

# *Self-Helper*

Winter 2020/2021  
Volume 147

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## Take Stock, Start Fresh, and New Beginnings

Here we are finishing up 2020. Another year bites the dust...and what a year it was. This is a good time to take stock and ask yourself some questions before moving fully into 2021.

- What had you hoped to get done but for some reason were not able to?
- What is gnawing at you in the back of your mind that needs attention?
- What are you putting off because it is unpleasant or painful?
- What on your list is not getting done because new items keep superseding it?
- What do you push aside because it seems so overwhelming?

Now is the time to review, reassess, re-evaluate, and resolve these items. Make these lingering tasks a priority for very early 2021 so they are out of the way forever. An old management adage of “doing the worst first” is applicable here and you will be amazed at how freeing it can be. After all, putting off never resolves issues or problems as they rarely solve themselves. Early intervention often means you will end up spending far less time and anguish on it in the long run. Problems not dealt with have a tendency to fester, grow, and worsen. Personnel issues are sometimes the most difficult to confront, but it is best to give them the full attention they need. Overwhelming tasks can be broken down into bite-sized achievable morsels.

Finally, day-to-day, minute-to-minute work can easily dominate our time, not leaving any for important bigger picture and more strategic tasks—those things that would improve the organization, your

(Continued on Page 2)



*Providing comprehensive, quality services for Self-Help Housing*

## **New Beginnings** *(Continued from Page 1)*

department, your team, or you. Each deserves the best of you. Maybe it is planning that needs to be done, a policy that needs implemented, a budget to be revised, some research that would help, outreach to a new partner, or a commitment to be made.

Consider ordering your tasks by importance and impact and consciously allocate time on a regular basis for bigger picture contemplation, asking “what is best” types of questions, such as:

- What would poise the organization, department, position, or us for a bright future?
- What strategic steps could be taken to achieve a specific goal or resolve a problem?
- What resources might be out there to address local unmet needs?
- What opportunities exist for us to take advantage of?
- What research might be helpful in determining necessary steps to take?
- Where do we need to build capacity and how could that happen?

**Happy New Beginnings**

## **Vilsack to Resume Position as US Secretary of Agriculture**



On December 10, 2020, President-elect Joe Biden announced his intention to nominate Thomas James Vilsack to once again serve as the United States Secretary of Agriculture in the incoming Biden administration. Tom Vilsack is an American politician and lawyer who served as the 30th United States Secretary of Agriculture from 2009 until 2017. Until his January 13, 2017 resignation one week prior to the end of Obama's second term as President, he had been the only member of the US Cabinet who had

served since the day Obama originally took office.

Vilsasck was previously the Governor of Iowa from 1999-2007. Prior to that he served in the Iowa State Senate and as the mayor of Mt. Pleasant, Iowa. A native of Pittsburgh, Pennsylvania, Vilsack was born into an orphanage and adopted in 1951. After graduating Hamilton College and Albany Law School, he moved to Mt. Pleasant - his wife Christie's hometown - where he practiced law. The Vilsacks have two adult sons, a daughter-in-law, and two grandchildren.

This cabinet choice will require Congressional confirmation.

## **New Training Guides**

NCALL has been working with the other three Technical and Management Assistance Contractors on the development of some new training handbooks. The “502 Loans Guidebook” and the “Acquisition and Owner Occupied Rehabilitation Handbook” were released this month. This means that Rural Development has reviewed and approved the use of these training manuals nationwide.

They can be found on NCALL’s website here: <http://www.ncall.org/guides-forms/>. We think they are going to be very helpful to grantees and Rural Development!

### **Rural Development Interest Rate**

The Rural Development 502 Direct note rate remained at 2.50% in December. Visit RD’s website monthly to check for changes.

## Grantees Can Now Order Their Own Appraisals

On December 7, 2020, Elizabeth Green, the Acting Administrator, Rural Housing Service, put out a temporary authorization regarding appraisals. This authorization allows USDA RD to accept appraisals obtained by self-help grantees, certified loan packagers and Agency-approved intermediaries. This is in effect until the end of this fiscal year, September 30, 2021.

During the last six or eight months, NCALL had been hearing about lots of issues with appraisals....none of them good. There were appraisal delays, errors and what seemed to be low valuations of homes. Now, self-help grantees nationwide have more control/input in the process.

