

# Self-Helper

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## Encouraging Regular PR



With Homeownership Month behind us, what are your next plans for public relations? NCALL hopes you are not going to wait until next June to hold an event.

Anytime is a good time to publicize your project. Publicity helps keep your target market informed and aware that you are still out there looking for applicants. It helps reinforce their opinion of your organization as a productive and stable force in the community. But, the press you receive isn't the only reason you should plan your next event soon. These occasions are a perfect way to help keep the Mutual Self-Help Housing Program in the minds of congressional leaders. This constant contact is a real and vital way of maintaining program funding and encouraging positive program changes and evolution.

Whenever your organization has an event, be sure to invite your local, county, state and national government representatives. The more familiar they are with this wonderful program, the more likely they are to give it support when it comes to land approvals, building permits and ultimately on the national level, to continue funding the program.

The weather might be turning colder, but public events can still be held year round. Open houses, ground breakings, wall raisings, move in celebrations and public meetings can all be events that turn into positive publicity and a chance for your agency to elevate program awareness at all levels.



*Providing comprehensive, quality services for self-help housing*

## The Holy Grail – Motivation



Throughout the Mutual Self-Help Housing Program there are many phases which require a great deal of motivation. It is wonderful when the participant is naturally motivated internally, but more often than not, grantees need to step in to help the participants stay focused and interested. This is often a task that gets forgotten in the daily grind of checking items off our to-do lists. However, from recruitment to loan processing and throughout the construction process, this task is one of the most important and cannot be overlooked.

During recruitment, the challenge is to make the program seem as appealing as possible but at the same time, be realistic about the work and time that it will require. Focusing on the money saved, the access to the loan product and its remarkable features, and the assistance and support that the participant will receive is important. But, the most impact will be obtained when you can paint a picture of the family living in their new home. Have them imagine the change that will come to their lives once they have a stable, quality house to come home to. This will work wonders in helping carry them through the program.

At times, getting an applicant

through the loan application and processing portion can take time. Many grantees report that as this stage drags on, more and more participants drop out. Why is that? We have already convinced them that this program is right for them and made the goal of homeownership of utmost importance. Sometimes, it's the lack of contact. A grantee has taken the time to convince them to change their current housing situation, if there is another method of obtaining the change, they may act on that instead. Contact with the applicant is crucial during this time. Grantees can send out newsletters with helpful credit and budgeting tips, make calls to keep them informed and begin group meetings to maintain interest.

During the building process, the challenge of motivation continues. Most grantees have experienced good groups that they wish could be duplicated, and really bad groups that they would rather forget. Keeping their spirits high throughout construction takes planning and thought. Talking about this challenge with the group ahead of time might help, as will planning time off and little celebrations and incentives throughout. But what do you do when you have just one person that's not contributing? Now you can truly understand that old saying that one bad apple will spoil the whole bunch. Before watching a productive group unravel right before your eyes, talk to the problem individual/s and get their perspective. Often, they feel that they are not contributing to the group, or that the work they do is menial or unimportant, or that the

rest of the group is more talented. Most of the families do not work in the construction industry and the goal is not to turn them into contractors, but to teach them skills and improve their knowledge, making them better prepared homeowners. We all learn differently; some members of the group might need additional training so they can gain confidence. It also helps to remind them that the construction process is more of a marathon than a sprint. If framing is not their thing, maybe they will excel at interior trim or painting; remind them that next week the group will be onto the next phase and they might find their niche. Explain that every task, no matter how menial it seems, is important to construct the house successfully.

Keeping the families going is part of the job. Problems will still arise, but with prior planning and consideration, motivation will be easier to maintain. *(See below regarding conference call to further discuss motivation techniques.)*

### Regional Conference Call Planned

NCALL will be hosting another regional conference call on October 13th at 10:00 a.m. to discuss motivating families and potential participants. Please join us and be prepared to share your current strategies and methods. More information will be coming out on this call in early October.

