

Self-Helper

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Start Planning Now for National Homeownership Month



Fayette County CAC Homeownership Month Event from 2018

June marks National Homeownership Month – only two months away! This is a great opportunity to show off your Self-Help Housing program and gain publicity for the

good work of your organization. Now is the time to start planning your event so it does not catch you by surprise. Contact your RD office and see how they want to be involved and who might attend from the state or even national offices. This represents a great opportunity to involve your Congressional Representative and Senators, and local politicians as well. Invite your Mayor and Town or County Council members, other stakeholders, your HFA, and funders.

Hold a groundbreaking, frame a house, have a Build Day, dedicate homes that are ready for move-in, or host an Open House. Along with oratory from supporters, make sure to include testimony from self-help participants – have them share their “housing story” including what the Self-Help program and your organization means to their family.

Homeownership is so important to the economy, the local tax base, and the families that are able to move from rental housing and pursue the American Dream. Self-Help Housing is such a unique way to achieve homeownership – use its appeal to market and advance your organization. Fully engage social media, have a photographer, do media advisories and invite the press, and have data on your accomplishments ready to share. Make your June event work for your organization.



Providing comprehensive, quality services for Self-Help Housing

USDA Changes Qualification Requirements



On February 25th, USDA Rural Development issued an

Unnumbered letter that relaxes some of their 3550 provisions to help deploy the 502 Direct loan funds. They have identified these changes as temporary, but to remain in effect throughout this fiscal year with the goal of helping them to spend their allocation of funding.

Credit Score

The agency will temporarily relax provisions outlined in Handbook-1-3550, Paragraph 4.12 A, and Form RD 1944-61, Credit History Worksheet, Section A. Provided the applicant has at least two credit scores on the Tr-Merge Credit Report, the applicable score (i.e. the middle numerical score if three scores are listed or the lower score if only two are listed) will automatically be deemed reliable.

No consideration will be given to the number of opened and active trade lines on the credit report.

Student Loan Payments

The agency will temporarily relax provisions related to student loan payments outlined in Handbook-1-3550, Paragraph 4.22 B. 2; and allow the State Office to grant a case-by-case waiver to any condition (e.g. the applicant has a reliable credit score of 640 or higher) that must be met to use the applicant's actual monthly payment under an income-driven repayment plan. The justification for the waiver must be sound and well documented in the casefile.

Oral Verification of Employment

Where the two previous changes were temporary, this one is permanent and was previously authorized. With Procedure Notice 519 dated November 19, 2018, Handbook-1-3550, Paragraph 3.15 A. 3. was revised to limit the use of oral verifications to situations

where the applicant has worked for the employer for less than a year or where the other types of verifications are inconsistent or suspicious. While conforming changes to other impacted chapters are pending, staff should amend application processing accordingly to reflect the guidance in Paragraph 3.15 A. 3. For example, the preferred source of verification for wages would just be four consecutive weeks of paystubs. An oral verification would only need to complement the paystubs if the applicant has worked for the employer for less than a year or the other types of wage verifications are inconsistent or suspicious. If you have questions regarding this memorandum, please contact Shannon Chase of the Single Family Housing Direct Loan Division at Shannon.chase@usda.gov.

You can view the UL here: <https://www.rd.usda.gov/files/RDUL-FY19SFHDP.pdf>

Rural Development Interest Rate

The Rural Development 502 Direct note rate was reduced in March to 3.5%. Keep this in mind when qualifying applicants. It may remain at that rate in April. Check with RD's website to make sure.

Joe Myer is Available to Help Grantees

Joe Myer recently retired as NCALL's Executive Director after 37 years. The Self-Help Team thought Joe could add value by connecting with grantee Project Directors, Executive Directors, and Board Chairs to discuss topics such as capacity, succession and transition, governance, management, finances, growth, and organizational structure. Therefore, Joe is on contract with NCALL's Self-Help Team, working at a relaxed pace. He has an MBA, and successfully grew and managed NCALL over the years. Feel free to



contact Jill or Joe to connect and start a discussion.

Getting the Job Done

Are self-help participants getting the job done?