The justification that is given for this switch is that grantees might be able to obtain appraisals from local appraisers more timely than USDA could using the contracted Appraisal Management Companies (AMCs). USDA RD began using the AMCs at the beginning of the last fiscal year, but the transition to the new process has not been a smooth one.

With more control, grantees can ensure that appraisers are doing more than just covering the loan amount. A practice that seemed to be all too common in the old system.

The new process is laid out in the unnumbered letter. Once a property has been identified, but prior to the submission of the Attachment 3-A of HB-1-3550 Phase 2 cover letter property documentation, the grantee:

- Notifies the Rural Development (RD) processing office of their intent to order the appraisal and

the cost of the appraisal (though it will not be ordered at this time).

- Within three business days of receiving this notification, RD will issue the applicant a Loan Estimate (LE) tailored for this temporary authorization along with a custom Handbook Letter 5. This LE has an applicant signature line. RD will list the cost of the appraisal as provided by the third party (which may exceed the Agency's prevailing appraisal fee).
- The grantee can then order the appraisal **only** after:
  - Receiving notification from the RD processing office that the applicant has signed the LE and
  - Explaining to the applicant that they are ordering the appraisal on the applicant's behalf and that the applicant will have to cover the fee, out-of-pocket, if the loan does not close.

Next, the grantee provides the RD processing office with a copy of the paid invoice for the appraisal along with a copy of the appraisal. The appraisal still has to meet the Uniform Standards of Professional Appraisal Practice and Agency appraisal standards and it needs to list Rural Development as an "intended user."

The appraisal is reviewed for acceptability by the Agency. RD staff must enter information on the usage of this temporary authorization into their system for tracking purposes. At a minimum, the first five appraisals obtained by a grantee will receive a pre-closing technical review. All of these appraisals that



receive this level of review must be entered into RD's Appraisal Hub to assist with the monitoring of performance and compliance. RD staff appraisers should complete their review within 3 business days.

At the discretion of the appraisal staff, additional revisions or reviews may be required. When additional revisions are needed, they will be addressed by RD staff appraisers, in coordination with the loan specialist, and the grantee. Once RD determines that the appraisal is acceptable, the RD processing office must ensure the applicant is promptly provided a copy of the appraisal, which must be at least three business days prior to closing.

Loan funds may be used to reimburse the payor of the appraisal fee at loan closing. The amount of reimbursement for the appraisal can exceed the Agency's standard appraisal fee. The RD processing office will send the paid invoice for the appraisal and instructions for "paid outside of closing" reimbursement to the closing agent for proper disclosure and settlement.

For questions contact [Jeremy.Anderson@usda.gov](mailto:Jeremy.Anderson@usda.gov) with appraisal related questions and [Andria.Hively@usda.gov](mailto:Andria.Hively@usda.gov) with TRID related questions.

## Working from Home

When the pandemic first hit, no one knew what to expect when it came to the lockdown. We were asked to wear masks, stay home- maintain social distance, and many businesses asked their employees to work from home. What was expected to be a four-week lockdown, resulted in change that has yet to end. Millions of people have embarked on a journey full of new challenges while working from home (WFH).

Parents have had to adapt to new routines since some schools and childcare centers have also closed. Therefore, they have had to work from home, while their child is essentially ‘homeschooled’ with virtual learning, or too young to be left alone, along with household duties, that come with staying at home all day. This has become more difficult for working mothers, who customarily carry most of the housework and childcare responsibilities. Trying to keep a 40-hour workweek while tending to family needs and housework can lead to an increase of stress and burnout. Which in turn, can have an adverse effect on focus, creativity, performance, and efficiency.

Some tips to consider with these new challenges:

- Take care of your physical and mental well-being (walking, meditating, journaling, dancing)
- Try to maintain normal morning routines and work routines
- Find your pace and set alarms
- Put on comfortable work clothes
- Set up a joyful and ergonomic



workspace (motivational quotes/posters, relaxing pictures)

- Clean and organize your work area (clutter free)
- Plan out your week (prep meals/snacks, kid's projects/activities)
- Create a daily schedule for work, household chores and kids
- Develop a detailed TO DO list, with priorities
- Choose music that helps you focus (J.S. Bach)
- Work out a flexible schedule (asynchronous work, reduced work schedule)
- Take advantage of digital tools that make your tasks easier to complete
- Always communicate and coordinate with your employer

In an article published by L.M. Giurge & VK Bohns they noted “Even more than before, afternoons will blend with evenings, and weekdays will blend with weekend days, leaving a sense of little time off. So, how can we

“leave our work at the door” if we are no longer going out the door? Research shows it is important to: 1) maintain physical and social boundaries; 2) maintain boundaries on how you use your time; and 3) focus on your most important work”- L.M. Giurge & VK Bohns, 3 Tips to Avoid WFH Burnout, HBR.

