

Self-Helper

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Inside:

Title	Page
Political Appointment Process	2
NCALL Welcomes Rebeca Dennis	2
FY 17 Budget News	3
The Green Element	3
5 Google Tools That Can Benefit Your Self-Help Program	4
Insurance—Make Sure Your Families Are Protected	5
American Community Survey Released	6
Rural Development Interest Rate	8
Regional Conference Call Planned	8
Carolyn Bell Honored	8

NRSHHA Annual Meeting

Just prior to the start of the HAC National Rural Housing Conference, the National Rural Self-Help Housing Association (NRSHHA) held its annual meeting in Washington, DC. Rural Development personnel attended as well. Among the topics of discussion were: loan packaging and the intermediary process, Direct US (the new automated underwriting system), handbook changes in process, FY 16 loan and grant usage, E-file, dues and a shortfall of funding for Rapoza & Associates and the election of new officers.

National Rural Development Office Update

- Direct US, RD's new automated underwriting system, has been implemented in one state. Additional states are being added. The goal is to have it in all 50 states by September of 2017.
- There are a few handbook changes in process. One potential change is dropping one of the trade line requirements for non-traditional credit.
- This past year, the agency served 7,089 families with 502 direct loans totaling \$958.4 million. Self-Help grants totaled \$22 million.
- They are testing the new e-filing process. One of the loan packaging intermediaries is using it; they hope it will be rolled out more widely soon. In order to access it you will need a level 2 authorization, just like what is needed for SHARES. If you don't have that yet, you should look into getting it now.

NRSHAA was experiencing a shortfall of dues funding in order to support the lobbying contract with Rapoza & Associates.

Several agencies stepped up to cover the shortfall. A new dues request will be out in the spring.

The new NRSHHA officers are: Tom Collishaw (CA), President; Tom Manning-Beavin (KY), Vice-President; Brad Bishop (UT), Treasurer; and Claudia Shay (HI), Secretary. The steering committee representatives from NCALL's region are Russ Huxtable and Tom Manning-Beavin.



Providing comprehensive, quality services for Self-Help Housing

Political Appointment Process

With the recent presidential election, the time has come again for changes in Rural Development's senior management. The timing of when a political appointment comes to an end varies depending on the particular administration and the individual, but for the most part, there is a process you can expect.

As most of you know, State Directors for Rural Development are politically appointed. Occasionally an incoming administration will allow State Directors to stay in their position until a replacement is found, but more commonly the State Director leaves on January 20th or before. An Acting State Director is then appointed by the outgoing State Director and serves, with the approval of the new administration, until the position is filled. The person who serves in this interim position is usually the Administrative Officer for the state. Usually the Senator (who is of the same party as the incoming

administration) recommends a nominee for State Director from his or her particular state. Sometimes the nominee is from within the agency, but more often they are from outside USDA and campaigned for or generally supported the incoming president. The National Office then makes a final decision on the appointee. Generally the State Director is the only political appointee within the state Rural Development structure, but on occasion Assistant State Directors have been named or Regional Directors could also be politically appointed.

On the national level there are numerous appointees. The most important are the Secretary of Agriculture, the Deputy Undersecretary for Rural Development and the administrators of the three mission areas: Rural Business Services, Rural Utility Services and the area that affects those in Self-Help, the

administrator of Rural Housing Services. Each of these administrator positions has politically appointed support staff as well. The total number of National Office political appointees numbers around 32.

The people who currently hold the above positions will almost certainly be gone by January 20th and it will be a matter of time until the new management positions are in place.

On the state level, in cases where more than one person is being considered for State Director, your organization may have some influence on who the next appointee may be so don't be afraid to become involved in the process if you are so inclined. In many cases your input may be welcomed since you play an important role in promoting, providing and utilizing the services of the agency.

NCALL Welcomes Rebeca Dennis



NCALL's Self-Help Housing Team is pleased to introduce Rebeca Dennis as our newest Self-Help Housing

Specialist. Rebeca has moved to Dover, DE from southern California for the position.