Two of the main responsibilities of a Construction Supervisor or Construction Manager are: getting the homes built and training the self-help participants. Often the construction team focuses their attention on getting the job done while the training and development of self-help participants takes a subordinated level of importance. Yet, it is when these two functions are at the same level of importance that the goals of self-help housing are successfully met.

One of the most valuable life experiences of self-help participants may be during the time that their home is under construction, including the pre-construction period. This is a once in a lifetime opportunity for self-development. It is during this time that they can gain knowledge and skills in many areas, such as budgeting, organization, planning, scheduling, construction, job safety, home maintenance and more. They can also set goals, develop solutions, prioritize tasks, and implement action plans which make a difference in their lives.

What can Construction Supervisors/Managers do?

Before construction starts, encourage the self-help participants to actively participate in the process. In order to meet the project goals, ask the participants to put their own goals and their own action plan in writing while considering the following:

- Make a list of what you would

like to learn (construction, safety, maintenance, etc.)

- Prepare your own action plan
- Prepare your schedule to meet the required hours

As a grantee, offer your input on how they can achieve their goals:

- Define common goals as well as individual roles and responsibilities
- Make them aware of what needs to be done
- Make them aware of how important their participation is on getting the job done
- Remind them about their commitment and to review the participant agreement

Your role as Construction Supervisor is not to do the work for them but to provide technical assistance and training. By encouraging the development of an action plan, the participants gain clarity and understanding of the project.

During construction, ask them to evaluate their progress in meeting project goals by using questions such as:

- What tasks have been more difficult for you?
- What was difficult about each task?
- What tasks were more time consuming?
- How much time did you take to complete each task?
- What would you do differently in the future?
- How would you get the support that you need?



It is during this time that the self-help grantee has the opportunity to accompany the self-help participants on their journey of building perhaps the biggest project of their lives: Home.

At the end of the day and/or at the end of each construction phase as a construction supervisor you can ask yourself:

- What have they learned from me?
- Did I teach them something new today?
- What do I need to do to improve my training/teaching skills?

It is in the best interest of the project and all the participants to build a project within schedule, budget, and scope of work. When the development of the self-help participants (individual or team) is elevated to a higher level of importance you get better results. You get the job done. Thus, dedication to the self-help participants' training and development pays off.

10 Common Mistakes Made in New Construction



Grantee's who do their homework before construction begins tend

to have fewer problems.

Unfortunately, some projects happen backwards: the design and construction are well underway before the homework begins. That type of project can be problematic and costly.

In hopes of reducing the frequency of these last-minute dilemmas, check out this list of ten common mistakes. Let's eliminate these oversights.

Mistake #1: Forgot raised-heel trusses (or elevated rafter tails) Attic or roof insulation should be full-depth over the top plates of exterior walls, not compressed to squeeze between the top of the wall and the roof sheathing. Raised-heel trusses should be designed to provide enough vertical space for the proper amount of insulation plus about 2-1/2 in. for a ventilation baffle and an air space beneath the roof sheathing.

Mistake #2: Mechanical room too small
Make a list of all the different appliances and pieces of equipment that belong in this room—perhaps a furnace, water heater, well pump, pressure tank, and water softener. Make sure everything fits properly. Remember to include room for ducts and pipes, as well as room to access the various pieces of equipment for maintenance.

Mistake #3: Forgot basement-wall insulation

If you are building in climate zone 3 or anywhere colder, your building code probably requires basement walls to be insulated. When it comes to slab-on-grade foundations, the comparable sin is forgetting to install vertical rigid foam at the slab perimeter. When it comes to improving the thermal performance of the foundation, this type of insulation is always a good idea, although it's often omitted—sometimes for a valid reason, such as worries about termites, but usually due to basic ignorance.

Mistake #4: Poorly installed fiberglass batts

This age-old problem is still with us. Fiberglass batts can be an excellent choice for insulation, but they're often installed incorrectly. The Construction Supervisor will need to supervise, supervise, supervise, with the aim of proper installation ensuring that all standards are met.