These are some recommendations that can help employees reduce stress and avoid burnout. Fortunately, there are numerous examples of successful businesses, with great understanding and empathy, who support their employees working remotely during this unprecedented time.



## The State of the Nation's Housing 2020



The report released by the Joint Center For Housing

Studies of Harvard University for 2020 is illustrative of the housing challenges faced by many in the United States. These challenges have been further amplified by the pandemic and its associated economic decline. Federal housing policy was originally led by the Housing Act of 1949 and established the goal of a decent home and a suitable living environment for all. This report can be used to understand and further develop more localized housing strategies. While many of our communities and states will have differing statistics, there is little doubt that you and the households your organization assists can relate to the report's findings and conclusions.

While there is no need to reiterate the report's narrative, we will share a snapshot of some of the many thought-provoking findings.

- More than four-fifths of households with incomes under \$25,000 were at least moderately cost burdened in 2019, including 62% paying more than half their incomes for housing. Tight supply and rising rents have also increased the rate of cost burden for households earning between \$25,000 and \$50,000 to 58%.
- 52% of lowest income renters lost wages during the Covid-19 pandemic period with one in five being behind on rent. Renter households of color were cost burdened at a rate 10% higher than white renters and were twice as likely to be behind on their rents.

- CARES Act funding for unemployment, stimulus payments, and state and local relief efforts have managed to keep many renters afloat as the economy recovered. State and federal moratoriums have slowed evictions, but without additional federal aid, many households that have missed payments may be unable to cover their back rents. Additional resources would keep renters stably housed, but also provide needed support for rental property owners.
- A surge of young adults moved back into their parents' homes, with 52% of adults aged 18-29 now living with their parents, representing the highest level since the Great Depression.
- Homeowners have also been affected hard, with households of color and those with lower incomes taking a disproportionate hit. Many owners below \$25,000 and \$50,000 already cost burdened have experienced loss of income during the pandemic (44% of earners under \$25,000, and 44% of Black owners, and 49% of Hispanic owners).
- The pandemic has widened disparities with 7% of white homeowners being behind on their mortgages compared to the rate for Black and Hispanic homeowners at two-and-a-half times higher.
- As 2020 began, the national homeownership rate climbed back up to 64.6%, much driven by younger adults as the millennial population moved into the prime homebuying age group 25-34 and historically low interest rates. Single-family construction started fast, then fell sharply in April, but by September was back to a record-breaking pace. Still, the supply of homes for sale has not kept up with demand, shrinking already tight inventories. House prices continue to outrun incomes and lending standards have tightened.
- While forbearance plans are helping many, forced sales could take a toll on homeownership rates particularly for disadvantaged Black and Hispanic owners.
- Inequality in homeownership rates have become even more pronounced as rates for Blacks fell more sharply than whites, now with a Black-white homeownership gap of 31 percentage points, the largest since the Great Recession.
- A consequence of unequal housing and residential segregation is that people of color are heavily concentrated in high-poverty neighborhoods and unrepresented in higher income areas.
- Housing affordability challenges result in disproportionately high rates of homelessness with Blacks, Hispanics, and Native Americans significantly overrepresented.
- The National Low Income Housing Coalition estimates that only 57 rental units are affordable and available for every 100 very low-income renters (at 50% of median), and just 36 units for every 100 extremely low-income households (at 30% of median).
- At the same time, federal funding has fallen far short of even holding the line on supporting cost-burdened families in need. From 2000 to 2010 the share of federal expenditures for housing assistance fell from 9% of non-defense discretionary spending to just 7.1% (a reduction of 21%), even as the number of cost burdened renters rose by 6 million.

Surely, this is a strong case for a new national housing agenda!

## Board and Executive Relationship

There is no more important relationship within a nonprofit than that of the Board of Directors and the Executive. The Board employs the Executive Director or President/CEO. In most cases, the Executive is the only position the Board directly employs.