## Community Sustainability - Part II

In the last edition of the Self-Helper we included a long article on community sustainability. The article focused on what this hot topic is all about. It found that there were three main avenues of community sustainability—social equity, economic vitality and environmental quality, based on the priorities of the community. We decided to spend a bit more time focusing on this topic by highlighting two different organizations in Region III and showcasing how the Mutual Self-Help Housing Program played a larger role in their communities.

**CAC of Fayette County, in Washington Court House, OH** has incorporated solar roof panels into some of their mutual self-help homes in Arbor Village Subdivision. An inverter is used to convert direct current from the solar panels to usable electricity.

Community sustainability can be seen:

- In their efforts towards making homes more energy efficient and green
- With real cost savings to the homeowners over the next several years, as the utility company pays the user a rebate for excess power
- By forming new partnerships with:
  - ♦ Third Sun Solar and Wind Power Limited, who contracted with the homeowners to install the solar panels
  - ♦ The Ohio Department of Development – Office of Energy, who is leveraging

State funds with RD's 502 mortgages, providing a federal tax credit of \$2,000 per house

Partnering affordable homes with affordable energy is a real key to progress.

**YouthBuild McLean County (YBMC), Normal, IL** helped to save an elementary school in Carlock, IL. Carlock is a small village of approximately 500 residents surrounded by a large rural area. Their school district was considering shutting down the elementary school and bussing the children to other schools in surrounding communities. The residents were not happy.

Community sustainability success:

- YBMC worked with Carlock to annex and develop a 63 lot subdivision called Stoneman Gardens. The subdivision now has 31 self-help, plus 2 additional homes.
- YBMC will be starting another 12 homes in Stoneman Gardens this Fall, through their fourth USDA/Rural Development Mutual Self-Help Housing TA Grant.
- This program truly helps people achieve a dream that they wouldn't be able to have otherwise. Most of the families in this program have come from rental situations. Aside from the affordability, these families also have lifelong advantages of being in a good school system and having lots of room for their children to play outside.

- Now, six years later, the elementary school in the village of Carlock that was once in jeopardy of closing, is being expanded and renovated. Stoneman Gardens Subdivision and the new residents it has brought to this village through self-help housing, have rejuvenated this rural community.

Does this give you some ideas for improvement in your communities? Are you working with any local employers and have helped stabilize their workforce? We would love to hear from you regarding your examples of community sustainability.

**Help**  
is just  
a click away!!

NCALL's website is set up to be a resource for all of the organizations with which we work. We have included our training materials, necessary forms and a format for SHARES questions and answers. Please remember to check our website for resources. It may be able to help!!

## Update - Declining Land Values

**The Problem:** In many rural communities the depreciation in real estate values caused by the recession has resulted in a substantial slow down in construction of affordable and self help housing.

During the period of rapid, high appreciation, self-help organizations invested in land to lock in costs in order to provide future opportunities for low and very low income self-help families. This investment reflects a deep commitment to the future of mutual self-help housing. These organizations stretched their resources in order to continue to meet the increasingly difficult challenge of providing homeownership opportunities for these families.

When the market turned and crashed, many organizations were holding inventory that was over-priced for the suddenly depressed market. Yet the need for homeownership remains.

Mutual self-help housing has proven to be very successful as the kind of long-term, stable homeownership that is essential to the economic security of hard-working low income households, as

well as advancing community sustainability.

The National Rural Self-Help Housing Association, National Rural Housing Coalition, NCALL and other T&MA Providers, self-help housing organizations, partners, and congressional leaders continue discussions relating to this issue.

1. Modifying the SHOP Program seemed to be a good answer, however it appears this approach has lost momentum with HUD.
2. The latest being considered is a legislative proposal to modify RD's Section 523 Self-Help Technical Assistance Grant regulations to provide that an amount not to exceed \$14 million, administered by a qualified intermediary organization, be set-aside for existing self help programs with declining land values in order to facilitate construction of self help and affordable housing. This could possibly yield \$69 million in mortgage financing, 745 jobs and some 700 units of affordable housing.

