

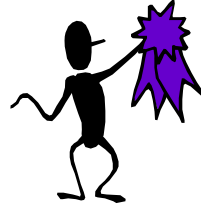
Self-Helper

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Membership Has Its Rewards



Last winter when the Administration's budget was revealed, self-help groups knew it would be an uphill battle to reclaim the funding for USDA's eliminated Section 523 program. They did have some allies and organizations that helped organize the response on a national level. The National

Rural Housing Coalition and the National Rural Self-Help Housing Association banded together and came up with some unique strategies to help save the funding. Thanks to them, one year later, Section 523 funding still exists.

In this economy, Self-Help groups may face a similar challenge this year. That will be known once the FY 2013 budget is released later this winter. Prepare now by joining these groups. More information about each one is below.

The **National Rural Housing Coalition (NRHC)** is made up of individuals and organizational members who care and are concerned about the future of rural housing. Through the membership, the origination's voice is clearly heard in Washington on legislative, appropriations, programmatic and policy issues.

Since 1969, NRHC has been a consistent "Rural Housing Voice" articulating the needs, advancing new rural housing programs, seeking adequate appropriations, and making programs more user friendly.

Over the years the NRHC has promoted a nonprofit housing delivery system. Self-help housing organizations, farm worker housing groups, community action agencies, rural water organizations, and rental developers benefit from the Coalition's work to maintain and advance the rural housing agenda. Members also benefit from the information resources and have a voice in the legislative process.

(Continued on Page 2)



Providing comprehensive, quality services for self-help housing

Membership *(Continued from Page 1)*

The Coalition is staffed by Bob Rapoza based in Washington, D.C., 202-393-5229 and led by an active Executive Committee and Board of Directors. Membership can be organizational or individual. Organizational membership dues are based on the organization's housing budget. Visit www.ruralhousingcoalition.org for more information.

The **National Rural Self Help Housing Association (NRSHHA)** is an association that was formed in 1988 to benefit self-help organizations. Their purpose is to provide an opportunity to exchange information and other related activities for the mutual benefit of its members and for rural self-help housing. This association has been created by you, for you! The NRSHHA provides a unified voice for self-help housing associations. It offers the opportunity for all who work in rural Self-Help housing to work together toward a mutual goal.



Association members from each region elect representatives to fill two positions on the steering committee. The 8 member Steering Committee elect the association officers. Region III's steering committee members are:

- Russell Huxtable, Milford Housing Development Corp. DE, NRSHHA President
- Patty Griffiths, CAC of Fayette County, OH

Applications for membership for 2012 will be mailed to all self-help grantees in January. Annual dues are based on grant amount. Please join! Wouldn't it be a testament to the strength and commitment of the Mutual Self-Help Program to achieve 100% membership?

HAC Awards \$9.2 Million to Self-Help Homeownership Programs



In November, HAC announced the awarding of \$9.2 million for local self-help homeownership programs. This

funding will go to 32 organizations in 14 states and Puerto Rico to build 626 self-help homes for low-income families around the country. HAC will provide financing for these projects using more than \$7.38 million in funds from the federal Self-Help Homeownership Opportunity Program (SHOP), which is administered by the Department of Housing and Urban Development, and \$1.83 million from other sources.

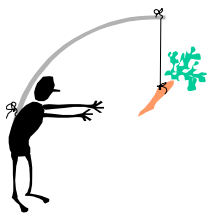
SHOP funds cover costs associated with land acquisition and infrastructure improvements. Community-based organizations will supervise homebuying families who work together in groups to construct their own homes and their neighbors'. HAC's local SHOP affiliates can use up to \$15,000 per unit for eligible development. They are responsible for all construction activities, including securing additional funding, preparing sites, training families, and managing the self-help process.

“Self help housing programs demonstrate what is possible when committed homebuyers, fair lending products, and effective community organizations work

together to create sustainable homeownership opportunities,” stated Loza. Since the inception of the SHOP program, HAC has been awarded \$102.1 million to produce 8,490 units of affordable housing for families.

In NCALL's region the following organizations will benefit from this round of funding: Milford Housing Development Corporation, DE; Kentucky Highlands Community Development Corporation, KY; Marquette County Habitat for Humanity, MI; and Telamon Corporation, WV for a total of 22 homes.