Mistake #5: Forgot the blower-door test

If you schedule your first blower-door test at the right time—usually after windows and doors are installed and your primary air barrier is in place—you'll be able to identify leaks in your thermal envelope. It's much easier to locate these leaks and seal them before the drywall is installed, so don't wait until it's too late to schedule your first blower-door test.

Mistake #6: Oversize furnace and air conditioner

Almost every new home in the

United States has an oversize furnace and an oversize air conditioner. This problem persists for a few reasons. First, equipment manufacturers don't offer as many low-load options as they should. Second, HVAC contractors have a financial incentive to sell oversize equipment. Finally, most HVAC contractors lack the skills to perform an accurate load calculation.

Grantee's facing this issue should hire a mechanical engineer, a home-energy rater, or an energy consultant to perform an accurate heating-and-cooling-load calculation. This load calculation can then be used as the basis for proper equipment specification.

Mistake #7: Ducts in unconditioned spaces

In some regions of the country, HVAC contractors routinely locate ducts in unconditioned attics or crawlspaces. These ducts are basically outdoors. When ducts are located in unconditioned spaces, the duct systems are responsible for tremendous levels of energy waste. Construction Supervisor's should not compromise on this very important principle: All ducts must be located inside the home's thermal envelope.

Mistake #8: Recessed can lights in insulated ceilings

There are at least three reasons why you don't want any recessed can lights in an insulated ceiling.

Almost all recessed can lights—including so-called "airtight"

(Continued on Page 6)

Top 10 Mistakes to Avoid *(Continued from Page 5)*

fixtures—leak air. Because the stack effect causes air near can lights to be pressurized with respect to the outdoors, air leaks in an insulated ceiling cause more problems than air leaks in walls.

Recessed can lights take up space that should be filled with insulation, thereby lowering the R-value of the ceiling insulation. This explains why recessed cans create “hot spots” in your ceiling. In snowy climates, these hot spots can cause ice dams. When the lamp in a recessed can fixture is turned on, it gives off heat. The hot bulb accelerates the stack effect, pulling more air through cracks near the fixture. Each fixture becomes a heat-loss chimney equipped with its own engine.

There are lots of alternatives to recessed can lights: track lighting, wall sconces, and pendants, for example. Ideally, you won’t need any electrical boxes in your ceiling. If you end up with a few electrical boxes in your ceiling, specify airtight

electrical boxes or spend some time air-sealing the holes in the back of each box (where the cable enters the box) as well as the crack between the electrical box and the drywall.

If you insist on the recessed-can look, one alternative is to install the new low-profile LED pancake fixtures that fit into shallow electrical boxes.

Mistake #9: Forgot to seal duct seams
Duct seams should be like plumbing connections: they shouldn’t leak. If you want your ducts to convey warm air in winter and cool air in summer to the rooms where the air is supposed to go, then you don’t want leaky ducts.

Not every HVAC installer understands these basic principles. Look for evidence of mastic or high-quality tape on all duct seams. If you don’t see signs of duct-sealing work, insist on a duct-leakage test.

Mistake #10: Hot-water pipes with long distance runs to fixtures
If a bathroom or kitchen is 30 ft. or 40 ft. away from the water heater, you’re going to wait a long time for hot water to arrive. Long distance run hot-water pipes waste both water and energy.

This problem is best addressed at the design stage. Ideally, the kitchen and bathrooms will be located close to each other and close to the water heater. If that’s impossible, your house may need two water heaters or a demand-controlled hot-water-circulation loop.

Do your homework before construction begins, and you’ll have plenty of time to make all your mistakes on paper. These mistakes are much easier to fix than those made with concrete, 2x6s, and plywood.

Complete This Word Search for a PRIZE!!



Need a break after all that reading?! If you are the first person to turn in this puzzle to Jill at jlordan@ncall.org, you will win your choice of \$25 in Facebook Advertising to pro-

mote self-help or business card mini flyers.

