

{As prepared for delivery}

**Remarks by
Under Secretary Thomas C. Dorr
National American Indian Housing Council
Indian Housing Legislative Conference
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Washington, D.C.
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- **Thank you Bill (Blalock - Board member from Region IV - in Oklahoma, from the Peoria Tribal Housing Authority)**
- **I am pleased to be here this morning.**
- **I know that many of you have worked with Dave Saffert our Native American Coordinator for Rural Development. Dave has shared with me the strong partnership that has developed over the years between the National American Indian Housing Council and our network of offices at Rural Development.**
- **And for this reason, I wanted to come here this morning and thank you for your dedication -- and I want to pledge to you our commitment to broaden efforts toward greater economic opportunities and an improved quality of life for rural Native Americans.**

- **This partnership is important to me – I believe it serves as an example of what we must do throughout government and private sector to maximize limited resources.**
- **I will be quick to add that as Tribal and housing officials, we understand your role as community leaders who are looked upon by your constituencies to address local housing needs. It is your leadership that shapes the economic climate of your community and the overall quality of life for your residents. And we want to support you in your efforts.**
- **It is this common interest and commitment of -- economic opportunities and an improved quality of life – that allows us to come together to better serve rural Native Americans.**
- **Our fundamental belief is that Rural Development's role should be to serve local communities by facilitating the harnessing of the resources necessary to address regional economic and quality of life issues.**
- **Since the onset of the Bush Administration – our mission has become the implementation of Two Primary Goals:**

- **That is to increase economic opportunity throughout rural America; and**
- **To improve the quality of life for all rural Americans.**
- **USDA Rural Development’s mission is to make available to communities the tools that can accomplish these two primary goals ---**
- **Although it may sound simple enough, as most of you who live in rural areas know, this is easier said than done.**
- **In my view we are doing this by serving as the venture capitalist for rural America**
- **Unlike the past when we were perceived as the lender of last resort – We now bring capital, technology and technical assistance to rural America.**

- **When a venture capitalist invests in an entrepreneur what does he get in return? -- Equity – If the entrepreneur is successful – the venture capitalist is much better off. So why is Rural Development the venture capitalist of rural America? Because we, the President, and Congress believe in rural America. The return on our equity from rural America is a stronger rural economy, a higher quality of life, and the benefits derived for society from exploiting the talents and resources of all rural Americans.**
- **To bring this into greater focus, I want to expand upon three initiatives that are center stage at Rural Development:**
 - **Broadband Infrastructure**
 - **Water/Wastewater systems**
 - **Housing**

Broadband

- **As we enter the 21st Century, a new frontier is upon us – it is the advancement of infrastructure that will support modern information technology. What electric and telephone were to the 20th century, telecommunication is to the 21st century.**

- **And as someone who was raised and lived in rural Iowa, I can tell you technology is having a tremendous impact in such areas as farming and local business development. It has dramatically improved the way of life for rural residents.**
- **I would add that there is no greater supporter of rural America than President Bush and his Administration. He has been an avid supporter of expanding access to modern technology such as – broadband -- and understands that for America to compete globally we must develop the necessary capacity to do so.**
- **The important thing to remember is that this infrastructure goes beyond simply providing access to the Internet. It opens a whole new world of opportunity. When the technology is fully in place, businesses will increase their ability to compete in world markets, students will have access to new means of learning, and medical services in rural areas will be dramatically improved.**

- **The ability of rural citizens and communities to have the best of both worlds, the advantage of living in a rural area, and the opportunity that is provided in centers of commerce, education, and medicine can be bridged.**
- **And as we worked with community leaders to bring electricity to farms, ranches, rural communities and Tribal lands we will again work with community leaders to be bring new technology infrastructure to rural businesses, schools, medical facilities, farmers, ranchers, and the list goes on.**
- **The Bush Administration recently announced that \$1.455 billion in capital investment funds are now available to expand broadband infrastructure -- If we invest in the infrastructure and support local efforts, the return on this investment will pay tremendous dividends.**

2) Water/wastewater Infrastructure

- **Another area that I know is important to the Council is the funding of community water and wastewater infrastructure. Our staff did an excellent job of quickly getting the \$750 million in Farm Bill funding out to local communities and Tribes to assist in financing nearly 400 community projects. While this was a tremendous boost to reducing the backlog in funding requests, we recognize that great need still remains and will continue to work in collaboration with communities and organizations like the Indian Health Service (Rural Development has an MOU with them) to reduce this backlog.**

3) Supporting Rural Households

- **And finally, an equally important cornerstone to a strong community is homeownership. It creates stability and as we have seen over the last year, serves as a strong economic staple in our overall U.S. economy. --**

- **Increasing homeownership is a key component of the Bush Agenda. Not because it sounds good politically, but because he believes passionately in the strength of families – just as all of you do. And central to strong families – is a solid, safe and secure house. The kind of house all families wish to call home and come back to.**
- **By far, homeownership is one of the most important vehicles for families to build capital for their future.**
- **Over the last two years USDA has worked to assist 82,000 rural families realize their dream of homeownership.**
- **While rural America has the highest percentage of homeownership, we believe we must do more, particularly to support homeownership opportunities for Native Americans. To help accomplish this, the President's 2004 Budget requests additional support for an influx of capital flow by adding \$400 million in additional funding for the Rural Development single-family housing loan program.**

