

Self-Helper

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New Proposed Ineligible Areas Map Released

On February 7th NCALL sent an email on Rural Area Eligibility Determinations which listed all areas being reviewed for rural eligibility for the Rural Development Single Family Housing and Multi-Family Housing programs. Rural Development released its determinations on March 16, 2018 with the proposed ineligible area maps (found here: <https://eligibility.sc.egov.usda.gov>) for the USDA Income and Property Eligibility Site. You will need to select the "Proposed Ineligible Areas" tab after choosing the appropriate program (e.g. Single Family Housing Direct). The Proposed Ineligible Areas maps show all ineligible, non-rural areas, not just the new non-rural areas. In some cases, previously ineligible areas will now become eligible rural areas. The new ineligible areas will become effective on June 4, 2018, but there still is time to comment on these potential changes.

On June 4, 2018, all properties for new 502 loan applications must be located in an eligible rural area based on the new maps. However, a property that is located in an area being changed from rural to non-rural may be approved if all of the following conditions are met:

1. The application is dated and received by the lender prior to June 4, 2018 and the Loan Estimate was issued by the lender within 3 days of application receipt.
2. The applicant has a signed/ratified sales contract on a property that is dated prior to June 4, 2018.
3. Applicant meets all other loan eligibility requirements.

If the property is located in an area being changed from rural to non-rural, lenders must provide Rural Development all of the following information in addition to all other required documentation. For loans submitted via the Guaranteed Underwriting System (GUS), the documentation must be uploaded into the system.

- Copy of the signed/ratified and dated sales contract.

(Continued on Page 2)



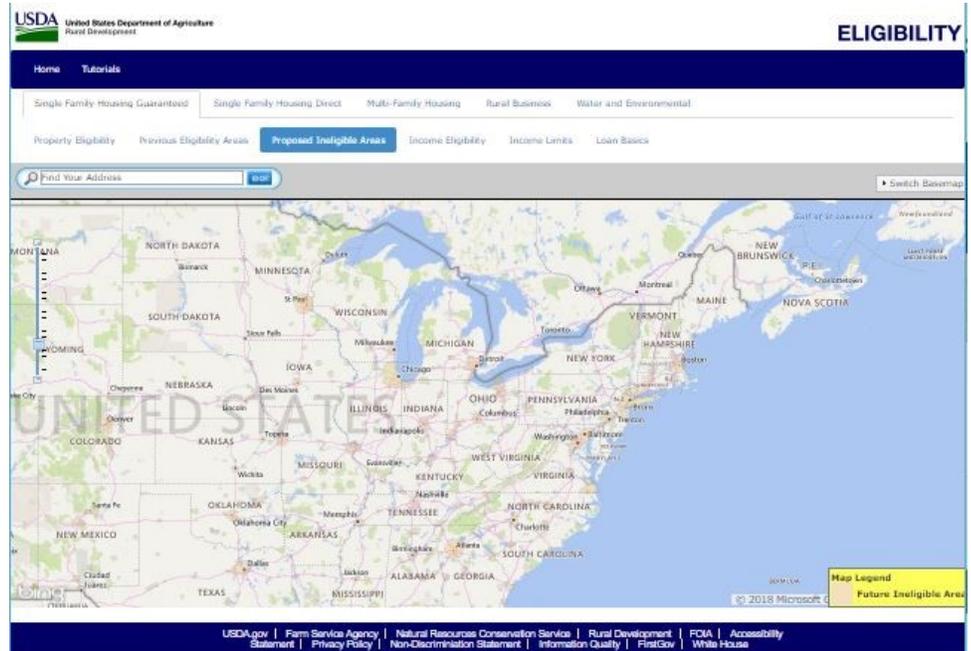
Providing comprehensive, quality services for Self-Help Housing

New Proposed Ineligible Areas Map Released *(Continued from page 1)*

- Copy of the Loan Estimate issued to the applicant.
- Verification that the property was located in an eligible rural area prior to June 4, 2018.

Note: Maps of the “Previous Eligible Areas” will be available on the Eligibility site beginning June 4, 2018. A printout of the map indicating the property address was previously eligible is acceptable.

If you are not happy with a change in area eligibility, there is still time to make comments. Contact your State Director by April 23, 2018.



USDA’s Summer Foods Service Program 2018

Across the nation many children receive free or reduced-price breakfast and lunch while school is in session through USDA’s School Breakfast and National School Lunch Programs. However, when schools let out for the summer, many of these children are likely to have limited to no access to breakfast and lunch. USDA wants to ensure that kids who rely on free and reduced priced food during the school year have access to food during the summer too. USDA’s Summer Food Service Program serves free, healthy meals to eligible low-income children and teens during the summer months when they’re not in school.

