

Self-Helper

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Inside:

Title	Page
New AN on Self-Help Rehab	2
Spotlight Website Sees Continued Growth in Traffic	3
Budget News	4
Supervised Bank Accounts / Custodial Accounting AN	5
Anne Hazlett to Lead Rural Development	5
Sonny Perdue New Secretary of Agriculture	6
Grant Application Processing AN Released	6
New Income Limits	6
Training Downloads	6
RD Interest Rate	7
Regional Conference Call Planned	7
Marketing with the Ready, Set, Save!	7
RD Published Customer Service Information Guide	7

Self-Help Housing Grantees Celebrate Homeownership Month

On June 1st, Acting Deputy Undersecretary for Rural Development, Roger Glendenning, kicked off National Homeownership Month. He said, "Owning a home provides rural residents a secure environment where they can raise families, and it helps invigorate local rural economies that are vital to the long-term security and well-being of our nation. Homeownership fortifies communities, creates jobs and strengthens the local businesses that support our towns." We couldn't agree more!

In celebration of Homeownership Month, Self-Help Housing grantees across the country celebrated in various ways. Work days, press events, open homes and interviews were held to celebrate the families, homes and the program itself. Thank you for reminding your community what great work you do!



Providing comprehensive, quality services for Self-Help Housing

New AN on Self-Help Rehab



In late May, RD AN 4831 was released providing additional guidance on the 523 Self-Help

Acquisition Rehabilitation and Owner-Occupied Rehabilitation Projects. These requirements are effective immediately; however, grantees operating under a current grant agreement shall not be required to implement this guidance until a new grant agreement is executed. The following is a brief overview of what is contained in the AN, but NCALL recommends that grantees read the entire AN, <https://www.rd.usda.gov/files/an4831.pdf>

Applications and Amendments

The AN includes a new application checklist. It more clearly specifies what is required to be submitted in an application for a rehab grant. If a grantee is applying for separate awards to administer both new and rehab program(s) then an application for each must be submitted. If just one grant award for both programs is sought, only one application, addressing both tracks, is necessary. In order to balance differing TA amounts in an amendment, a reduction or increase in the grant award may be necessary.

Establishing a Technical Assistance Fee

RD provides guidance on how to establish a TA amount. They indicate that grantees should

propose a fixed per EU rehab cost that is “well supported based on projected ‘cost savings’ to the family.” Methods for calculating family ‘cost savings’ are defined later in this AN. Here it states that in order to justify the grant request, grantees will ensure the total grant rehab TA cost is less than the estimated cost savings to the families.

Project Feasibility

This section discusses how grantees should select appropriate homes for the program, while keeping in mind that the goal of this program is to have an average cost savings that is equal to or more than the TA cost. A whole house inspection by a third party state-licensed inspector that addresses all items in Handbook 3550-1 (A) is required for all Acquisition Rehab projects. If the project is an owner-occupied project the state office may accept an inspection from the grantee’s staff if they have the appropriate experience. Based on the inspector’s findings the grantee will prepare and submit a project application docket to the local RD office. The AN contains a list of required items for the docket.

The grantee will be responsible for obtaining bids for all sub-contracted work, but may serve as the sub-contractor, with the local RD’s approval.

Processing Rehab Projects

A grantee may choose to secure financing for the participant and then identify a property or identify/acquire property prior to assisting a

qualified applicant. Grantees purchasing property prior to qualifying an applicant for a loan should assess any risk this may pose the organization. An appraisal based on the as-repaired property information is required.

All rehab program participants must sign an individual participation labor agreement that is specific to the project terms before construction begins. While a minimum labor contribution is not established by this AN, the family’s labor contribution is recommended to be 10 hours for every \$1000 in self-help repairs. As with new construction, volunteer hours may be included. Again in this section, the AN emphasizes that there should be a cost savings due to family labor participation. It also recognizes that “as with the “sweat equity” in the mutual self-help program which varies greatly from project to project; area to area; and from grantee to grantee, it is anticipated that the cost savings received in rehab projects will see similar variances.” Cost savings is ideally realized through the amount of the work the participant will be contributing but may be calculated utilizing one of the three approved methods described in the AN: Contractor Cost Savings; Appraised Value; Hourly Rate of Labor Contribution.

The family participation agreement must outline the rehab project specifics such as work order list as well as outline the participants projected labor hours, cost savings, etc. Family labor contribution requirements will vary based on the

(Continued on Page 3)

Self-Help Rehab AN (Continued from Page 2)

repairs to be completed.

Grant Closing, Quarterly Reporting and Final Evaluations

The grant agreement and grant amendment forms in RD Instruction 1944-I Exhibits A & C may be modified on page one to strike the word mutual so that the agreement more accurately reflects that the grant is being used for rehab projects.

