

Self-Helper

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How Many Families Does it Take to Get One Approved and How Long Will it Take?

One of the greatest challenges in implementing and sustaining a successful Self-Help Housing Program is to be able to efficiently market, recruit and qualify families on schedule. Often, once families have been recruited, credit and debt ratios become the next hurdle to meeting your deadlines.

Obviously, the answer to the question above, “How Many Families Does it Take to Get One Approved,” depends on a great many factors, including the area and the economy in which you are working. But, knowing the answer to this question is extremely important to your marketing strategy. There is a great difference in marketing to reach six families and marketing to reach 600. If you know that it takes the screening of 100 families to find one that is eligible (and willing), the marketing plan takes on different goals. So, are these statistics being tracked in your organization? They should be.

NCALL’s successful housing counseling department tracks such statistics. Of the 382 closings that occurred between October 1, 2009—August 31, 2011 (keep in mind that most of these are conventional mortgages for higher income households), the following is a breakout of how long it took the clients to achieve homeownership from the time they attended an Intake session with a housing counselor to settlement: 72% closed within the first 3 months; 8% closed in months 4-12; and 15% closed within 2 yrs. The statistics for the families that go through our 502 Direct Loan Packaging program are much different. For the 502 closings we have had in the last year, the timeframe is as follows: 20% closed within 1 year; 45% within 2 years; 25% within 3 years and 10% closed within 4 years.

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Providing comprehensive, quality services for self-help housing

How Many Families and How Long Will it Take? *(Continued from Page 1)*

Had these families been recruited for the Mutual Self-Help Program, 80% of the families would need long term counseling to qualify. Statistics also support that families who fall into the lower income categories tend to have more credit challenges caused by medical collections, types of credit established and many experience more frequent late payments.

Knowledge makes all the difference. By tracking statistics about your recruitment and counseling, you are more likely to plan more effectively and to notice a change in your market when it occurs.

What timeline and goals are built into your recruitment schedule?????

(NCALL would like to help organizations stay on top of this ever changing market. If your organization tracks these statistics, we would love to hear about it. Please share them with us at jlordan@ncall.org. Thanks!)

Good News from Senate, but CRs Expected

In early September, the full Senate Appropriations Committee marked up the FY 2012 Ag Bill. The Senate increased most programs over the version passed in the House in June. Although still less than the FY 2011 amounts, in the current economy, this news was well received by rural housing providers.

The Senate bill includes \$30 million for 523 Self-Help Housing grants, a significant increase over the \$22 million provided in the House version.

With no agreements on the horizon, and additional bills to hash out, it does not seem possible that a

budget would be obtained before FY12 begins on October 1, 2011. On September 28th the Senate approved a continuing resolution to fund the government through November 18th and the House is expected to follow suit. This is expected to keep programs at FY11 levels, at least temporarily.

Important Changes for the 502 Direct Loan Income Calculations



Please be aware that on Sept. 1, 2011 Rural Development issued Procedural

Notice 451 that has changed some major areas that have been used in qualifying families for the 502 Direct Loan Program.

This link <http://www.rurdev.usda.gov/regs/pn/pn451.html> will take you to PN 451. Go down to the fourth section that reads RD HANDBOOK CHANGES INSERT RD HB – 1- 3550 (WSAL). This provides a summary of what has changed in Chapters 3, 4 and 6.

After Chapter 8, click through each “Insert” section and print only the pages indicated to fully understand how these changes will impact your self-help program.

Organizations may want to discuss these changes with the local RD office personnel to see how these changes will be reflected in processing loan application files.

Here are a few of the changes now implemented:

Paragraph 4.3, to clarify that unemployment income requires a two-year documentation, to remove foster care income and food stamps from repayment income and to define and

exclude from annual and repayment income special purpose payments;

Paragraph 4.7 and 4.8, to update examples for calculating income from asset using newer limitation on assets;

Paragraph 4.22 B, to clarify that minimum monthly payments for revolving accounts, contingent liabilities, and new trade lines must be included in the total debt ratio if the conditions noted are not met; and

Attachment 4-C, to expand guidance on self-employment income calculation.

Art Gonzales & SEWHC of Racine County - 41 Years of Self-Help Housing



In November 2011, Art Gonzales and Southeastern Wisconsin Housing Corporation

(SEWHC) of Racine County, will discontinue their self-help housing program. This decision was not an easy one for the staff and Board of SEWHC, but the economy in their area made the program no longer feasible. They are continuing to look for other alternatives that might enable them to provide affordable housing to those in need.

Art helped organize SEWHC in 1970, and has provided affordable housing for 41 years!! His staff, Sue Nielsen, Deputy Director and Lanny Esch, Construction Manager, have also provided outstanding technical assistance to self-help homeowners for 25-30 of those years. Beyond the knowledge and experience Art, Sue and Lanny have shared, we will miss the stellar customer service they continuously provided.

According to Joan and Ann Schenk, sisters that went through SEWHC's Mutual Self-Help Housing Program, "We can't say enough about the staff of SEWHC. There wasn't anything they wouldn't do for us.