She has very strong housing development and self-help housing experience with larger scale grantees. She spent eight years as Development Director and Single Family Housing Director with Coachella Valley Housing Coalition, a major self-help producer. Prior to that, she also worked for the self-help housing program at Campesidos Unidos, Inc., where she

started as a Construction Supervisor and then became the Program Director.

She has taught project management, architecture and green building, and has a degree in Architecture.

Rebeca is beginning to travel throughout NCALL's region.

Welcome aboard Rebeca!!

FY 17 Budget News



Late in the night on Friday December 9th, the Senate passed a continuing resolution (or CR) to keep the

Federal Government open and operating through April 28, 2017.

As the name implies, the CR will

fund the government at FY 2016 levels. There are exceptions to this, as the bill that was passed includes new funds for the 21st Century Cures Act (H.R.34), as well as other increases at the Defense Department and water infrastructure aid to Flint, Michigan.

This CR will keep Self-Help 523 funding at the \$27.5 million level instead of the proposed increase to \$30 which was in the Senate budget for FY 17.

The Green Element

As per the EPA, indoor air quality is 2 to 10 times more polluted than outdoor air and we spend 90% of our time indoors.

“Home is where the heart is.”

Every year we welcome the holiday season with its many inspiring traditions, along with the opportunity to start new ones. A time of reflection and a time of new resolutions for the upcoming year will most likely follow. What better time to incorporate **green practices**? We establish new habits for the good of our own health and comfort, while we safeguard our natural resources and save money.

Here are 13 simple ways to maintain a healthy lifestyle and a healthy environment. Remind your self-help participants to use these also!

- Perform the service of the HVAC unit and change filters as recommended. If a new one is needed, replace it with a higher efficiency system and higher efficiency filters.
- Use paints, sealants and other materials that have low or zero VOC content. Volatile Organic Compounds can cause

headaches, nausea, irritation to the respiratory system, skin, and eyes.

- Turn off the lights. Replace bulbs with CFLs or LEDs to save energy. Lighting consumes, on average, 5% of the household budget.
- Turn off and unplug electric devices. They consume energy when they remain plugged: “phantom energy”.
- Use *EnergyStar* appliances. They use 10-50% less energy than standard appliances. Appliances consume, on average, 20-30% of energy, and 25% of water.
- Use *WaterSense* fixtures. They are at least 20% more efficient than the average product.
- Control water consumption. The average household consumes 260 gallons of water per day. Water heating consumes 19% of the household budget.
- Sorting of waste. Most of the garbage we generate is plastic and organic material. The goal is to divert 90% of the waste from landfills by reducing, reusing, recycling, repurposing and composting.
- Reduce red meat consumption. Compared to poultry, red meat

requires 28 times more land to be produced, and contributes five times more greenhouse gas emissions.

- Stand up! People with desk jobs have twice the rate of cardiovascular disease. The goal is to stand up every hour, use standing desks, and have walking meetings.
- Let’s move! Another goal is to aim for 5,000 to 10,000 steps per day.
- Use green cleaning supplies and green building materials to minimize exposure to harmful toxins and pollutants.
- Skip the bubble gum. Originally made from tree sap, a natural rubber called *chicle*. Most gums are now made from synthetic rubber, that may also be toxic (polyethylene and polyvinyl acetate).

Go green for a healthier life style, a healthier community, a healthier planet.

For more information, check with your city, local organization, and websites such www.usgbc.org and www.mnn.com.

5 Google Tools That Can Benefit Your Self-Help Program



Google has become synonymous with the internet – it’s everywhere. Google has offered free tools for a long time, but it seems many organizations are unaware of them. Below are five free tools that could be useful to your Self-Help program.

To use any of these tools, you will need to create a Google account first. Tip: It’s best to have a professional Google account separate from your personal one. Set up the account with your work email address to make sure you log into the right one.

1. **Google Alerts** is a free tool that monitors the internet for words and phrases. You can think of it as a continuous Google search without having to do the work; instead Google will send an email when something interesting to you is published online.

For example, if you had a Google Alert set for your organization’s name, you would receive an email when it is mentioned in the news. It’s a good idea to set up a few standard Google Alerts for things like the organization’s name, staff members names, self-help communities, and

other things you would want to know about should an article be published. This way you will be one of the first to know, and you will be able to share those articles as posts on social media. Setup is easy, simply Google the words “Google Alerts” and log into your Google account. There you will be able to view your current alerts and add or delete as much as you want.