Rural Development invites you to join the Summer Food Service Program and provide free, healthy meals to children living in your community. Your responsibility in this effort is manageable: You are expected to provide a location for meals to be distributed (inside or out), provide oversight, and keep records. Details would be worked out with the champion sponsor organization in your town. Learn more at www.summerfood.usda.gov, where you can find many resources, including information specifically for property managers and deadlines to apply, which are different in every state. Find your local sponsoring organization by contacting your State Agency at www.fns.usda.gov/cnd/Contacts/StateDirectory.htm.

Have questions? Please call your local State Office Representatives or contact Andria Hively with the National Division at Andria.hively@wdc.usda.gov.

502 Direct Loan Application Checklist

This new checklist will help guide you in submitting a complete 502 loan application to Rural Development. It is Attachment 3-G from the PN released February 2, 2018 that had changes to RD handbook HB-1-3550. Download the checklist here:

<https://drive.google.com/file/d/1YIBTCzSW2AWNf94ytPe7e4HL5AU7Gjat/view>

The checklist is designed for RD personnel, so some of the items in the checklist might need to be gathered by RD instead. Check with your local office to ensure that you are submitting complete applications!

Business Card Mini Flyers

The need to market the program is ongoing for grantees. It's important to get information into the hands of people who could be interested, but without going overboard on the budget. To help with this NCALL has created "Business Card Mini Flyers" for each grantee in Region III, which can be downloaded through this dropbox link: <https://www.dropbox.com/sh/g2w2purawjv24xq/AADYzIzq4TpZTs6blvauMdfGa?dl=0>.

They provide a lot of information, but they are cost-effective and easy to hand out because they are the size of business cards. The national Spotlight website (selfhelphousingspotlight.org) and national Facebook page ([/selfhelphousingspotlight](https://www.facebook.com/selfhelphousingspotlight)) are on the back making it easy for them to find more information about the program, read success stories, see photos, and watch videos. They'll also understand the size of the

program nationwide because there is a list of grantees by state under Find A Program Near You.

Keep these cards in your wallet, give them out at events, and ask neighborhood stores and partner organizations to display them at the front desk. (Tip: When displaying these cards, the backside should be facing front so people will see the photos and logo.) Your information will be on the other side. These cards are 2.75" by 3.75" – standard business card size.

They can be uploaded to Staples.com and ordered directly from the site for a low price. They fit within crops and bleeds marks (meaning the important information is safe from being cut off when the printer produces the cards). If you have questions or need help placing an order please contact Kristina Naylor at knaylor@ncall.org or (302) 678-9400 and she will be happy to help you.

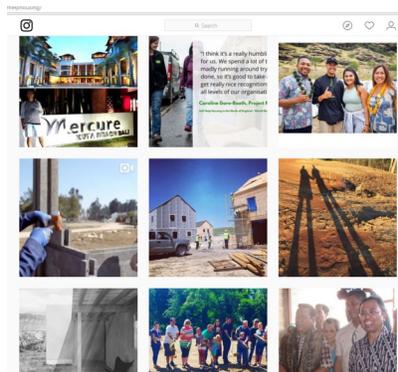


Instagram Hashtag #selfhelphousing

Your participants can share their self-help journey on Instagram by posting their construction and jobsite photos on the website using hashtag #selfhelphousing. They're not alone in their journey; families all over the country are building their homes just like them, and this helps show it.

The photos will automatically show up in the feed for #selfhelphousing (see it here: <https://www.instagram.com/explore/tags/selfhelphousing/>) and we will post some to selfhelphousingspotlight.org.

Nationwide, all T&MA contractors are sharing this with their grantees which should bring more photos. Download [this](https://drive.google.com/file/d/1cwz8houckihnH6RwE7YKlVHelZCrdf44/view?usp=sharing) self-help Instagram flyer <https://drive.google.com/file/d/1cwz8houckihnH6RwE7YKlVHelZCrdf44/view?usp=sharing> and share and hang it up in your office.



10 Simple Rules for More Accurate Cost Estimates



1. Make Sure You Are Detailed and Precise in the Take-Off Process

You can't bid what you don't know. The care required in this step of the process can't be underestimated.

2. Beware Unit Cost Estimating Guides

Estimating based on unit cost or order of magnitude per square foot can be a bad choice for accurate estimating due to the many variables specific to your project. Use these guides for ballpark estimates only.

3. Use a Master Checklist

It's easy to forget things like permits, landscaping, dumpster fees, etc. Use a master checklist to make sure you don't forget necessary steps and items. Also consider using professional construction bid software. The advantage of having all the information in one place, being able to track costs, and the reduction in errors may be worth the investment.