We will continue to keep you posted as more information unfolds.

## Rural Development Interest Rate

Given the ever changing economy, there have also been changes to Rural Development's interest rate. In September, it dropped from 4.5% to 4.25%. While the rate for October has not yet been released, it is a number that we need to keep an eye on.

Rural Development also issued an unnumbered letter in September indicating that the Agency had identified a number of active accounts that bear inaccurate interest rates. Errors identified include loans that reflect interest rates that are both higher and lower than the authorized rate.

The effective interest rate for Section 502 Direct loans is defined in 7 CFR 3550.66 as *"... the interest rate in effect at loan approval or loan closing, whichever is lower."* Rural Development wants special attention to be given to this process to ensure compliance with program regulations.

## Application Reminder

Just a reminder to grantees submitting their official application for review. The application and a copy must always go to Rural Development first. Please do not submit the official application or copy to NCALL directly. Rural Development will send the application copy to NCALL for our review.



## Need an Extra Helping Hand?

In this “do more with less” age, organizations have learned to pare down staff and multi-task. To work within the constraints of today’s funding, sometimes this stretching is necessary. But, there may be some alternatives that could help your organization add an extra helping hand when necessary. While VISTA volunteers and AmeriCorps workers are an option, there are other avenues to consider depending on the length of time and the finances of the agency. Connecting with a local university, high school or senior volunteer program could be just what your organization needs to fill a temporary gap.

### Service Learning

An exciting, hands-on approach to education, service-learning is taking place in a wide variety of settings: schools, universities, and community-based and faith-based organizations throughout the country. Through service-learning, students are providing an important service to the community and, at the same time, developing an understanding of local issues, learning problem solving strategies and practicing communications skills.

A college or high school class may agree to take on your organization as a project. Grantees could use them to help plan an event, publicize their program or man a booth at a local fair. Discuss this possibility with the guidance or career counselors at your local schools.

### Internships

It may be that your organization needs more frequent, stable help than a class could provide. An internship could be developed with the assistance of your local college. This temporary staff position could assist with blanketing the area with flyers, planning PR events or speaking to businesses or nonprofits.

### Retired Senior Volunteer Program (RSVP)

Senior Corps is a program of the Corporation for National and Community Service, an independent federal agency created to connect Americans of all ages and backgrounds with opportunities to give back to their communities and their nation. Their main programs are the Foster Grandparent Program, the Senior Companion Program and RSVP.

RSVP connects volunteers age 55 and over with service opportunities in their communities that match their skills and availability. From building houses to immunizing children, from enhancing the capacity of non-profit organizations to improving and protecting the environment, RSVP volunteers put their unique talents to work to make a difference. With RSVP, volunteers receive a pre-service orientation, training from the organization they serve, and supplemental insurance while on duty.

Organizations can visit the Senior Corps website at [www.seniorcorps.org/rsvp](http://www.seniorcorps.org/rsvp) to find out more information. The website provides a comprehensive section of current funding opportunities. If you meet the qualifications for a current funding opportunity, applications are available online.

RSVP has partnered with a website called VolunteerMatch. Adding your nonprofit organization to the website will help you meet up with volunteers in your community.

Sometimes it’s hard to do more with less. These avenues might be a helpful way to add more hands to a program that needs it.

## NRSHHA Request

The National Rural Self-Help Housing Association recently sent out a request for information from grantees nationwide. The organization wants to meet with USDA Rural Development to follow up on the Listening Sessions that were held over the past year. The

NRSHHA wants to ensure, prior to this meeting, that the membership’s issues are represented.

In a prior survey from the NRSHHA, some of the main problem areas that grantees were facing included: appraisals, underwriting and

processing, and performance requirements. The NRSHHA now wants grantees to send in comments about issues that are affecting your self-help programs without the constraints of a survey. Send them, in narrative form, “what is going on and on how you think it can be fixed.”

