

Self-Helper

Winter 2010/2011
Volume 108

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A Dream...a Vision...a Plan



NCALL has a dream ladies and gentlemen.... That one day we will not have to fight quite so hard to not be zeroed out on the President's budget (because no one is sure what Self-Help Housing is anyway.)

We have a dream that one day, when we all describe what we do, we will not have to start out by saying that it's similar to Habitat for Humanity....We have a dream!

Seriously, with all of the budget fighting that is sure to go on over the next few years in the quest to lessen America's debt load, one of our biggest challenges will be to stay above the radar and stir up support for this program that we all love and believe in so fervently. One thing we definitely heard at the HAC conference earlier this month was the importance of promoting the program to congress by both talking about the individual families that benefit from this program and to stress the economic benefit. We want our grantees to be able to do both—tell uplifting family stories and back it up with facts. Additionally, we not only need congressional leaders to understand and support the program financially, we want the families being recruited to have more knowledge of the program going in. NCALL has a plan that may help accomplish all of the above.

Over the next year or so, NCALL is planning to embark on some new arenas that will help get the word out about the program to both the potential participants and the congressional and state leaders. The plan will start with a new promotional website for grantees in Region III and will also include the ability to measure success.

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A Dream...a Vision....a Plan *(Continued from Page 1)*

Step #1—Tell Our Stories *(Promotional Website)*

NCALL will host an additional website. The main purpose of this site will be to house promotional materials that grantees all over our region can use to help with both recruitment and public understanding of the program. We would like to post video interviews of current and past self-help families discussing different aspects of the program...from the finished product to the struggles that they faced throughout the process to the amazing positive changes the program has brought to their lives. We think these videos will help overcome the trepidations and skepticism that families seem to feel when they hear about this program. We now seem to live in a Google society. NCALL wants there to be positive stories and reassurances out there for potential participants to turn to prior to joining a program and throughout construction to keep participants motivated.

We also plan to post news articles here. If your program gets some positive press, forward it to NCALL

and we can post it on this site for grantees, potential families and the public to see.

NCALL would like grantees to begin considering which families (past and present) they might have to recommend to us for interviewing. We will be bringing the equipment with us to begin the videotaping during QRM visits and other trips to your sites early in 2011.

Step #2—Back it up with Facts *(Success Measures)*

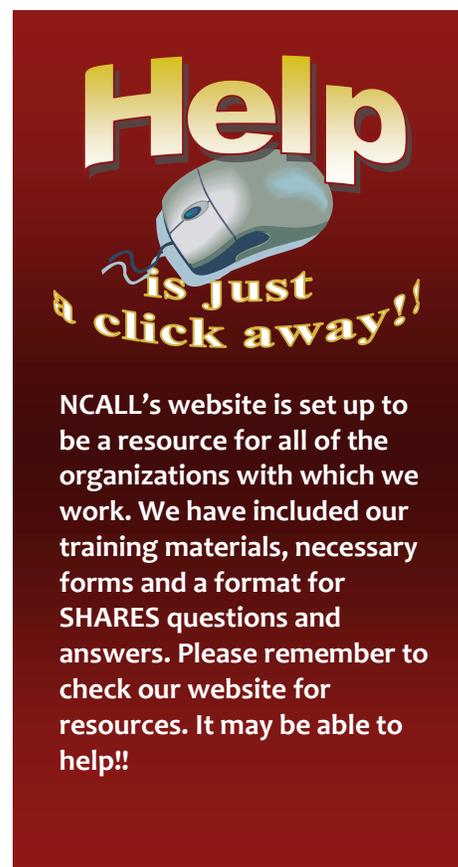
The second phase of our vision will be to begin to collect the type of data that will help us back up our pleas for funding with facts. We have been working, with the help of NeighborWorks America, to develop ways of collecting information that can be used to more fully understand and quantify the benefits of the self-help housing program. Early in 2011, NCALL will begin supplying the grantees in our region with surveys on a variety of topics. The topics we are considering are wealth creation; local economic impact of new construction or rehabilitation;

personal effectiveness and stability; participation in community organizations and environmentally sustainable design and construction. These survey results will then be analyzed and a summary of the results will be posted on this new website for all of the grantees in our region to access.

There is no better time to validate why this program is so important to communities and to the families that participate. We hope you will partner with us to begin this new project and help carryout this vision for the future of the self-help housing program.