They are available when you need them and they know their stuff. The staff can anticipate problems before they happen and they have seen it all before." Joan Shenk also said, "They made sure we were prepared for what was to come, mentally and emotionally too, not just physically." But still the program was difficult, "We started questioning if we could physically do it. The first weekend I was in tears. I really thought I was in over my head. SEWHC and the staff really brought me through. They have confidence in you when you don't have it in yourself."

Another program participant Allison Yorgey also has nothing but positive things to say about Art and the SEWHC staff. "This program was a godsend, but we kept thinking 'where's the catch', because we truly thought that we would be renting forever," she said. "The great thing about this program is that it is not a hand out. You do have to work hard to get the improvements to your new home done and SEWHC is willing to do what they can to help."

Art laid the foundation for a life-long commitment to serving people in need at a very young age. His family moved from San Antonio to

"Southeastern Wisconsin Housing Corporation (SEWHC), under Arturo Gonzales's leadership, has been a stalwart housing provider for low-income families in Wisconsin for so long that it seems inconceivable that it's beginning to wind down its operation. SEWHC was one of HAC's first borrowers in 1972 when it borrowed \$103,500 to develop sites for 37 self-help homes. There are no words to truly describe the contributions SEWHC has made to the betterment of so many nor to articulate the gratitude we all owe this tremendous organization. Its mark will be felt for many years to come."

Moises Loza, Executive Director, Housing Assistance Council

Wisconsin in 1947 when Art was 10, and he spent his summers working alongside family members and friends in the farm fields of Racine County.

Art grew up on Racine's south side and, like many inner city kids, dropped out of high school. At age 17, he made what he says proved to be a fateful decision – he joined the

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"The name Art Gonzales is synonymous with self-help housing. Dedicated to creating homeownership opportunity for low income families, Art has been a leader, not only in his own state of Wisconsin but on a national level. His spirit and hard work helped to blaze a path for others around the country, including me. Always thoughtful, warm and genuinely interested in others, Art was always one of the first faces I looked for at housing conferences." Peter Carey, Executive Director, Self-Help Housing Enterprises

"SEWHC and Art Gonzales did so much for their community in helping address the need for affordable housing. They will be missed in their local community. SEWHC is one of the oldest Mutual Self-Help Housing organizations that has helped define this program; 41 years. When we talk about standing on the shoulders of giants, it is to people like Art and organizations such as SEWHC to which we refer. Their contribution will never be forgotten and will be missed going forward. Thank you Art for your leadership and to SEWHC for its service." Russell Huxtable, President, National Rural Self-Help Housing Association

Art Gonzales (Continued from Page 2) developed four subdivisions; Marine Corp. While serving, Art earned his high school GED. He also learned the importance of discipline, pride and leadership. Upon honorable discharge at the age of 20, he spent time volunteering with teenagers from his old neighborhood, and accepted a job with JI Case Company of Racine. In 1967 Art helped found the Racine Spanish Center. One thing led to another and he began helping migrant workers and their families find housing in the area.

In 1970, that avenue led him to help organize SEWHC and he also became its Executive Director. As its leader, he has orchestrated the construction of over 1,500 units of affordable self-help housing;

50 affordable building sites; and most recently implemented a new version of self-help housing utilizing purchase/repair. SEWHC also built, and currently owns, a 16 unit elderly project in Darien, WI. In total, the organization has assisted more than an astounding 70% minority households.

SEWHC has also had an impact on the national housing scene, with Art serving on numerous boards and commissions including: the Director of United Migrant Opportunities Services; the Governor's Hispanic Advisory Council; the US Commission on Civil Rights; and past president of the National Rural Housing Coalition, to name a few.

Art occupies a place in his communities for which there have been no predecessors of Hispanic origin. As a "silent hero", he has spent the majority of his life serving others with little or no recognition.

We at NCALL salute Art Gonzales, Sue Nielsen, Lanny Esch and the SEWHC Board of Directors for their dedication to creating affordable housing, and self-esteem within the hearts and minds of thousands of southeastern Wisconsin residents.

(If you would like to leave a message for Art and the staff of SEWHC, please visit the appropriate section of www.selfhelphousinghub.com.)

"Art, it has been an honor and pleasure knowing and working with you and the staff of SEWHC. The organization and its programs really were a blessing to the communities they served. Thanks for all of your hard work and efforts to make your corner of the world a better place! We wish you all the best!" NCALL's Self-Help Team

"Art and his staff at Southeast Wisconsin have been self-help housing pioneers within the Northeast Region and one of the highest and most consistent producers over the years. So many families have had their lives changed and housing journey brightened because of their steadfast work. We at NCALL have appreciated the opportunity to work closely together and we send our best wishes to Art and staff members." Joe Myer, Executive Director, NCALL

SHOP Funding in Jeopardy

Senate Appropriations Committee members will soon be voting on their 2012 HUD spending bill. The House HUD Appropriations Subcommittee voted recently to cut SHOP to \$10.9 million for 2012. Although the House funding level is better than the Obama Administration's proposal for 2012 which eliminated the program, in both FY 2010 and FY 2011 SHOP was funded at \$27 million. If this reduction becomes law, it will severely hamper SHOP, making it a much smaller program.