4. Provide Extreme Detail Where You Have Expertise, and More Importantly Where You Don't

It's easy to be detailed on the portions of the project where you have the most experience, but it's your own gray areas that will come back and bite you with cost overruns. Apply the same level of detail in task isolation, labor and

material needs on those areas where you don't have expertise. Don't hesitate to call specific subcontractors or consultants to help out on areas that require another set of eyes.

5. Define the Project Risks and Factor In Their Costs

Start by looking at your previous homes and what unknowns at estimation time became cost overruns during the project. Use this knowledge as a guide when creating estimates for future homes.

6. Understand Products, Materials Pricing and Fluctuations

You know prices change, so pay close attention to factors that can affect pricing when estimating costs.

- Is demand high for a specific material or product?
- Do you have specific delivery challenges?
- Is the product or material custom?
- Do you need the product or material faster than the manufacturer's normal turnaround time?
- Are there seasonal limitations that dictate logistics and adjustments to price?

7. View Your Project by Cost Centers

What portions of the house are contributing to the highest percentage of overall costs? Spend extra time in these areas, ensuring precise definition of the scope, tasks, labor and materials needs.

8. Accurately Determine Equipment

Needs

Make sure you have the equipment needed to keep up with your activity. Also make sure equipment that is being used with other equipment is the correct size, offers the appropriate capabilities and is not redundant. When creating your estimates, take time to consider whether is it more cost effective to rent or use your own equipment and small tools. This is especially true if the project will require tools you don't already own.

9. Check Your Subcontractor Quotes

Go through the same steps in evaluating potential subcontractors'. Always compare more than one subcontractor for each specific scope of work on a labor and material basis. Getting an apples to apples comparison is critical in covering or uncovering any pitfalls. When considering contractors, never accept a cost-plus bid. Find a subcontractor who will provide you a firm estimate based on project scope.

10. Check with Your Material Supplier for Insight

Having the right materials for the right job is critical to both you and your supplier's success. Reach out to your material supplier for insight. The right advisor can give insight into what materials would be good for your project, which ones perform well together and what is best within your budget.

Accurate Project Estimates Are Just the Beginning

Your success starts with accurate project estimates, but depends on solid execution.

Budget Update and Other USDA News

It is finally official! There is a budget for this current FY! It looks positive for housing and better than the President's budget, which looked to eliminate a lot of Rural Development programs. The Administration's budget for FY '19 has also been released, and it looks similar to last year's proposed numbers. See budget below.

Also, the National Rural Housing Coalition (NRHC) board met last week in Washington, D.C. and had a session where USDA employees attended. Among those that attended were Curtis Anderson, the new Rural Housing Service Acting Administrator; Roger Glendening, Single Family Housing Deputy

Administrator; Cathy Glover, Assistant Single Family Housing Administrator; and Barry Ramsey, Single Family Housing Direct Loan Division. They reported on various projects and goals and we were able to ask questions. Some updates follow:

- DirectUS—This automated underwriting system is in testing with USDA. No known rollout date.
- E-Filing—This is being used by some states and all loan packaging intermediaries. It should be in use in all states by the end of this fiscal year. This will allow grantees to electronically file all 502 apps.
- Income banding—This pilot program is hoped to expand nationwide once the two-year pilot ends in June. TBD
- Loan Packaging—It is RD's goal to have at least 25% of all loans be packaged nationwide. This will help them use their funds with their limited staffing.
- Appraisals—They are working to regionalize and centralize appraiser procurement.
- Delinquency rate—They got approval to hire private council to help move on with the foreclosure process for homes that have been in the process too long. This will help improve the delinquency rate.

USDA RD Program (dollars in millions)	FY 17 Final	FY 18 House	FY 18 Senate	FY 18 Final	FY 19 Admin. Proposal
Loans					
502 Single Fam. Direct	\$1,000	\$900	\$1B	\$1.1B	\$0
502 Single Family Guar.	24,000	24,000	24,000	24,000	24,000
504 Very Low-Inc. Repair	26.3	24	26.2	28	0
514 Farm Labor Hsg.	23.9	15	23	23	0
515 Rental Hsg. Direct	35	24	35	40	0
Grants & Payments					
504 Very Low-Inc. Repair*	28.7	0	28.7	30	0
516 Farm Labor Hsg.	8.3	6	8.4	8.4	0
523 Self-Help TA	30	25	30	30	0
533 Hsg. Prsrv. Grants*	5	0	5	10	0
521 Rental Assistance	1,405	1,345	1,345	1,345	1,351
Rural Economic Infrastructure Grants*	N/A	122.692	0	0	N/A
HUD Program (dollars in millions)	FY 17 Final	FY 18 House	FY 18 Senate	FY 18 Final	FY 19 Admin. Proposal
CDBG	\$3,000	\$2,900	\$3,000	\$3,300	0
HOME	950	850	950	1,362	0
SHOP	10	10	10	10	0
Housing Counseling	55	50	47	55	45
Homeless Assistance Grants	2,383	2,383	2,456	2,513	2,383
Choice Neighborhood Initiative	137.5	20	50	150	0

* Included in the Rural Economic Infrastructure Grants, established in the 2018 Budget Request (included other items not listed here).