Quarterly reporting will be conducted utilizing Attachment 2,

or State equivalents, which requires reporting on applicable items from RD Instruction 1944-I, exhibit B-2, as well as construction investments, cost savings, and total labor contribution. Any third party financing must also be identified as applicable.

Final evaluation and any high risk placement will be completed in accordance with RD instruction 1944-I, with the following modifications to the five grant goals:

- Assisting the projected number of families
- Meeting the 40% goal of VLI
- Meet the family labor requirement (10 hours contribution for every \$1000 in repairs)
- Controlling TA cost / not to exceed the cost savings to the families
- Meeting other objectives in the agreement which includes minimum essential repair.

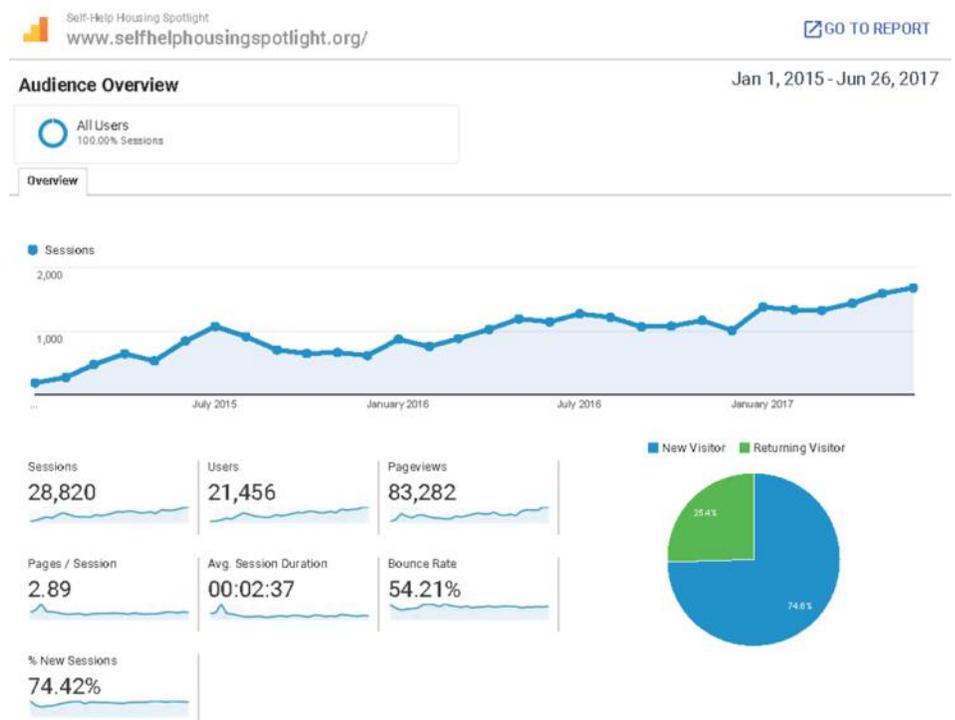
Spotlight Website Sees Continued Growth in Traffic

The Self-Help Housing Spotlight website, www.selfhelphousingspotlight.org, has continued to see growth in traffic since becoming a national site for all Section 523 grantees. This year has brought the most traffic of all, an average 1,445 nationwide visits per month!

Work continues to be done to add fresh new content to the site, making it likely that traffic will continue to stay strong. Most visitors to the site find it through Google search phrases like “self help housing” or “how to build your own house,” which means they’re looking for more information or may not even know much about the program. The most popular pages receiving the most traffic are Find a Program Near You (19.36% in 2017) and Build Your Own House (16.53% in 2017). This is good news because these pages lead to grantee pages, and help to connect visitors to the grantee in their area.

Several organizations across the country have received messages from interested families. So, please make sure your information is accurate and let us know if the email address linked to your contact form should be changed. If you

want to make any changes or have family success stories to share, email knaylor@ncall.org. Together, each of us can help build awareness of the self-help housing program, one story at a time!



Budget News



Since the last Self-Helper was published, there has been a lot of federal budget activity. The final budget for FY

17 was passed, with Self-Help and the 502 Direct program receiving very pleasing increases over FY 16. The White House also released its full FY 18 budget and the House and Senate both passed their versions of the FY 18 budget proposals.

Congress so far has seemed to reject the massive cuts proposed in

the Administration's so-called "Skinny Budget." This budget had proposed a \$54 billion reduction in domestic discretionary spending with an increase of the same amount for the Pentagon. For the USDA, a 21%, or \$5 billion reduction was offered that included elimination of rural water/wastewater loans and grants, Rural Business-Cooperative Service and its programs, and a big reduction (50%) in Rural Development staffing. The budget included elimination of 24 different rural development

programs. Overall in terms of Budget Authority (BA) rural development was cut by \$867 million or 31%. Congress has approved far higher levels.