2. **Google Translate** is a free translator tool that was recently reviewed by [MIT Technology Review](#) and determined to be as accurate as a human translator at translating 23 major languages. This app is by no means as beneficial as having staff members who speak a language; however, it is a good tool to have in the event you or a staff member is unable to communicate with a person seeking help or answers from your organization. Taking the time to interact will help them feel more connected to the program and more relaxed about the process of becoming a Self-Help Housing participant. The app can be downloaded to an Android or iOS mobile device.
3. **Google Drive** is 15GB of storage that comes with a Google account. You no longer have to carry a flash drive to share files, and it’s easy to create a folder for your groups to access. It can contain documents, spreadsheets, graphs, photos, or other files. Set permissions

for each member to edit or view, depending on what makes sense. They must have a Google account to add items to the folder. The app can be downloaded on mobile devices that use Android or iOS operating systems. Go to drive.google.com to download the app and start using Google Drive.

4. **Google Forms** create surveys for free. Google forms allows you create your own questions and make answers required, multiple choice, dropdown, or open ended. This is a great way to collect feedback about your program, manage events, registrations, or polls. Use your own logo and export your data to Excel or review the results within Google Forms.
5. **Google Groups** allows you to have forum-style discussions with members you invite. Members can upload a profile photo, create new discussion topics, share files, and make announcements. This is another great way of communicating with group members. Members can communicate with the group through email; they do not have to log in to contribute to the discussion. Go to groups.google.com to start using Google Groups.

Any of these tools can be helpful for a self-help group! Take the time to look into them.

Insurance – Make Sure the Families are Protected



When assisting families building a home through the self-help program, attention to detail is critical. Just as participants choose shingle colors and cabinets and countertops, don't forget to make sure their property is properly insured from foundation to roof.

Knowing what insurances are needed and what they cover is important to the financial security of the owner and the USDA. Some important questions to ask are:

- What does builder's risk insurance cover?
- How long does coverage last?
- Do the subcontractors need insurance too?
- Do they need a homeowner's policy too?
- What is the cost of builder's risk insurance?

What does builder's risk insurance cover? Specifically, builder's risk policies are designed to cover homes while they are under construction. Typically, it covers theft and vandalism of the tools and equipment being used to build the house and the materials, including in some cases materials being held

offsite for future use. This insurance doesn't provide liability coverage or any protection for the home's contents since there typically won't be any personal possessions at the construction site. Have the participants look into adding a rider to cover accidents and liability.

How long does coverage last?

Policies are generally written for 9-12 months. Most can be renewed if there are construction delays, but the insurance company will usually assess the project to make sure progress is being made on the home. Frequently, self-help projects take longer than 12 months, so the participants need to be aware of this and keep in mind their renewal date.

Subcontractor's Insurance

As a self-help organization, you should also get a certificate of insurance from all subcontractors working on the homes. It should be comprehensive and include liability coverage. For instance, if a foundation collapses because of shoddy construction and someone is injured, they will need to be able to turn to the subcontractor's insurance for coverage. Subcontractor's insurance policies usually cover three years after construction is complete.

Do they need a homeowner's policy too? Yes. When building their own home they'll need their own insurance policy. Before the first shovel hits the ground on their home, they'll need to get

homeowners insurance in place. This may be where their liability coverage comes from. Get them to check this with their insurance agent.

Liability coverage may also be added to their current renter's policy. This varies by state and should be discussed with the agent.

Cost of builder's risk insurance

The cost of this type of insurance can be anywhere from 1-4% of what is budgeted for construction, depending on multiple factors. Typically, the amount of insurance they'll need to purchase depends on the estimated rebuilding cost of their completed home, based on the size, the finishes and the materials to be used.

Most insurance companies will steeply discount the premiums because the home hasn't been completed. Once their home is complete, with flooring and appliances in place, they'll need to contact your insurance company to convert your insurance to a standard home insurance policy.



