

Brainstorming Program Improvements



History of Self-Help

- Rural Development began funding mortgages through their 502 program in the 1960's
- In 1971 Rural Development began the 523 Grant Program



- **Over 53,000 homes have been successfully built through this method**
- **At one time, all 50 states have participated in the Rural Development Mutual Self-Help Program**

Self-Help Regulations

- Started as 1933-I – required a certain hourly contribution by the participants
- Then 1944-I in 1990 – required 65% labor contribution
- Regs updated 12/12/19 – Just incorporating ANs



**The door might be open...but
where do we start?**

Self-Help Core Values

- Family labor contribution
- Mutual construction
- Serving VLI/LI
- Sweat equity/ cost savings/TA Cost
- Training and education
- Affordability / Modest housing
- Other – Reporting?

Family Labor Contribution

- New const - Families must complete a minimum of 65% of the construction labor tasks
- Rehab – 10 hrs. per \$1,000 of repair costs done by the family



Mutual Construction

- Group sizes – minimum of 4



Serving VLI / LI

- At least 40% VLI, the rest LI



Sweat Equity / Cost Savings / TA Cost

- No minimum requirement of sweat equity for new construction



Sweat Equity / Cost Savings / TA Cost

- Cost savings - Goal for Acquisition rehab to be equal to have TA no greater than cost savings



Training and Education

- Preconstruction meetings expected



Affordability / Modest Housing

- Participants have to qualify
- Housing size maximum is 2000 sq. ft.



Reporting

- SHARES
- Quarterly reports and meetings
- Board evaluation
- QCA