When Members of Congress return in September, they will immediately face decisions on the debt limit, FY 2018 spending, budget reconciliation, tax reform and, possibly health care. Congress may not take up final decisions on FY2018 bills until the late fall.

USDA Rural Development Program (dollars in millions)	FY 16 Final	FY 17 Final	FY 18 Admin. Proposal	FY 18 House	FY 18 Senate
Loans					
502 Single Fam. Direct	\$900	\$1,000	\$0	\$900	\$1,000
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 Very Low-Inc. Repair	26.3	26.3	0	24	26.278
514 Farm Labor Hsg.	23.9	23.9	0	15	23.85
515 Rental Hsg. Direct	28.4	28.4	0	23.398	35
538 Rental Housing Guaranteed	150	150	250	230	230
Grants & Payments					
504 Very Low-Inc. Repair	28.7	28.7	0	0	28.7
516 Farm Labor Hsg.	8.3	8.3	0	6	8.336
523 Self-Help TA	27.5	27.5	0	30	27.5
533 Hsg. Prsrv. Grants	3.5	3.5	0	0	5
521 Rental Assistance	1,1390	1,390	1,345.29	1,345.29	1,345
RCDI	4	4	0	0	4
HUD Program (dollars in millions)					
	FY 16 Final	FY 17 Final	FY 18 Proposal	FY 18 House	FY 18 Senate
CDBG	\$2,800	\$3,000	\$0	2900	3,000
HOME	950	950	0	850	950
SHOP	10	10	0	10	10
Housing Counseling	47	55	47	50	55
Homeless Assistance Grants	2,250	2,383	2,250	2,383	2,456
Choice Neighborhood Initiative	125	137.5	0	20	138

Supervised Bank Accounts / Custodial Accounting AN



On April 27, the Single Family Housing Direct

with corresponding invoices and checks, keeping checkbooks in a locking filing cabinet, and not allowing borrowers to sign blank SBA checks.

Requests for 502 or 504 funds - requests should include a coversheet signed by grantee and borrower with itemized charges due and a copy of invoices.

Loan Division published Administrative Notice (AN) No. 4840 to provide guidance for **Supervised Bank Accounts** and **Custodial Accounts** when used in conjunction with the Self-Help Technical Assistance Grants. This AN clarifies Instruction 1902-A. This article covers some of the significant highlights of this AN:

Supervised Bank Accounts (SBA) - emphasis is placed on maintaining good records of the Section 502 and 504 loan expenditures which includes retaining copies of invoices, properly completing the “Statement of Deposits and Withdrawals” Form RD 402-2, matching Form RD 402-2

Custodial Accounts – guidelines are provided for the approval of grantees requesting to administer this type of account. Under this alternative method of accounting for 502 or 504 loans, grantees maintain a separate custodial account and issue checks to pay invoices to vendors. This simplifies the bill-paying process and allows for a reduction on the number of checks co-signed by each family and RD. Among the minimum requirements are the completion of at least one grant cycle and having an adequate record-keeping system that tracks materials and services for each borrower.

Audit of 502 or 504 loan funds- this AN also serves as a reminder of the requirement to conducting an audit of 502 or 504 loan funds to ensure that the draw requests and charges listed are documented. Check out RD Instruction 1944-I § 1944.422 at <https://www.rd.usda.gov/files/1944i.pdf>.

For more information, check out Instruction 1902-A Supervised Bank Accounts at <https://www.rd.usda.gov/files/1902a.pdf>, and Administrative Notice No. 4840 (1944-I) at <https://www.rd.usda.gov/files/an4840.pdf>

Anne Hazlett to Lead Rural Development



U.S. Secretary of Agriculture Sonny Perdue has named Anne Hazlett, Chief Counsel to the Majority on the U.S. Senate

Committee on Agriculture, Nutrition, and Forestry, to lead Rural Development agencies at USDA. Hazlett, whose title will be Assistant to the Secretary for Rural Development, will oversee the Rural Utilities, Business and Housing Services within USDA and report directly to the secretary. The announcement is in keeping with a realignment of USDA announced by Perdue in May. Reportedly this

reorganization “elevates” RD, which had previously been lead by an undersecretary, who in turn reported to the deputy secretary of agriculture. (The Senate recently funded the Under Secretary position in its version of the budget proposal, so the verdict might still be out as to if this realignment stays.)

“With her background of advising the Senate committee overseeing agricultural and rural development issues, Anne Hazlett comes with a depth of knowledge and experience perfectly suited to her role in helping to restore prosperity to rural America.”