Setting Achievable Goals for Motivation



“So here’s the deal, all you have to do is work a full time job, continue to meet your daily responsibilities at home, work and for

your family and then build a couple of homes in your spare time for the next year.” This is what we are asking of our self-help participants. Sounds fun right? Believe it or not this is a tough sale for some people. Now throw in a society that’s grown accustomed to instant gratification and fear of commitment and unskilled labor and you have a perfect recipe project delays.

Most of us tend to be overwhelmed and have too many tasks to do at any one time. Until a clear plan is set in place, our goals remain more of a dream than an achievable goal. Goals need to be clear, focused and achievable. Help the participants stay motivated by giving them clear and measurable goals.

Be Specific

The chances of meeting a production schedule are jeopardized from the very start when you fail to set goals or make goals that are too general. There is no point in just saying you want to finish ahead of schedule. You need to make the goal more concrete, for example. “Framing the first house

took 5 days, we will need to do the next three homes in 2 1/2 days to meet our deadlines.”

Measure it

You need a way to be able to tell that you have achieved what you set out to achieve. Making a goal measurable is directly related to making it specific. The more specific your objective is the easier it becomes to measure it and gauge progress. If you can’t find a way to measure your progress towards a goal, it needs to be more specific.

One of the best things about having a measurable objective is having the ability to set milestones. It is much easier to achieve a tough objective when you can break the project up into smaller increments. It’s a psychological thing... by giving the participants a series of successes along the way, through meeting certain milestones, you give the them positive reinforcement. Therefore, working towards the goal becomes a much more pleasurable experience.

Achievable

It is one of the most frustrating things when you try to achieve an unrealistic goal. Homes can’t be built in a week. The participants should not be promised move in dates that are not feasible or shorter term deadlines that are

impossible to meet. Be realistic about your goal-setting. Be reasonable and make sure your goals are something that the group can actually accomplish.

Make it personal

If you don’t believe in something, when you’re not passionate about what you’re doing, it is extremely difficult to keep doing it. Remind the group about the end goal and how great this will be for them to own their own homes.

Set a schedule

We tend to work best when we are working towards a deadline. Knowing that we need to achieve certain objectives by a certain date gives us more focus and helps us to prioritize. Without a concrete schedule, the goal is fuzzy at best and will tend to always be superseded by ‘more pressing’ concerns. Schedule your goals, more than that, meeting scheduled milestones along the way will give your groups extra motivation and encourage them push on towards the next milestone and ultimately the completion of the project.

It is important that the participants get their required hours in at the job site. But, by focusing more on tasks and less on hours, their hours might be more productive and better spent.

Food Stamps to Return?

The National Office is in the process of clearing guidance to consider SNAP benefits (aka Food Stamps). Once cleared and posted, RD will be able to consider the value of the applicant’s SNAP benefits when calculating repayment income, in an amount not to exceed 20% of the total repayment income.

Budget Update

USDA Rural Development Program (dollars in millions)	FY11 Final (a)	FY12 Admin. Budget	FY 12 House	FY12 Senate	FY 12 Final Approp.
Loans					
502 Single Fam. Direct	\$1,121	\$211.4	\$845.6	900	900
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 Very Low-Inc. Repair	23.4	0	0	10	10
514 Farm Labor Hsg.	25.7	27	18.3	23.4	20.8
515 Rental Hsg. Direct	69.5	95.2	58.6	64.5	64.5
538 Rental Hsg. Guar.	30.9	0	0	130	130
Community Facility Loans	294.9	295	0	295	295
Grants & Payments					
504 Very Low-Inc. Repair	34	11.5	32	27	29.5
516 Farm Labor Hsg.	9.8b	9.8	6.2	8	7.1
523 Self-Help TA	37	0	22	30	30
533 Hsg. Prsrv. Grants	10	0	0	7.3	3.6
521 Rental Assistance	955.6	906.7	890	904.7	904.7
RCDI	5	8.4	3	4.2	3.6
HUD Program (dollars in millions)					
CDBG	\$3,508	\$3,781	\$3,500	\$3,001	\$3,308.1
HOME	1,610	1,650	1,200	1,000	1,000
HOPE VI	23.4	0	0	10	10
SHOP	27	0	15.9	17	13.5
Housing Counseling	0	88	0	60	45

(a) Figures shown do not include .2% across the board reduction.

(b) Figures shown for Section 514 and 516 farm labor housing are the amounts offered in the FY 11 NOFA.