## Bookkeeping—The Foundation of the Financial System

Bookkeeping is the process of systematically recording the transactions of an organization. The work product of the bookkeeper is used by accountants to develop financial statements, which in turn provide information to auditors, managers, and many other stakeholders, including the IRS. Unless the bookkeeper knows what to do and does it well, the other users of the information will be relying on incorrect and misleading data. Outsiders might consider the auditing or accounting functions to be more important, but auditors and accountants know that good bookkeeping makes it all possible. What are the key components of the bookkeeping process? Ideally, a bookkeeper strives to capture each transaction on time in a way that is fully documented, completely traceable, and fully usable by every person within and outside the organization who has a stake in the organization.

### Capture Each Transaction

Bookkeeping is about recording monetary transactions. The most common financial transactions fall into one of these categories: Cash Received, Accounts Payable, Cash Disbursed, Accounts Payable. (The term “cash” is used to represent any funds received – cash or checks or electronic transfers.) While there are some non-monetary transactions that find their way into the accounting system, it is the monetary transaction that makes up the vast majority of a bookkeeper’s workload. The bookkeeper cannot accurately maintain the books without a well-designed accounting system that will identify every transaction. It is critical to record every

transaction. A missing transaction is a bigger problem than an incorrectly recorded transaction. Capturing each transaction implies more than simply posting it into the records; it also implies that the underlying event is properly reflected in the posting. An experienced bookkeeper will analyze a transaction and record the details completely.

### One Time Entries

Ideally all of the details of a transaction should be posted at one time. This one time entry will aid the bookkeeper in understanding the underlying event and it helps to make the ancillary data more accurate. If someone in the organization needs to analyze the payment, it is helpful if the information is captured as the invoice is posted for payment in a memo field. This will make the information readily available.

### Fully Documented

NCALL can’t stress the importance of transaction’s being backed up by appropriate source documentation. The organization’s internal control system should specify the details of the documentation so that anyone can, at a later date, see what happened to the transaction without having to rely on anyone’s recollection.

### Be Accurate

The best bookkeepers are accurate. In even the smallest organization, accuracy is essential. The bookkeeper’s knowledge about the details will make the accounting information very precise.

### Timeliness

Old information is not very helpful. This means that bookkeepers have

to have good solid work ethics, know how to prioritize and don’t hesitate to tell management when the workload becomes too much. Unfortunately, very important tasks such as bank statement reconciliations are sometimes put on the back burner. Deposits should also be made in a timely fashion, so that they don’t get lost or misplaced.

### Check Authorization

When transactions take place, it is important for the bookkeeper to scrutinize purchase orders, deposits should be screened, and check signing authority should be reviewed to make sure the organization’s policies and procedures are being followed.

### Check Budget for Availability of Funds

A solid, well-managed organization should have a budget not only for the bookkeeper, but for the organization as a whole to plan and manage well. The bookkeeper can then check proposed expenditures against proposed budgets to make sure the expenditures are authorized and that there are funds available.

All expenditures might not need written approvals but someone in the organization will have to approve them. The bookkeeper’s responsibility is to control cash flow and not release any funds until proper approvals have been obtained.

### Enforce Policies and Procedures

An organization’s policies and procedures are not there just for the auditors and other monitoring agencies. They exist to be followed and

(Continued on Page 7)



## Bookkeeper *(Continued from Page 6)*

adhered to. An effective bookkeeper must be able to insist that the rules specified in the accounting manual be followed by every member of the organization.

Bookkeeper's are the driving force of the accounting process. A good bookkeeper is a treasure to be appreciated. If you want an unqualified audit, start with a first-rate bookkeeper.

Please remember to get grant extensions when necessary! Even when all parties know that the grant is just wrapping up, extensions are required to continue to charge remaining grant funds properly.

OMB indicates that after the date of the grant, any grant expenditures are disallowed costs. When choosing a grant extension date, be

## Grant Extensions

sure to allow time for file close out and any remaining work so that all expenses can be charged to the grant.