An Indiana native, Hazlett has worked on agriculture and rural issues for over fifteen years. She has served as the Director of Agriculture for her home state, was an advisor to the Governor on agriculture and rural issues. She was in private law practice where she advised clients on agriculture and environmental regulatory matters.

Hazlett is a graduate of Kansas State University, graduating Magna Cum Laude with a Bachelor of Science degree in agricultural communications. In addition, she holds a law degree from Indiana University and a masters degree in agricultural law from the University of Arkansas.

Sonny Perdue New Secretary of Agriculture



On April 25, 2017, Sonny Perdue was sworn in as the 31st U.S. Secretary of Agriculture.

He addressed employees at the U.S. Department of Agriculture (USDA) saying, “The only legacy that I seek is the only one that any grandparent or parent seeks – to be good stewards, and to hand off our nation, our home, our fields, our forests, and our farms to the next generation in better shape than we found it,” Perdue said. “Making sure that Americans who make their livelihoods in the agriculture industry have the ability to thrive will be one of my top priorities. I am committed to serving the customers of USDA, and I will be an unapologetic advocate for American agriculture.”

Perdue says that his policies as U.S. Secretary of Agriculture will be guided by four principles which will inform his decisions. First, he will maximize the ability of the men and women of America’s agriculture and agribusiness sector to create jobs, to produce and sell the foods and fiber that feed and clothe the world, and to reap the earned reward of their labor. Second, he will prioritize customer service every day for American taxpayers and consumers. Third, as Americans expect a safe and secure food supply, USDA will continue to serve in the critical role of ensuring the food we put on the table to feed our families meets the strict safety standards we’ve established. And fourth, Perdue will always remember that America’s agricultural bounty comes directly from the land.

Sonny was born into a farming family in Bonaire, Georgia. As a younger man, he served his country in the U.S. Air Force, rising to the

rank of Captain. He got his Doctor of Veterinary Medicine from the University of Georgia and practiced as a vet in North Carolina. He then was elected to the Georgia State Senate where he served for eleven years, he eventually ascended to the position of President Pro Tempore as elected by his senate colleagues. He was then elected to two-terms as governor of Georgia. He followed these accomplishments with a career in agribusiness, where he focused on commodities and transportation in enterprises that have spanned the southeastern United States.

Perdue has been married for 44 years and has four adult children and fourteen grandchildren. He and his wife have also served as foster parents for eight children. Perdue remains a licensed airplane and helicopter pilot. USDA launched his official Twitter handle: @SecretarySonny.

Grant Application Processing AN Released

Another AN of note that was released in May, [RD AN No. 4828](#), provides an update to the Self-Help Grant Application Processing. The main highlights include a new checklist provided and a new process for submitting an official application.

The new checklist includes several

new sections including adding a section on “Previous Experience” and requiring “Organizational Documents” even for existing grantees. The AN also indicates that the official apps should be sent in two copies to the T&MA Contractors who will then review them and send them onto RD.

Training Downloads

NCALL's training materials can be accessed on our website by visiting www.ncall.org/training-downloads. The password for access is SelfHelpRegion3.

New Income Limits

The income limits for the Single Family Direct Loan Program were published on May 17, 2017. Find the new limits [here](#).

The Area Loan Limits, that were updated on March 31, 2017, can be found [here](#).

Rural Development Interest Rate

The Rural Development 502 Direct note rate stayed at 3.25% in August, but could be going up as the Fed raises interest rates. Keep this in mind when qualifying applicants.

Marketing with The Ready, Set, Save!

They say it's easier to keep a customer than it is to find a new one. Isn't that true for the self-help program?

Families who show interest but don't qualify now, need to keep the program in mind while they work on improving their credit or paying off debt. It's important that they know that with some effort, they can still reach their goal. However, many organizations don't keep in touch with families who do not qualify. NCALL conducted a survey for a Marketing Brainstorming session at the HAC conference last November, and of the 26 grantees surveyed, only 19% keep in touch with families who do not qualify.

This is why NCALL created the Ready, Set, Save! newsletter and sends it quarterly to each grantee in Region III. It's a quick and easy way to keep in touch with families who didn't qualify, and even the ones who do qualify. Just keep an email list and get permission to send these newsletters. The Microsoft Publisher version is also available.



RD Published Customer Service Information Guide

In May, Rural Development published a new guide for its borrowers. The Customer Service Information Guide is a 20-page booklet that explains the role of RD's Customer Service Center (CSC), provides contact info, loan payment options and even explains payment assistance and subsidy recapture.

The guide is available in English and Spanish and can be found on the Rural Development Single Family Loan Division webpage. The link to the English version is <https://www.rd.usda.gov/files/RD-SFH-CustomerServiceInfoGuideEnglish.pdf>.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on **Thursday, October 26th at 10:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions. Reminder emails will be sent closer to the date.

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