



OFFICE OF PUBLIC AND INDIAN HOUSING

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

March 6, 2025

Dear Lender Letter 2025-02

To: All Tribes
All Tribally Designated Housing Entities
All Section 184 Approved Lenders and Servicers

Subject Extension of the Section 184 Indian Housing Loan Guarantee Program Final Rule Compliance Date

Purpose This Dear Lender Letter (DLL) provides guidance to Tribes, Lenders, Servicers and other stakeholders on what the Section 184 Indian Housing Loan Guarantee (Section 184) program final rule extended compliance date will mean for them.

Effective Date This DLL is effective on March 6, 2025.

Public Feedback HUD welcomes feedback from interested parties for a period of 30 calendar days from the date of issuance. To provide feedback on this policy document, please send feedback to the Office of Loan Guarantee at Section184Comments@HUD.gov. HUD will consider the feedback in determining the need for future updates.

Affected Programs This DLL applies to the Section 184 program.

Background On March 20, 2024, HUD published in the *Federal Register* a final rule titled “Strengthening the Section 184 Indian Housing Loan Guarantee Program” ([89 FR 20032](#)). The final rule amends 24 CFR part 1005, and announced, among other things, that the final rule would be effective on June 18, 2024.

On June 14, 2024, HUD published a subsequent *Federal Register* notice, “Strengthening the Section 184 Indian Home Loan Guarantee Program; Delay of Effective and Compliance Dates” ([89 FR 50523](#)) announcing the delay of the effective date of the final rule, from June 18, 2024, to December 31, 2024. The notice also announced the compliance date of the final rule would be March 1, 2025. HUD explained the extension was necessary to draft a comprehensive handbook, the Section 184 Program Policy Handbook (Handbook). Additionally, HUD determined Tribes, Lenders, and Servicers, and other stakeholders need additional time to conform their policies, procedures, and systems to comply with the final rule.

On January 17, 2025, HUD published in the *Federal Register* a document titled “Strengthening the Section 184 Indian Housing Loan Guarantee Program; Extension of Compliance Date” (90 FR 5604). The document announced the extension of the March 1, 2025, compliance date to December 31, 2025. This additional time allows HUD to complete drafting of the Handbook with stakeholder input. It also provides Tribes, Lenders, Servicers and other stakeholders with ample time to train their staff and ensure their policies, practices, procedures, and systems fully align with the final rule and Handbook.

There is no change to the final rule’s effective date of December 31, 2024.

As result of the extension of the compliance date, there will be a Transition Period from December 31, 2024, to December 30, 2025 (the day before the compliance date). This DLL explains to Tribes, Lenders, Servicers and other stakeholders what the Transition Period means to them.

**Transition
Period
December 31,
2024 –
December 30,
2025**

During the Transition Period, Tribes, Lenders, Servicers, and other stakeholders are strongly encouraged to continue following the existing Section 184 Processing Guidelines and all current DLLs.

ONAP acknowledges there are provisions of the final rule that could be implemented without additional guidance from HUD, either in the form of a handbook or Dear Lender Letter, and that stakeholders may not wish to wait until the Handbook is published to implement these provisions. HUD encourages stakeholders to avoid attempting to implement provisions of the final rule on their own where additional clarification or instruction from HUD is needed.

As the final rule is effective, Tribes, Lenders, Servicers and other stakeholders who wish to can voluntarily implement provisions of the final rule during the Transition Period and before the publication of the Handbook. In order to ensure accurate compliance with the rule, Tribes, Lenders, Servicers, and other stakeholders should only implement provisions that:

- (i) are clear in its purpose and intent; and
- (ii) where no additional clarification or instruction from ONAP is necessary

Where the provisions of the final rule cause stakeholders to ask questions, or where stakeholders believe ambiguity in the final rule exists, HUD encourages stakeholders to wait until the Handbook is published or other HUD guidance is provided.

Additionally, Tribes, Lenders, Servicers, and other stakeholders should not attempt to implement any provision of the final rule that states “in accordance with” or “as prescribed by” Section 184 Program Guidance at this time.

Compliance during the Transition Period: During the Transition Period, Tribes, Lenders, Servicers, and other stakeholders are not required to report to HUD whether they elect to implement provisions of the final rule. Additionally, ONAP will not take any enforcement action against stakeholders for non-compliance of the final rule during the Transition Period. However, all stakeholders must continue to comply with the Section 184 statutory requirements (*see* 12 USC 1715z-13a) and these provisions remain enforceable.

Underwriting Requirement: Where a Direct Guarantee (DG) Lender elects to apply provisions of the Section 184 final rule to loan underwriting, the DG Lender must include a cover letter in the endorsement package that identifies the provisions of the final rule applied to the loan.

Supplemental Information

ONAP has prepared a Questions and Answers (Q&A) document as a supplement to this DLL. During the Transition Period, the Q&A document may be updated from time to time. Any updates will be announced via OLG Info and will be posted on the Section 184 program website.

Any questions not answered by Q&A document may be directed to Section184@hud.gov.

Signature



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