- **We must also aggressively work to develop relationships with those who have the resources and can appreciate the uniqueness of rural America – and will invest in rural America. For example, I was especially pleased to join HUD Secretary Martinez (who I understand will be here today) in New York for the announcement by Chase Home Finance of a \$500 billion commitment to assist rural minority families realize their dream of homeownership. This presents a tremendous opportunity for rural families, and will allow for an incredible amount of capital to flow into rural areas.**
- **Additionally, to strengthen our economy and provide greater opportunities for homeownership, USDA Rural Development unveiled in October 2002 an aggressive plan to achieve the Administration’s goal of helping 5.5 million minority families attain the dream of homeownership by 2010.**

- **Our five-star commitment includes:**
 - **Lowering Fees To Reduce Barriers to Minority Homeownership;**
 - **Doubling The Number of Self-Help Participants by 2010;**
 - **Increasing Participation By Minority Lenders Through Outreach;**
 - **Promoting Credit Counseling and Homeownership Education; and**
 - **Monitoring Lending Activities To Ensure 10 Percent.**

To hold ourselves accountable and to ensure that we honor these commitments, I have instituted accountability performance measurements that our staff must meet. Let me expand on how we intend to meet these five commitments.

Lowering Fees to Reduce Barriers to Minority

Homeownership;

- We reduced our loan guarantee fee from 2 percent to 1.5 on new loans and .5 percent on refinance loans. -- Many of guarantee loans are being leveraged with Native American Housing and Self Determination Act grant funds administered by Tribal housing authorities and Tribal designated Housing Entities.



Doubling the Number of Self-Help Participants by 2010;

- We have instructed Rural Development staff to work with technical assistance contractors to increase participation in the self-help housing program by Native American communities. An important benefit to this effort is that three of the four regional technical assistance contractors have hired staff familiar with Native American communities and are focused on increasing participation.

Increasing Participation by Minority Lenders through;

Outreach;

- **In states that have Federally and state recognized Tribes, Rural Development offices are being required to establish a Native American Coordinator and provide training to staff to understand and address the specific needs of Tribes in their state. This will facilitate our ability to encourage new lender participation and ensure that your community's needs are being met.**

Promote Credit Counseling and Homeownership Education;

and

- **In states like Minnesota and Michigan Rural Development is partnering with NAIHC Technical Assistance providers to provide Financial Literacy training to Native American communities. This training is part of the First Nations Development Institute and the Fannie Mae Foundations Building Native Communities Initiative. In other instances we are working directly with individual Tribes to provide technical assistance and training grants.**

Monitoring Lending Activities to Ensure 10 Percent Increase in Minority Homeownership

- **To ensure that we meet our goal, I have instructed our staff to use various tracking software not only to monitor progress, but to identify areas where more aggressive outreach is needed.**

- **We are serious about increasing the opportunities for minority homeownership in rural areas. We will hold ourselves accountable.**

- **I share the President's strong recognition of the need to address these and other critical rural issues...in large part because I have deep roots in rural America. For all but nine years of my life I have lived, worked and enjoyed the fruits of life on a farm in rural Northwest Iowa.**

- **The one thing I've known from the start of my transition from being a farmer and businessman to someone assigned to administer an agency within USDA was that Rural Development is well positioned to facilitate the delivery of needed services and programs to rural America.**

- **While Rural Development may be well positioned with a stable of traditional programs and very capable associates, I believe a renewal and clarity of vision might well be required to renew the energy and belief in ourselves and in all of rural America. By so doing it will enable us to refocus our outreach efforts. This new sensitivity and belief in ourselves – not Rural Development – but our belief in rural America will drive all of our efforts in rural development.**
- **Let me add that in order to increase the opportunity for success, rural areas must enhance their ability to compete for resources and residents. That means rural residents must have better access to information and the infrastructure to support the systems required to address their economic and social needs.**
- **Government and other developmental programs delivered to rural America should be highly flexible and adaptive to the very unique and specific circumstances in each rural setting. These programs must take full advantage of partnering and leveraging efforts across institutions and at all levels of government.**

- **If we begin to succeed at these initiatives, many of which are already in play, then opportunities will move into these rural areas.**
- **Diversification – both economically and culturally – will enable our rural communities to attract new jobs, families, investment and growth.**
- **The result will be an improvement in the quality of life for all the 60 + million Americans presently living in rural communities.....and.....the likelihood is that we may well attract new families to these areas.**
- **To help make this vision a reality we, all of us, will need to be more imaginative in our marketing strategies and the use of our human capital as well.**
- **As a result I have been and continue to ask all our Rural Development employees to seek out and develop opportunities, while simultaneously elevating them to everyone’s attention. We can no longer wait for opportunities to come to us.**

Conclusion

- **In conclusion Rural Development is one of the core agencies affecting development in Rural America. We have the delivery mechanism and technology to make things happen.**
- **We have 850 offices across the nation staffed with outstanding personnel who are capable of innovation and problem solving.**
- **We are working to help improve the flow of capital, strengthen technology, rebuild infrastructure and increase opportunities of all types.**
- **Together we will all continue to play a significant role in creating new opportunities in Rural America.**
- **Thank you for your time.**