Find these words:

- Advocacy
- Board
- Budget
- Changes
- Credit
- Development
- Goals
- Mistakes
- Responsibility
- Spring

N D U O K H M Z H J U X L Z E
 E J U I H M U P R G I C Q R U
 R R E S P O N S I B I L I T Y
 P D E V E L O P M E N T Y I E
 B F N V Y V S I C M W R K Q Y
 O P V I P O P A Y R U Q V G H
 A P F W P U R I D P E B W O U
 R Y G C G W I N M V M D L F S
 D B C U O M N U I A O K I J A
 S U H A A K G Z S P N C D T M
 L D A V L S W W T X J O A P P
 B G N A S K Z L A L H U Z C S
 K E G P W S W C K W V G B W Y
 R T E C I Y D Q E R L C V I I
 W N S K C J N X S D D Q M N M

The Role of the Self-Help Grantee Board of Directors



Boards of Directors are responsible for the success of their organizations. They act as

the owner of the organization. Just as quality governance is a key element in the success of organizations, poor governance can be a contributor to the failure of organizations.

Boards of Directors and their members have a variety of roles that they work together to embody. Boards are called to be **Visionary** by being aware of community needs and developing the organization and its programs to address those needs. This includes developing a mission and assuring positive community impact.

Boards must be strong **Planners** doing strategic planning with a mission and goals, and having annual operations plans and budgets.

Board members are **Ambassadors**,

always advancing the organization in different settings to the community, funders, and local government.

No one is a greater **Steward** of the organization than the Board of Directors, which has oversight and fiduciary responsibility for its resources.

Another critical role is that of **Protector**, assuring organizational assets are safe guarded, checks and balances exist, insurance is in effect, sound decisions are the norm, and annual audits are completed.

Boards traditionally are **Policy Makers** establishing financial, personnel, and conflict of interest policies for organizational operations.

A major role for Boards is **Employing an Executive Leader** so their organizations can carry out the day-to-day operations. This includes annual reviews of the Executive and being responsible for **Executive Succession and Transition** when that time comes.

Board members also share in the responsibility to assure there is sufficient funding for the organization through **Resource Development** activities, including making financial contributions themselves.

Boards engage in due diligence for the organization by **Monitoring Organizational Health** through financial reports, audits, minutes, resolutions, and performance reports to make sure of optimal operation.

Finally, Boards should **Act on Opportunities** and **Problem Solve** to benefit the organization.

For all of these roles to come together and happen, Board members must be engaged, attend meetings, join committees, become officers, and fully participate.

Boards of Directors are the heart and soul of their organizations!

New Loan Limits

USDA Rural Development just published new area loan limits. These numbers may have gone up, gone down or stayed the same. Details are available at <https://www.rd.usda.gov/files/RD-SFHAreaLoanLimitMap.pdf>.

POST YOUR
CONSTRUCTION PHOTOS
ON INSTAGRAM

WITH HASHTAG
#SELFHELPHOUSING



AND CONNECT WITH
SELF-HELP HOUSING
FAMILIES NATIONWIDE!

HAC Offers 502 Direct Loan Packaging Class

HAC periodically offers **Section Packaging Training for Nonprofit Housing Developers**. Their next session is on Tuesday, May 1st in Kansas City, MO!

This three-day advanced course covers USDA Rural Development's Section 502 Direct Loan Program and provides invaluable insight as to how this homeownership financing resource can be utilized. Learn how to assist potential borrowers and work in partnership with RD staff, as well as other nonprofit organizations and regional intermediaries to deliver successful Section 502 loan packages.

This course is intended for and specifically framed for those experienced in utilizing Section 502 and/or other affordable housing mortgage products. Participants will learn regulations and practical applications of the loan program, while developing a strong understanding of 502 direct underwriting and packaging standards. Following the course, participants are encouraged to take the online certification exam.

Following the course, participants are encouraged to take the online certification exam. The registration fee for this event is \$750.

****ATTENDANCE POLICY****

Full attendance across all days of the training is compulsory to receive certification after successful completion of the assessment. As a critical part of learning and preparation for the assessment, each participant is responsible for full and punctual attendance. Exceptions. Participants must inform presenters if they will be absent for any length of the training; exemptions to the attendance policy will be considered for health-related illnesses, unforeseen travel delays or other as deemed permissible by HAC on a case-by-case basis.



Regional Conference Call Planned

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

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