

# Self-Helper

Summer 2014

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## Ways to Promote Homeownership

Homeownership Month gives us the perfect opportunity to promote the self-help housing program. If you took plenty of photos and shot video footage, you can use them in your promotional materials. If you didn't, the local media may be able to provide you with any photos or video they have taken. Use this footage to promote the program on your website, with an email marketing campaign and through social media.

Update the home page of your website with a few paragraphs about benefits of homeownership and the self-help housing program along with a photo, photo slideshow or video or of a homeownership event. If a local newspaper wrote an article, add it your website, but be sure to include a link to the original source. If you are not doing so already, you should conduct email campaigns occasionally. E-Marketing platforms, such as [Constant Contact](#), [iContact](#) and [MailChimp](#), make it really easy to schedule bulk emails, create surveys, and more. Simply upload your existing contacts to create a mailing list, and grow the list by adding a button on your website and a link on newsletters and email signatures to prompt readers to give their email address.

[Facebook](#) and [YouTube](#) are great social platforms for promoting the program. Just like with growing your mailing list, you can ask people you know to "like" and "subscribe" to your pages.

A great way to grow your mailing list while engaging your audience on social media is to conduct a contest, like a best photo or video – participants will need to provide their email addresses when they enter the contest. Simply login to Facebook and search for "Promotion" or "Contest" to find an app. Make sure you abide by Facebook's [guidelines](#) though.

If you're finding it difficult to find families that qualify, try conducting a poll on Facebook to see how you can help people overcome hurdles. Or you can create a survey and

(Continued on Page 2)



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

## Creating Great Teamwork



Why do some building groups experience minor team issues while others can only be described as a nightmare? Obviously a group's success in the Mutual Self-Help Housing Program is the completion of the "group of houses." But frequently, even when all of the members of a building group buy into this common goal, there are pitfalls that can hinder their success.

- ♦ Lack of principles for effective teamwork
- ♦ Having ineffective meetings
- ♦ An inability to give effective feedback
- ♦ Not having a climate for mutual respect

So, if these are the pitfalls, how can they be avoided?

### **Establish the Principals of Teamwork to be practiced by everyone** (staff and group members)

- ♦ Focus on behavior, not the person
- ♦ Stress the positive
- ♦ Be specific and sincere
- ♦ Express confidence

### **Conduct Effective Meetings**

The ability to hold effective meetings is probably the most important ingredient to the group's success. It is at these meetings where the group develops its mutual goals and commitment, learns how to resolve conflicts and

gets everyone involved in problem solving. In order to keep those meetings productive, here are the 4 characteristics of effective meetings.

- ♦ Be prepared
- ♦ Require attendance for all group members and appropriate staff
- ♦ Have an agenda
- ♦ Have individuals take responsibility

### **Getting and Giving Effective Feedback**

There is nothing more difficult than having to give feedback to someone whose behavior or work is unacceptable. Yet the ability to give feedback effectively is one of the most important team skills for members to possess. Feedback can be either positive (recognizing behavior and encouraging it again) or constructive (helping people to understand the negative effects of their behavior and what can be done differently).

Giving constructive feedback can be very difficult. Here are 5 things to remember when giving constructive feedback.

- ♦ Be specific
- ♦ Speak for "yourself"
- ♦ Share "your" feelings
- ♦ Emphasize the effects on "you"
- ♦ Use the "I" technique ~ *I feel ... (your feeling) when you... (specific actions) because... (effects)*

### **Developing a Climate of Mutual Respect**

Not all members of the building group become "best friends," nor

should they. The goal is team productivity (completing all of the homes in the building group), not friendship. However, if a climate of trust and mutual respect is not established, the ability of the group to interact honestly and openly will be obstructed. Not having mutual respect among members will ultimately affect how quickly the group can resolve problems through sharing information.

By avoiding these pitfalls your building groups can realize their dreams and build relationships that support positive team dynamics.

*Information for this article came from "Supreme Teams: How to Make Teams Really Work," Team Process and Dynamic Handbook, Peter Capezio, National Press Publications*

## **Promote Homeownership**

*(Continued from Page 1)*

email it to potential participants. Another idea is to share articles about improving financial management.

Use social media to drive traffic to your website. Post a photo with a catchy phrase and link to your website. You can also share articles about your homeownership event. Regardless of your marketing technique, make sure you take advantage of the marketing materials that homeownership month provides.

## FY '14 & '15 Appropriations

Although no budget has been finalized for next fiscal year, progress has been made in increasing potential funding for rural housing. When the House Appropriations Committee approved its FY 2015 Agricultural Appropriations bill, Bob Rapoza, Executive Secretary of the National Rural Housing Coalition, stated that the NRHC, "... *applauds bipartisan Congressional efforts to restore*

*funding for USDA Rural Development programs, including those that help low-income rural families access affordable housing and grants that help small rural communities provide potable water and waste disposal systems to residents."*

On June 19th, the Senate halted progress, at least temporarily, on fiscal 2015 spending bills after Republicans and Democrats were

unable to agree on an amendments process to a mini-omnibus package (HR 4660) that combined three appropriations measures, including Agriculture and Transportation-HUD. Both Senate and House had been moving quickly on the 2015 spending bills. Negotiations continue but it now appears more likely that a continuing resolution will be needed to start the new fiscal year on Oct. 1.

