

## **Background Paper on Excluding Veterans' Compensation and Survivors' Benefits from the Definition of Income in NAHASDA**

### **Introduction**

The Native American Housing Assistance and Self-Determination Act (“NAHASDA”) provides housing assistance to low-income Native American families on Indian reservations, in Alaska Native villages and on the Hawaiian Home Lands. The Indian Housing Block Grant (“IHBG”) is the central feature of the NAHASDA and is the single largest Federal source of capital for housing development, housing-related infrastructure, and home repair and maintenance in Indian Country.

### **Low-Income Eligibility Requirement**

NAHASDA also provides guidance to IHBG recipients as to which activities are eligible for funding, including down-payment assistance, property acquisition, new construction and housing rehabilitation. NAHASDA’s housing assistance is limited to Native American families making below 80 percent of median income, and provides a limited number of exceptions to the low income requirement for law enforcement officers and other persons essential to the well-being of the respective tribal community. The statute contains no exception for service-disabled veterans or families of soldiers killed in action. Therefore, although tribes have leeway in setting rents for qualified families, there is no flexibility in determining economic eligibility.

### **Impact of Income Requirement on Native American Veterans**

Compensation paid to veterans with service-related disabilities is not considered income by the Internal Revenue Service (“IRS”). However, HUD considers such compensation income for determining eligibility for low-income housing under NAHASDA. Therefore disability payments and survivor benefits can place a family above the low-income threshold, resulting in a denial of housing assistance. Such an interpretation penalizes veterans with disabilities and families that receive survivors’ benefits. In Native American communities, this problem is compounded because of limited affordable housing stock.

A survey done on the Navajo Nation Reservation in Arizona of 11,500 households showed that, in actuality, those homes housed 31,213 families. Of those, 2,726 were veterans and their families. Of those, 86 received disability compensation. Severe overcrowding coupled with veterans returning home to family caretakers, has resulted in these Indian families becoming ineligible for housing assistance --- against the backdrop of a population with significant unmet housing needs.

### **The Indian Veterans’ Housing Opportunity Act of 2009 (H.R. 3553)**

The “Indian Veterans Housing Opportunity Act of 2009” (H.R.3553) was recently introduced by Representative Ann Kirkpatrick (D-AZ) to amend the definition of “income” in NAHASDA to exclude payments for “disability compensation under chapter 11 of title 38, United States Code,

or dependency and indemnity compensation under chapter 13 of such title.” The bill will provide veterans and their families an exemption to the low income requirement.

### **Conclusion**

NAHASDA was enacted to provide Indian tribes and Native American communities with new and creative tools necessary to develop culturally relevant, safe, decent and affordable housing for Native people. Native American soldiers who have put themselves in harm’s way protecting our nation should not be penalized for their service and their sacrifice. The amendment contemplated by H.R.3553 will enable tribes to fully serve some of their most needy of families - -- those caring for disabled veterans returning home or their survivors left behind.