Please contact your Senators ASAP, this week, and urge them to continue SHOP funding at the 2011 level of \$27 million. Mention to them how SHOP has helped your organization build self help housing, creating assets and safe, successful homeownership. E-mail, phone or fax is best for contacts due to the abbreviated time frame.

Self-Help Housing Spotlight



New content is added regularly!! Check out

some of the videos on the Self-Help Housing promotional website, www.selfhelphousingspotlight.org.

Don't forget to use these to help with recruitment!!

MHDC Honor Featured in Statewide News

On August 17th, federal officials from the U.S. Environmental Protection Agency joined HUD, to honor Milford Housing Development Corporation (MHDC) for their self-help housing program, which they called an "Innovative Rural Housing Project Built to the Highest Energy Star Standards." The same event included 50 volunteers from ING DIRECT helping homeowners with building as part of ING's "Orange Days of Giving."

The following article is reprinted with permission from Wilmington, DE newspaper "The News Journal." The article was written by reporter Molly Murray and was edited for space.

A few years back, Melvin Jones never imagined he'd be on his way to owning his own home, let alone helping to build it. "It took me two years to get my credit right," he said. On Wednesday, he and other future homeowners, along with state and federal officials, gathered at the Crescent Shores development near Lincoln to recognize an innovative "self-help" housing program run by the Milford Housing Development Corp. The program requires low-income participants to invest significant sweat equity in their new houses and those of fellow participants -- about 1,300 hours for each new house.

The houses are built in groups and the future owners work together toward a common goal, said David Moore, president and CEO of the Milford-based low-income housing organization. In all, each new owner ends up with about \$35,000 in sweat equity in a house, he said. And because the houses are built to

federal Energy Star standards, the future homeowners stand to save significantly on energy costs -- in all, about \$600 a year, Moore said.

The houses are "very economical. That's the whole point of it," he said. "Future homeowners also learn home-repair and maintenance skills," he said. And, once they move in, "people rarely move out. They keep it. It's affordable," he said.

Shawn M. Garvin, the Environmental Protection Agency's regional administrator, was on hand to recognize the project. Jane C.W. Vincent, the Department of Housing and Urban Development regional administrator, was there, too.

And Wednesday, dozens of volunteers from ING Direct in Wilmington helped with construction of houses in the development. The work was part of a volunteer blitz that ING held throughout the state Wednesday. "We really believe in the self-help model," said Richard Gessner, community reinvestment officer for ING Direct.

The typical new homeowner ends up with a \$140,000 mortgage, but because of very low interest rates, the typical monthly payment is about \$500.



Moore said that just because the houses are built for low-income owners doesn't mean they are low quality. "They deserve it because they're out here working hand to heart," he said.

Homeowners have a hand in selecting everything from the carpet to the countertops. And in each group of homes, no one moves in until every house in the group is ready. In this case, a group of 10 homes is under way with a move-in date early next year.

Vincent said the project brings together future neighbors and helps teach people construction skills as they learn to maintain their own homes.

Rural Development Rate Decrease

As of October 1, 2011, Rural Development is decreasing their 502 Direct Note Rate to 3.875%. Keep this in mind when qualifying applicants!!

NCALL Turns 35



Where were you in 1976? Gas was fifty-nine cents per gallon, a new house cost about \$43,000, and a

new car was under \$5,000. And most importantly in 1976, NCALL Research relocated on the Delmarva Peninsula and set out on a journey of rural housing improvement that continues today.

NCALL Research is celebrating its 35th Anniversary and will mark the occasion at an upcoming luncheon in Dover, DE on October 27th. Eileen Fitzgerald, CEO of NeighborWorks America will be delivering the keynote address. We would love for you to join us; but if

you cannot, just know that we will be celebrating our relationships with all of our self-help partners as well that day!

By the way, remembering 35 years back, did you know that in 1976, the first class of women was inducted at the United States Naval Academy in Annapolis, MD; Jimmy Carter defeated incumbent Gerald Ford in the 1976 Presidential election, becoming the first candidate from the deep South to win since the Civil War; Microsoft officially registered with the Office of the Secretary of the State of New Mexico; and the Irish rock band U2 was formed after drummer Larry Mullen Jr. posts a note seeking members for a band on the notice board of his Dublin school.

HAC Training

HAC is offering training on Senior Housing and 502 Packaging during November 8-10, 2011 in Seattle, WA.

Section 502 Packaging Certification Training for Nonprofit Organizations is for those who are familiar with the 502 direct loan program and anticipate seeking certification as loan packagers. Participants in this track are expected to attend the complete course and to take the online certification exam afterwards.

Housing Seniors in Rural America: Aging in Place in a Shifting Landscape, is a symposium featuring discussions, resources, and examples of successful practices.

For more information visit <http://www.ruralhome.org> or contact Dan Stern, HAC, dan@ruralhome.org.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on **October 26 at 10:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions. More information will be coming out on this call later.

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