Change of Credit Reporting Provider

The national contract for credit reporting services for Single Family Housing Direct loans is now with a new credit reporting provider - CBC Innovis, Inc. of Pittsburgh, Pennsylvania. In addition to the change in vendors, the new credit reporting services contract also brings a change in the price of a Residential Mortgage Credit Report (RMCR). **As of November 15, there will be one price for both single and joint RMCRs of \$32, which shall be paid by the applicant.** A joint report is appropriate for applicants regardless of marital status who apply jointly and share the same primary residence address.



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!!

Surviving and Thriving

Recently while networking with other affordable housing organizations, the topic of how to survive and thrive in today's economy came up—one thing for certain is that right now there is no such thing as business as usual. In housing we face many challenges. Many experts believe that before the economy can improve the housing market needs to stabilize.

Branch Out

Most organizations realize that they need to seek out new lines of business to keep their head above water. But how do you choose a viable path? Simply put, if the new line of business is consistent with your organization's mission and your staff has the knowledge to carry it out, it may be a good opportunity. If the opportunity is somewhat consistent with the mission and you have a little bit of knowledge then don't discredit it, but proceed with caution. There is more risk, but also the opportunity for growth. Lastly, if the opportunity is completely inconsistent with your mission and you have no knowledge in that area then you should stay away from it altogether.

Diversify

Next, diversify your funding to spread out the risk and pursue smaller funding sources. Cultivate new and old funding relationships and spread the wealth. Foundations are attracted to organizations that can build coalitions so their resources can reach further.

Be Flexible

Now more than ever it's important to be flexible. The housing market has dramatically changed and organizations need to embrace the need to change with it. Remain open to using scattered sites or different locations or offer additional house plans to accommodate the needs and values of your applicants. If new construction is no longer attractive in your area consider a purchase repair program. It's a buyer's market—applicants now have more choices. What can your organization do to make your program the most attractive choice?

Do what you do well and be willing to help others. Partner with other non-profits or for profits to support you in your weaker areas, this will help spread your resources further.

National Rural Housing Conference 2010

The Housing Assistance Council hosted a very successful conference in early December, entitled *A Place to Live, Rural Housing in a Changing Landscape*. This is the first conference in which HAC partnered with the Rural Community Assistance Partnership to help highlight the connection of rural housing with infrastructure programs, resources and issues. There were 850 attendees from 47 states with 47 concurrent sessions, six of which focused on the self-help housing program specifically.

Additionally, as part of the preconference activities, the NRSHTA held their Annual Meeting and USDA's Tammy Trevino attended.

Thanks to HAC for hosting this great event of networking and education!

Region III Annual Statistics

NCALL has compiled the annual statistics for Region III in FY 2010. Eighty-three 502 Direct loans closed and the region served 53% VLI. The average appraisal amount was \$146,780, which is down from \$165,605 in FY 2009. Equity is also down to \$19,789, from \$33,580 in FY 09. Total amount of all 502 loans for self-help housing programs were \$10,367,254 with an average loan amount of \$124,694 (both of these figures are very similar to last year's numbers). Total other leveraged funding was \$698,875 (down for the third consecutive year in a row).

Budget Update

USDA Rural Development Program (dollars in millions)	FY10 Final	FY11 Budget	FY 11 House	FY11 Senate	FY 11 Omnibus
Loans					
502 Single Fam. Direct	\$1,121.5	\$1,200		\$1,200	1,840
502 Single Family Guar.	12,000	12,000		24,000	24,000
504 Very Low-Inc. Repair	34.4	34		34.4	34.1
514 Farm Labor Hsg.	27.3	27		27.2	27.2
515 Rental Hsg. Direct	69.5	95		69.5	69.5
523 Land Development Loans				4.96	4.96
538 Rental Hsg. Guar.	129.1	129		129.1	129.1
Community Facility Loans	294.9	295	0	295	295
Grants & Payments					
504 Very Low-Inc. Repair	31.6	31		31.6	31.6
516 Farm Labor Hsg.	9.87	9.87		9.87	9.87
523 Self-Help TA	41.8	37		41.8	41.8
533 Hsg. Prsrv. Grants	9.4	9		9.4	9.4
521 Rental Assistance	980	965		971	965
RCDI	6,256	0		6,256	6,256
Multi-Family Restructuring	43.2	0		44.05	40.08
Preserv Demo Revolver	(1.791*)	0		(2.65)	1.791
Voucher Demonstration	(16.4)	18		(16.4)	14
Housing Preservation Demo				(25)	25

(*Preservation and Voucher demonstrations are part of the Multi-Family Restructuring total.)