Not unlike most relationships, the Board and Executive relationship should be founded on trust and respect. **Trust** is critical in the areas of leadership, ability, aptitude, ethics, and doing what is best for the organization. **Respect** is important for the role each will play within the organization. The Executive should respect the Board for its governance role in areas such as direction and strategy, policy development, and financial oversight. The Board should respect the Executive's role in carrying out the mission, program, and policy for the organization. Trust and respect are usually earned over a period of performance.

**Communication** is vital to a successful Board/Executive

relationship. Board meetings present the opportunity for full communication. The Executive presents reports, brings a budget and a plan, shows results, seeks guidance, and responds to questions. The Board shares direction and strategy, receives reports, asks questions, sets policy, conducts a **performance review** of the Executive, and **assesses its own performance**.

Successful communication and performance are predicated on **articulated and understood expectations**. It is important that the Board determine its expectations as a body and share them with the Executive through dialogue. Typical expectations may include operating legally, ethically, financially prudent, and within the mission.

Both parties must also show up and **perform the duties** their position requires. The Board must function by following the Bylaws and taking on its leadership and oversight role. The Executive must deliver on the

budget and goals, while leading a successful operation. When the Board and Executive function as a **team** with communication, trust, respect, and performance, Board meetings are more interesting and productive, results and impact are more significant and durable, and customers are better served.

*When the Board and Executive do what is best for the organization, the opportunity exists for impactful achievement and resiliency to respond to trials and possibilities.*

While doing everything to make the Board and Executive relationship flourish, there are times it may not. Resolve issues and rebuild or when not possible, end the relationship. Nonprofits are sometimes reticent to terminate Executive relationships or admit when a Board is not functioning.

### **ALWAYS DO WHAT IS BEST FOR THE ORGANIZATION!**

*(Note: The basics of trust, respect, communication, understood expectations, performance, assessment, teamwork, and doing what is best for the organization work for all positions within the organization!)*

### 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](mailto:jlordan@ncall.org), you will win your choice of \$25 in Facebook Advertising to promote self-help or business card mini flyers.

Find these words:

- Appraisal
- Article
- Beginning
- Flexible
- Guides
- Nation
- Performance
- Spotlight
- Statistics
- Vilsack

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

## Shelterforce Article Focuses on 502 Program

In the most recent edition of the Shelterforce magazine, there was an article that will be of particular interest to self-help housing grantees. This article, “A ‘Public Option’ for Low-Income Homeownership?,” was written by HAC’s Mike Feinberg and Joe Belden, former HAC staffer and current NCALL Board member. You can read it here: <https://shelterforce.org/2020/12/01/a-public-option-for-low-income-homeownership/>

The article focuses on the 502 Direct Loan program and the 504 Loan and Grant programs. As users of these funding sources, you know their purpose and regulations, but this article also includes some really interesting figures about their actual cost and benefits. Grantees can use this information in their advocacy work.

For example, did you know that since the 502 Direct Loan program launched in 1950 it has made \$75.5

billion in loans on nearly 2.2 million homes? That it used to finance over 100,000 purchases a year in the 1970s, but by 2019 that number was down to 6,200? That between 2011 and 2019 about 37% of 502 direct loans went to households of color even though people of color made up 33% of rural and small-town residents in the 2010 census?

Of definite interest was the information about the actual cost of the program on an annual and per household basis. The federal budget has authorized a program level of about \$1 billion in loans a year for the 502 direct loan program. But this is not the cost to the federal government. The actual appropriation amount has averaged \$67 million a year. These amounts are called “budget authority” and are based on the present value of the cash flow generated by repayment, including any losses.

The per-loan cost to the taxpayer is around \$10,000 (based on the

average loan of about \$151,000). This is over the life of the loan, not annually. Facts like this help to point out how affordable this program is to the taxpayers, especially when compared to rental assistance that is a continual expense.

### Regional Video-Conference Call Planned

NCALL will be hosting another regional video-conference via GoToMeeting on **Thursday, January 21<sup>st</sup> at 11:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions.

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**Published Quarterly**  
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### Spotlight Website

The Self-Help Housing website is being updated! There is now a grantee resources tab. We will be adding more information to that section, like regulations and training handbooks. If you have any ideas for improvement, please contact Jill Lordan at [jlordan@ncall.org](mailto:jlordan@ncall.org). [www.selfhelphousingspotlight.org](http://www.selfhelphousingspotlight.org)