American Community Survey Released

In early December, the U.S. Census Bureau released the [American Community Survey](#). As the nation's largest household survey, the American Community Survey is the only annual dataset that produces this range of statistics for all of the nation's 3,142 counties. For the three-fourths of all counties with populations too small to produce single-year statistics (2,323 counties), it is the only available dataset.

Their data showed that people who live in rural areas are more likely to own their own homes, live in their state of birth and have served in the military than their urban counterparts, according to the latest data from the U.S. Census Bureau's

"I know, as both Secretary of Commerce and from my own private sector experience, that data is idle inventory on the shelf that has the power to create economic opportunity and change lives," said U.S. Secretary of Commerce Penny Pritzker. "The American Community Survey is the only survey that provides statistics that tell the story of every community's current socio-economic state, from big cities to small towns. This information is vital to making decisions in business and government that enhance the lives of all of our citizens."

"Rural areas cover 97% of the nation's land area but contain 19.3% of the population (about 60 million people)," Census Bureau Director John H. Thompson said. "By combining five years of survey responses, the American Community Survey provides

unequaled insight into the state of every community, whether large or small, urban or rural."

The release features data collected between 2011 and 2015 on more than 40 demographic, housing, social and economic topics, including commuting, educational attainment and home value. These statistics are available to explore on the [Census Bureau website](#).

There were about 47 million adults 18 years and older living in rural areas. Most adults in both rural and urban areas owned their own homes but the percentage was higher in rural areas (81.1% compared with 59.8%). Adults in rural areas were also more likely to live in single-family homes (78.3% compared with 64.6%) and live in their state of birth (65.4% compared with 48.3%). Veterans comprised 10.4% of the population of adults in rural areas compared with 7.8% of adults in urban areas.

Adults in rural areas had a median age of 51, making them older compared with adults in urban areas with a median age of 45. They had lower rates of poverty (11.7% compared with 14%) but were less likely to have obtained a bachelor's degree or higher (19.55% compared with 29%). Rural communities had fewer adults born in other countries compared with those in urban areas (4% compared with 19%).

Additional findings showed: (see [infographic](#) on the next page for more information)

- About 13.4 million children under the age of 18 lived in the rural areas of the nation.

- Children in rural areas had lower rates of poverty (18.9% compared with 22.3%) but more of them were uninsured (7.3% compared with 6.3%). A higher percentage of own children in rural areas lived in married-couple households (76.3% compared with 67.4%). ("Own children" includes never-married biological, step and adopted children of the couple.)
- Compared with households in urban areas, rural households had lower median household income (\$52,386 compared with \$54,296), lower median home values (\$151,300 compared with \$190,900), and lower monthly housing costs for households paying a mortgage (\$1,271 compared with \$1,561). A higher percentage owned their housing units "free and clear," with no mortgage or loan (44% compared with 32.3%).
- States with the highest median household incomes in rural areas were Connecticut (\$93,382) and New Jersey (\$92,972) (not statistically different from each other). The state with the lowest rural median household income was Mississippi (\$40,200). Among rural areas, poverty rates varied from a low in Connecticut (4.6 %) to a high in New Mexico (21.9%).

Differences in the Rural Population Based on Level of Rurality

Researchers also compared rural residents in 704 completely rural counties—those whose entire populations lived in rural areas—with their rural counterparts in

(Continued on Page 7)

Rural Development Interest Rate

The Rural Development 502 Direct note rate remained at 2.875% in December, but could be going up soon as the Fed raises interest rates. Keep this in mind when qualifying applicants.

Carolyn Bell Honored



HAC, NRSHHA, and the T&MA Contractors honored Carolyn Bell at the HAC conference. Carolyn is retiring at the end of January after serving with Rural Development for 30 years. She has been at the National Office for about 15 years as the Chief of the Special Programs Branch of the Single Family Housing Direct Loan Division. It's a long title

and this is the branch that administers the Self-Help Housing Program. Thanks for your years of service and dedication to Self-Help Housing Carolyn! We wish you all the best!

Pictured above: Joe Myer, NCALL's Executive Director; Carolyn Bell; and Russ Huxtable, NRSHHA President.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on **Thursday, January 19th 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.

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*Happy Holidays and a Happy New Year to
all our partners and friends!*

May 2017 be merry and bright!!