New Self-Help T&MA Contract Signed



NCALL has received a new USDA Regional Self-Help Housing Technical and Management Assistance Contract for Region III, which includes 21 states throughout the northeast and north central US. The contract is one year with four option years. This longer term solution will help provide a more stable setting, enabling NCALL to do more long term planning and providing solutions in working with our grantees. This contract includes a reduction in some of NCALL's deliverables. We will be contacting the grantees and state offices to inform them of changes in January.

NCALL's Board and staff have a long history with Self-Help Housing, starting as far back as the early 1960's when NCALL helped establish and provided leadership for the International Self-Help Housing Association. NCALL has administered a Self-Help T&MA Contract since 1983.

Suggestions for the CFPB

Created by the Consumer Financial Protection Act of 2010, the central mission of the Consumer Financial Protection Bureau (CFPB) is to make markets for consumer financial products and services work for Americans — whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products.

The consumer bureau is working to:

- **Educate**—An informed consumer is the first line of defense against abusive practices.
- **Enforce**—Like a neighborhood cop on the beat, the CFPB supervises banks, credit unions, and other financial companies, and will enforce Federal consumer financial laws.
- **Study**—The consumer bureau gathers and analyzes available information to better understand consumers, financial services providers, and consumer financial markets.

Above all, this means ensuring that consumers get the information they need to make the financial decisions they believe are best for themselves and their families—that prices are clear up front, that risks are visible, and that nothing is buried in fine print. In a market that works, consumers should be able to make direct comparisons among products and no provider should be able to build a business model around unfair, deceptive, or abusive practices.

Core functions

The consumer bureau is working to give consumers the information they need to understand the terms of their agreements with financial companies. They are working to make regulations and guidance as clear and streamlined as possible so providers of consumer financial products and services can follow the rules on their own.

Congress established the CFPB to protect consumers by carrying out

Federal consumer financial laws.

Among other things, they:

- Conduct rule-making, supervision, and enforcement for Federal consumer financial protection laws
- Restrict unfair, deceptive, or abusive acts or practices
- Take consumer complaints
- Promote financial education
- Research consumer behavior
- Monitor financial markets for new risks to consumers
- Enforce laws that outlaw discrimination and other unfair treatment in consumer finance

Do you have ideas that may help? The agency is currently requesting specific suggestions by March 5 for ways to streamline “inherited” regulations and practical measures to make compliance easier. See *Federal Register*, 12/5/11 or <http://www.regulations.gov>. Contact Jane Gell, CFPB, 202-453-7700.

Rural Development ANs

RD explains energy requirements for new construction. Administrative Notice 4603 (October 28, 2011) states that USDA-funded new construction projects are now governed by the 2007 Energy Independence and Security Act’s standards for the efficiency of equipment and appliances in homes.

Uniform Appraisal Dataset (UAD) adopted for Section 502 direct and guaranteed loans. AN 4601 requires that for appraisals completed on or after January 1, appraisers must use

the new Fannie Mae and Freddie Mac UAD for both Section 502 programs.

RD will accept third-party initial inspections for single-family homes. For Section 502 direct loans and Section 504 loans and grants, through September 30, 2012 RD will accept qualified third-party inspectors’ inspections instead of requiring its own staff to visit properties, and will waive some site inspections. Environmental requirements must be met, and RD will conduct

final inspections. Details are in an Unnumbered Letter dated October 27th.

Rural Development Rate Decrease

- As of December 1, 2011, Rural Development decreased their
- 502 Direct Note Rate to 3.25%.
- Keep this in mind when
- qualifying applicants!!

RD Further Defines “Modest” Housing

On November 30, 2011, the National office issued an unnumbered letter regarding modest housing determination with the purpose of providing additional guidance on determining what is considered modest.

The regulations define modest as a “property that is considered modest for the area, with a market value that does not exceed the applicable area loan limit.” Additionally, the property must not be designed for income producing activities or have an in-ground swimming pool. Due to the drop in market value of many

homes across the United States, USDA feels as if applicants can now get into homes that are above modest. Therefore, they have created new standardized square footage determinations. The new guidelines put a maximum square footage for the states of the Northeast at 2,000 sq.ft. (ME, NH, VT, MA, RI, CT, NY, PA and NJ). The rest of the country will use 1,800 sq.ft. as its guideline.

The letter concludes by saying that amenity biases are a consumer issue and should not be judged in the modest determination.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on **January 25th 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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