Working Safely on the Construction Site



One of the main factors responsible for the reduction of accident rates is TRAINING.

Increasing training and promoting a positive attitude towards safety

are key factors in creating a safe environment.

Based on a national survey, the Associated General Contractors of America (AGC) published a plan that includes the most effective strategies for keeping workers safe. The “13 Proven Steps to Improve Construction Worker Safety” are:

For new construction workers:

- Establish a buddy system.
- Hold safety orientation sessions.

Ongoing training:

- Make sure that supervisors have the appropriate leadership and communication skills to

promote a safety culture and concepts.

- Institute separate Pre-Task Hazard Analysis training programs.
- Hold regular/monthly safety training programs.
- Require construction supervisors to attend safety certification courses.
- Hold safety training to address all safety incidents.
- Make sure all training and materials are available in languages that can be read by all workers.
- Train your trainers.

Operating procedures:

- Create worker task-specific “pocket safety guides” for every assigned task.
- Establish craft-specific safety mentoring programs.
- Issue easy-to-read badges to all

workers indicating their level of training.

- Authorize all workers to issue “stop work” cards to address safety risks.

Most citations issued by the Occupational Safety and Health Organization (OSHA) are in the following areas: fall protection, scaffolds, ladders, personal protective and lifesaving equipment, toxic and hazardous substances, and general safety and health provisions. Special attention should be given to these areas of concern and appropriate measures should be taken to prevent accidents and injuries.

Remember, keeping a good safety record means lower costs, increased productivity, reduced insurance premiums, positive employee morale, and most importantly, keeping workers safe.

NRSHHA Requesting Dues

The National Rural Self-Help Housing Association (NRSHHA) is now collecting dues. The request went out in February.

NRSHHA was founded in 1988 by mutual self-help housing providers working together to: share information and best practices with peers; solve problems related to the rules and execution of the program; promote the program nationally; and advocate for funding. The dues vary from \$250-\$2,000 annually, depending on the size of your grant. Most of the dues go to support Rapoza & Associates which helps lobby for program funding. This support has been crucial to keeping the program alive.

There are a lot of self-help groups in Region III that have not yet paid their dues for this year. Please consider offering your support this organization! Contact Jill Lordan (jlordan@ncall.org) with any questions or for NRSHHA contact information.

HAC Rural Housing Conference
 → December 4-7, 2018
 Washington, DC.

For more information visit
RURALHOME.ORG/CONFERENCE

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New Rules for the RD 504 Program

The Rural Development 504 Program is a grant and loan program for very low-income and elderly (over 62) households that meet certain criteria. Most Self-Help grantees don't use the 504 program because there is no homeownership component to it. However, you would need to consider it if you are thinking about Owner-Occupied Self-Help Housing in the future. It may also be useful as a tool to help clients in other programs your organization provides.

For many years applicants for the 504 program had to complete a family budget form, detailing all of their household expenses and debts as well as their income. It was a time-consuming and often inaccurate way of determining eligibility. However, as of October, 2017, all of that changed. Under the new rules,

instead of preparing a budget, the household must meet certain financial parameters, which differ between elderly clients and other households.

Non-elderly households can only qualify for a 1% loan, amortized up to 20 years. In order to qualify, they can have no more than a 46% total debt ratio. (By the way, "grossing up" of income is not allowed in the 504 program, nor can income banding be used as it can in the 502 program in some states).

Elderly households, where at least one household member/homeowner is over 62 can receive a grant up to \$7,500 if they are below 30% of the area median income (AMI), OR if their income is above the 30% mark they may qualify if their total debt ratio is over 46%.

If you use the program, keep in mind that 504 grant funds can only be used to correct health and safety hazards in the home or to make the home accessible for household members with disabilities. The 504 loan on the other hand can be used for general repairs and improvements in addition to removing health and safety hazards.

While the new rules will eliminate some applicants, it will also speed up the process for those who qualify and bring the 504 program more in line with other grant and lending programs for affordable housing.

RD Interest Rate Increase

As of April 1, the interest rate for 502 direct loans will increase from 3.25% to 3.75%. Please keep this in mind when qualifying applicants.

Regional Conference Call Planned

NCALL will be hosting another regional conference call on **Thursday, April 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 closer to the call.

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).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).

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