The federal government is currently operating on a Continuing Resolution that is good through December 19, 2010. The Congress is currently working on passing an Omnibus Appropriations bill to allow the government to continue to operate. Prior to publishing this edition of the Self-Helper, NCALL received the above budget information from the National Rural Housing Coalition. The Omnibus increases the 502 Direct Loan funding by more than \$700 million. The Senate will need 60 votes to pass the Omnibus Appropriations bill. If the bill passes the Senate it goes back to the House for final passage. NCALL will keep you posted with any further updates.

Consider the NeighborWorks Training Institute

If your staff needs extensive training in housing issues, consider the NeighborWorks Training Institute (NTI). Established in 1988, the NTI offers training, certification, networking opportunities and other resources to thousands of people who are seeking to revitalize their communities.

The training institute, planned and coordinated by NeighborWorks America's training division, is one of ten national programs which further the NeighborWorks goal of "strengthening communities and transforming lives."

Community development practitioners, nonprofit organizations,

policy makers, public officials, lenders, developers, community organizers and residents rely on the NTI for progressive ideas, models for success and education that keeps them in the forefront of the community development field. There are usually at least four NTIs per year. For more information, visit <http://www.nw.org/network/training/training.asp>.

Family Highlight – Purchase / Repair

(This article has been edited. The original article was written by Kelly Edwards of Wisconsin Rural Development. It was done as a publicity piece.)

The Yorgey family was tired of moving from place to place and watching their money constantly going towards rent payments. They wanted to be able to have a permanent place of their own for their growing family to live. But, the idea of that actually coming true seemed like a distant dream. Thanks to USDA Rural Development and Southeast Wisconsin Housing Corporation (SEWHC), their dream has now become a reality.

As a young family of modest means, Tim and Allison thought that they would always be renters. Tim, a sixth grade teacher, and Allison, a homemaker raising their three young children, had been renting for more than seven years, but what they really wanted was to find a permanent residence near Tim's teaching job. "We never thought that we would be able to purchase a home with our income," said Allison, "if we were ever going to have a chance, now was the time with it being a buyer's market."

Beginning to research their financing options, it became apparent that they would not be able to obtain conventional financing at traditional terms. Then Allison found out about USDA Rural Development's homeownership programs on the internet and contacted one of their offices. After receiving their certification and then pre-approval, the search for their future home could begin.



The Yorgey family poses for a family photo: Allison, holding 3 month old daughter Katherine; daughter Hannah, age 5; and Tim, holding Tim, age 3.

During their search to find a home that met their family's needs, Tim and Allison ran across many hurdles and setbacks. They would find a house which upon inspection needed repairs or other work, and those repairs could not be included in the financing. These setbacks reduced their options to be able to purchase a home.

"I kept wondering if the only way that we would be able to purchase a home, was if we made the improvements prior to purchasing, in which case we would be putting time and money into a home that wasn't even ours." It was at this time that they found out about the new program through Southeast Wisconsin Housing Corporation (SEWHC) – the USDA Rural Development Purchase/Rehab Program. Shortly after hearing of the

program, the Yorgeys found their new three bedroom, two bath ranch style home, less than a mile from the school where Tim works in Williams Bay, WI. With the help of the newly established program, they were able to make necessary improvements that they would have not been able to afford.

The major projects that Tim and Allison's new home needed included a new roof and a firewall in the garage. With the help, guidance and oversight of SEWHC, and the assistance of friends and family, Tim and Allison were able to complete all of the repairs, at a third of the cost of hiring a standard general contractor. "This program was a godsend, but we kept thinking 'where's the catch', because we truly thought that we would be renting forever," said Allison. "The

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Family Highlight

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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. If you're not willing to put the work in you won't get the desired results. I learned so much about caring for a home, and other skills helpful in maintaining our home."

Warranties – Reminder!!

When the contractor signs the Release of Liens form, remember to obtain all appropriate warranties. This could be very helpful to the homeowners in the future if anything were to malfunction with their appliances or systems prematurely.

New Interest Rate

Effective December 1, 2010, the interest rate for Section 502 Rural Housing loans for very-low and low income is 4.0%.

Rural Energy Plus Program

Under the special program called **Rural Energy Plus Program**, Paragraph 4.24 D., the qualifying ratios (both the front PITI and back TD ratios) used to determine an applicant's ability to repay a home loan may be exceeded by up to two percentage points if an energy-efficient home is purchased. Eligible applicants will receive this increased

flexibility if they are purchasing a newer home that is energy efficient. In some cases, applicants may be able to afford a larger loan amount due to the qualifying flexibility because lower utility costs associated with newer homes equate to more income that can be applied to mortgage and other debt payment in a given month.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on January 26th 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 after the first of the year.

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*Wishing you a safe
and joyous holiday
season and a happy
New Year!!*