### Register Now!!

The Housing Assistance Council is accepting registrations for their National Rural Housing Conference 2010: *A Place to Live, Rural Housing in a Changing Landscape*. Plan to join rural housers from around the country in Washington, DC, December 1-3, 2010 at the Washington Marriot Wardman Park! This year's workshops will include special sessions on green housing development, rental housing preservation, self-help housing, rural homelessness, and Section 502 packaging certification. HAC is also pleased to partner with the Rural Community Assistance Partnership this year to help highlight the connection of rural housing with infrastructure programs, resources and issues. Preconference activities begin on November 30, 2010.

As part of the preconference activities, the NRSHHA will be having their Annual Meeting on Tuesday, November 30th from 3:00 p.m.—5:00 p.m. It will also be held at the conference hotel. Plan to attend this meeting of your peers!

See [www.ruralhome.org](http://www.ruralhome.org) for more information.



Pictured above (left to right): Jack Tarburton (USDA Delaware/Maryland State Director), Dan Van Vorst (MHDC Construction Manager), David Moore (MHDC President), Seville Petit (100<sup>th</sup> Self-Help homeowner), Ashley Hoban (MHDC Community Loan Specialist), Matthew Heckles (Delaware State Housing Authority), and Matthew Denn (Delaware Lt. Governor).

## Milford Housing Celebrates 100th House!

On August 25th, Milford Housing Development Corporation (MHDC) held a very successful Groundbreaking Ceremony to celebrate the start of their 100<sup>th</sup> Self-Help home. Local government officials as well as many partners and supporters were on hand to witness this great accomplishment.

Also noted were two additional milestones with this group of Self-Help families. MHDC and their homeowners have created over \$3 million in sweat equity and have leveraged over \$12 million in USDA mortgage funds.

Congratulations MHDC!!

## Energy Efficient and Green Building Practices

NCALL has published a number of articles about the affordable energy efficient materials and green building practices being used in Region III. This article puts some of them into a bullet format for grantees to easily see what innovative practices are being used.

- Building E-Star homes, and having them rated using blower-door tests. This E-Star certification adds value to the home and can be used as a marketing tool for the program.
- Orienting the right home on the right lot yields energy savings and increases value.
- Having the homeowners install Icynene insulation in exterior 2x6 stud walls, 24” on center lowers utility costs over the lifespan of the home. Using 2x6 stud wall construction creates a larger cavity for the insulation... 5 ½” of full foam cavity will give an R value of 21. This creates a tighter envelope and increases energy efficiency by about 35%. By using Icynone, a product that is 75% comprised of water and plant based products, indoor air quality can also be improved.
- Recycling building materials that would normally be waste.
- Designing homes using dimensional lumber with dimensional lengths for the home’s foot print, reducing material waste.
- Using LVL (laminated veneer lumber) so that span strength is

increased and purchases can be in the lengths needed.

- Ventilating roofs with ridge and soffit vents. This allows hot or cold air to escape and prolongs the life of the roof.
- Using low VOC paint in the finishing process to improve indoor air quality.
- Using appliances and light fixtures that are E-star rated.
- Using bamboo flooring is inexpensive and a renewable resource.
- Having homeowners create countertops made from concrete and recycled ash – products that are probably produced locally.
- Installing Low-E glass in windows which are much more energy efficient.
- Using solar thermal to reduce hot water cost for the homeowner.
- Installing solar panels that convert solar energy into electricity, and have the potential of reducing utility costs by 35% or more.

This is just a partial list. Do you have other materials and practices you would like to share with us? Let us know and we will spread the word.

## Software Enables NCALL to Offer New Service

NCALL has recently purchased Go-ToAssist, software that gives us the capability to remotely assist our grantees with computer-related issues. Remote assistance means that our IT staff is able to take control of your computer, with your permission, and assist in resolving technical problems. These sessions are secure and our staff will not have access to your passwords. Simply contact Meghan, NCALL’s Self-Help Program Analyst, for assistance ([mfitzgerald@ncall.org](mailto:mfitzgerald@ncall.org)).

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