USDA Rural Development Program (dollars in millions)	FY 13 Final*	FY 14 Final	FY 15 Admin Request	FY 15 House Bill	FY 15 Senate Bill
<b>Loans</b>					
502 Single Fam. Direct	\$900	\$900	\$360**	1,042	900
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 Very Low-Inc. Repair	28	26.28	26.28	26.4	26.3
514 Farm Labor Hsg.	25.9	23.8	23.9	23.6	23.8
515 Rental Hsg. Direct	31.3	28.4	28.4	28.3	28.4
538 Rental Hsg. Guar.	150	150	150	150	150
<b>Grants &amp; Payments</b>					
504 Very Low-Inc. Repair	34	29.5	28.2	27	28.7
516 Farm Labor Hsg.	8.84	8.336	8.3	8.3	8.3
523 Self-Help TA	30	25	10	30	25
533 Hsg. Prsrv. Grants	3.6	3.54	0	0	3.5
521 Rental Assistance	907	1,110	1,089	1,089	1,094
RCDI	6.12	5.97	4***	5	6
HUD Program (dollars in millions)	FY 13 Final*	FY 14 Final	FY 15 Admin Request	FY 15 House Bill	FY 15 Senate Bill
CDBG	\$2,948	\$3,3030	\$2,800	\$3,000	\$3,020
HOME	1,000	1,000	950	700	950
SHOP	13.5	10	****	10	0
Housing Counseling	45	45	60	45	49
Housing Trust Fund	0	0	1,000	0	0
Choice Neighborhood Initiative	0	120	120	0	90

\* Figures shown do not include the 5% sequester or 2.5% across the board cuts.

\*\* This does not include any reserve at the National office for Self-Help Housing loans. (The last 2 years this was \$5 million.)

\*\*\* Limited to tribal colleges.

\*\*\*\* Funded \$10 million as a set aside under the HOME program.

## Energy Efficiency a Compensating Factor

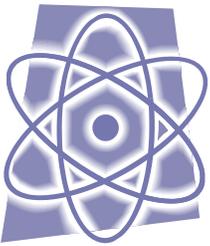
On June 12<sup>th</sup>, USDA Rural Development issued an unnumbered letter allowing the use of energy efficiency as a compensating factor when determining borrower repayment ability.

As permitted in 7CFR 3550.53(g)(3) and further detailed in Handbook-1-3550, Paragraph 4.24 A., exceptions to the standard method of determining repayment ability may be made if there is information, referred to as “compensating factors,” that indicates the prospective borrower may be able to make larger regular loan

payments than the standard ratio analysis suggests. The unnumbered letter allows new homes that are to be constructed under a specific energy efficiency program (eligible programs listed below) to be a compensating factor. When this is used, the qualifying ratios may exceed the established thresholds by up to two percentage points provided the Field Office obtains verification that the property will be certified through one of the approved programs. This compensating factor must be clearly documented and approved by the next level supervisor.

- ◆ Energy Star for New Homes under the U.S. Environmental Protection Agency
- ◆ Challenge Home under the U.S. Department of Energy
- ◆ Leadership in Energy and Environmental Design (LEED) for Homes under the U.S. Green Building Council
- ◆ Home Innovation’s “National Green Building Standard” under the National Association of Home Builders
- ◆ Green Communities under the Enterprise Community Partners

## New Energy Efficiency Mandates



The new Department of Energy Final Rule energy efficiency mandates will require higher Energy Factor (EF) ratings on

virtually all residential gas, electric, oil and tankless water heaters, completely altering the water heater landscape, **effective April 16, 2015**. These changes will have an impact on how water heaters are manufactured, distributed and installed, affecting manufacturers, wholesalers, installers and customers alike. While all models will see an increase in EF requirements, the most dramatic changes will be in the larger capacity models.

Electric water heaters, although already very efficient, will likely

require more insulation. This will increase the diameter and/or height of the water heater. Additional insulation may be required for piping and fittings such as drain and T & P valves. The heat pump water heater is the only water heater over 55 gallons with the available technology able to meet the EF requirement to date. Gas water heaters may require to additional insulation, incorporate newer flue baffling technologies ( including flue dampers), incorporate electronic ignition in lieu of the standing pilot, or any combination of these. For gas water heaters over 55 gallons, high efficiency, fully condensing combustion technology will be required. This will mean that line voltage will have to be available, as well as a means for condensate disposal. Similar challenges are faced with oil-fired products.

Keep all of these changes in mind when working on house plans and cost estimates for the coming year!

### New Loan Limits Published

In late June, USDA Rural Development published new loan limits. These numbers may have gone up, gone down or stayed the same. Check out the new limits at [http://www.rurdev.usda.gov/HSF-Area\\_Loan\\_Limits.html](http://www.rurdev.usda.gov/HSF-Area_Loan_Limits.html)



Construction insurances are required on every construction project. These insurances can provide coverage for materials, risks, natural disasters, employees and even your organization. What follows is a description of the most common insurances used in the construction industry.

