



FOUR DIRECTIONS  
DEVELOPMENT CORPORATION

Federal Reserve Bank of Boston

Business Opportunities in  
Community Development Lending

June 14, 2013



## About Four Directions

- Founded in 2001 as a nonprofit Native Community Development Finance Institution (CDFI).
- Governed by a 15-member Board of Directors that includes two representatives from each of the five tribal communities.
- Four Directions has closed over 140 housing loans totaling more than \$ 6.5 million since opened doors in 2002.
- Since 2003, our small business loan program has provided \$1.66 million in financing to 32 small businesses.

**Mission:** To improve the social and economic conditions of the four Native American tribes in Maine-the Maliseet, Micmac, Passamaquoddy, and Penobscot-through education and investment in affordable housing, tribal business ventures and Native entrepreneurship.

## Lending in Indian Country

- Limited Access to Capital
- Limited use of reservation and trust land as collateral
- Tribal lands held in trust by federal government
- “Restraint on Alienation” –land cannot be sold or encumbered by a mortgage lien
- Ownership of land restricted to the Tribe or Tribal member



## **Four Directions Lending in Tribal Communities**

Four Directions PIN Trustee Agreement – enabled FDDC to secure loan with real estate on reservation and to evict and foreclose.

Penobscot Trustee (FDDC Board member) to hold deed on property for benefit of FDDC.

Tribal Lending Code with HUD and USDA – tribal legal infrastructure to allow for eviction & foreclosure in Tribal Court utilizing long term leasehold to transfer “ownership” in property.

FDDC has attracted over \$5 million in loan capital into Indian Country from a wide range of sources including banks, national and local churches, intermediaries and private foundations.



## **Impact of Four Directions Lending**

Able to bring affordable home financing products onto the reservation

Has significantly improved the quality and quantity of housing stock

With ready availability of financing, FDDC has helped to create a housing market where one barely existed

Increased property values, helping to build assets for tribal members

Released pent up demand, just the tip of the iceberg



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Thank you.

Susan Hammond  
Executive Director

[www.fourdirectionsmaine.org](http://www.fourdirectionsmaine.org)

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