIS is a legacy system. The**

system required all updates during the day to be sent for overnight processing (batch system) and any changes were received the following day when the examiners received their reports to validate the changed data. If any data entry errors resulted in a tract of land falling out of unity or a wrong land area code or identification number, then a suspense report would be received and the examiner would make the corrections and then resubmit job for overnight processing. The updated Title Status Report required one to two days under LRIS. With TAAMS, the title system is a real time system resulting in an updated Title Status Report at the push of a button. This alone saves 24-48 hours for a Title Status Report. TAAMS is an on-line system with built in security that will not allow incorrect data to be entered, unlike LRIS. At the hearing, we gave an estimate of 6 hours to prepare a Title Status Report. The majority of the time spent in preparing a Title Status Report relates to validating all entries having been done and ensuring the information entered is correct. When the data has been validated and cleaned up, TAAMS is designed to produce reports on title with little or no human intervention.

Representative Joe Baca, Page 65, Line 1527:

QUESTION: Why can't BIA have a convenient manager sign off an updated status report from 1986 so we do not have to continue to recreate the records and thus take even longer to process this request?

ANSWER: There was an effort in the early 1980's to reconstruct program records at the Rocky Mountain and Great Plains Regions' Land Titles and Records Offices (LTRO) which are the heaviest allotted areas in the country. The Land Records Information System (LRIS) was relatively new and a contract was issued to update the Title Status Reports (TSR's) on all tracts of land under the jurisdiction of those two LTRO's which included the Midwest Region. California was under the jurisdiction of the Northwest Region until 1991 when the Pacific Region LTRO was created and all records were moved to Sacramento. The history database was not properly maintained prior to this move and there are a lot of gaps in the tract history. A local policy decision was instituted at the Pacific Region LTRO to clean up the data during the TSR examination process which requires the examiner to review the records from the original patent. This procedure eliminates the duplicity which would result by cleaning up history in a separate process.

Since converting all LTRO's to the Trust Assets and Accounting System (TAAMS) for title this past year, we are exploring the possibility of out-sourcing much of the data cleanup which will give

the LTRO staff time to concentrate on their ongoing workloads. It is important for the program to validate the history database to identify any missing documents which will be required when we implement the next version of TAAMS that would include an automated chain of title enhancement. This is the reason additional time is needed to produce a TSR from Sacramento office.

○