**Liability Insurance** will protect contractors and home builders against injuries, accidents and property damage suffered on the job site. This insurance is essential for homeowners as well as sub-contractors, protecting them both from lawsuits and losses from unexpected conditions. Liability insurance has limitations; the insurance holder must set limits per occurrence and for aggregated values. There are also limits set for fire, medical expenses for injured workers, and personal injury. This type of insurance is recommended for the self-help families and can be purchased as an addendum to their Builder's Risk policies or as a separate policy individually, or as group liability or group accident insurance, to protect them during the building of their homes.

**Builder's Risk Insurance** policy covers a building when it is being constructed. It can cover just the structure, or also the materials on site waiting to be installed or transported to the job site. This coverage will pay for damages up to the coverage limit, this limit must accurately reflect the total completed value of the structure (**all materials and labor costs, but not including land**). Builder's risk insurance is often written in term limits (3-12

## Construction Insurance

months). If the project is not completed by the end of the term, it can be extended but usually only one time. Damages from the following events will be covered by most policies: Fire, Wind, Theft, Lightning, Hail, Explosion, Vandalism, Vehicles and Aircraft. There are also standard exclusions including: Earthquake, Employee theft, Water damage, Weather damage, etc. It is important to read the coverage exclusions in their entirety and fully understand them.

**Hold Harmless Agreement** is commonly provided by the subcontractors against all work being executed by the subcontractor. Hold harmless agreements are typically found in the construction contracts. The provisions under this agreement will minimize the risk of being part of a litigation or allow you to pursue a claim for indemnity if a subcontractor or any of his employees sustain an injury.

**Performance Bond** is usually issued by a bank or an insurance company, both of which act as a "surety." Performance bonds guarantee the satisfactory completion of a project. This will require having a collateral property or investment to back up the requirements of the surety agency. The bond will protect the owner against possible losses in case a contractor fails to perform, or is unable to deliver the project as per established and the contracted provisions. If the contractor defaults or declares himself in bankruptcy than the **Surety** is responsible to compensate the owner for the losses. Surety and financial institutions have different requirements depending on the capacity of the

contractor, the volume of the project being ensured and the project's challenges: Usually 2 years of CPA prepared financials, copy of the contract that is being awarded and application of the surety.

**Bid Bond Surety** is important to show proof of guarantee to the project owner that a contractor can comply with the bid contract, and also that they can accomplish the job as laid out by the contract. This a form of guarantee to the project owner that a contractor has the capacity and capability to take on and implement the project once selected during the bidding process. Requesting a bid bond will keep contractors from submitting frivolous bids, because they would be obligated to perform the job, or at least pay the bond premiums. Bond issuing companies perform comprehensive credit and financial reviews before agreeing to provide bonds for a company.

**Flood Insurance** Congress has mandated federally regulated or insured lenders to require flood insurance on properties that are located in areas at high risk of flooding. Homes and buildings in high risk flood areas with mortgages from a federally regulated or insured lender are required to obtain flood insurance, there is usually at least a 1 in 4 chance of flooding during a 30 year mortgage in these areas.

Speak with your insurance carrier to see what would be the best types of coverage and limitations for your particular circumstance. Having adequate insurance is always the best policy!

## StrikeForce

USDA Rural Development has a new focus area called StrikeForce. This program concentrates on areas of persistent poverty. According to USDA Secretary Tom Vilsack, "While poverty is a rural, suburban and urban challenge, the reality is that nearly 85% of America's persistent poverty counties are in rural areas. USDA's StrikeForce for Rural Growth and Opportunity Initiative is part of our commitment to growing economies, increasing investments and creating opportunities in poverty-stricken rural communities."

StrikeForce was officially launched in 2010 as a pilot project in persistent poverty areas in rural Arkansas, Georgia and Mississippi. In 2012, StrikeForce efforts expanded into persistent poverty counties in Colorado, New Mexico and Nevada. In 2013, Secretary

Vilsack announced new efforts to bring the StrikeForce for Rural Growth and Opportunity to Alabama, Alaska, Arizona, North Carolina, North Dakota, South Carolina, South Dakota, Texas, Utah and Virginia. In 2014, Strike Force efforts expanded into Kentucky, Louisiana, Tennessee, and West Virginia. There are now over [700 persistent poverty counties](#), parishes, boroughs, Colonias and tribal reservations in twenty states receiving StrikeForce attention.

Since its inception, StrikeForce has formed over 400 community based partnerships and supported 80,300 projects and opportunities to strengthen America's rural economy. Learn more about how StrikeForce is [encouraging growth and creating opportunity](#) and how you can get involved.

## Regional Conference Call Planned

NCALL will be hosting another regional conference call on **Thursday, July 24<sup>th</sup> 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 soon.

## Rural Development Interest Rate

The Rural Development 502 Direct Note Rate looks like it is lowering again, to 3.625% in July. Check with your local RD office to confirm this change and keep this in mind when qualifying applicants!!

*In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs).*

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