

Exhibit M-1 Instructions for Preparation of Evaluation Report of Self-Help Rehabilitation Technical Assistance Grants

Exhibit M will be used by all Technical Assistance (TA) Grantees obtaining self-help TA grants. This attachment provides the grantee and Rural Development a uniform method of reporting the performance progress of self- help projects. The TA Grantee will prepare an original and copies of the attachment for the quarterly meeting. The TA Grantee will sign the original and forward it to the local Rural Development Office. The TA Grantee will keep the unsigned copy for its records.

The evaluation report will be completed in accordance with the following:

1. Enter the date the quarter ends or the year.
2. Enter the full name of the TA Grantee organization.
3. Enter the complete mailing address of the TA Grantee organization.
4. Enter the area served by the grant.
5. Enter the position titles of all employees being paid by the TA grant and the percentage of their wages being paid or the originations indirect cost rate.
6. Enter the date of the initial self-help TA grant agreement.
7. Enter the time of any extension self-help TA grant agreement(s).
8. Insert the number of equivalent units (EU) completed the first/second/third month of the quarter using steps 1, 2, and 3 of Exhibit M-2.
9. Insert the number of EU's completed the second month of the quarter by using steps 1, 2, and 3 of Exhibit M-2.
10. Insert the number of EU's completed the third month of the quarter by using steps 1, 2, and 3 of Exhibit M-2.
11. Add items (7), (8), and (9) to the total from the previous quarterly report to obtain the cumulative total number of EU's. This total is the cumulative total number of EU's for the project.

12. Enter the number of Acquisition Rehab projects in the Grantee proposal(s).
13. Enter the number of Owner-Occupied Rehab projects in the Grantee proposal(s).

For numbers 14 through 17, if both Acquisition and Owner-Occupied Rehab types were completed a separate number for each program should be given.

14. Enter the average of all construction cost for rehab projects in the quarter.
15. Enter the average construction investment for the grant cycle to-date.
16. Enter the average cost savings to participants during the quarter by following the methods found in Exhibit M-2.
17. Enter the average cost savings to participants for the grant cycle to-date.
18. Enter the total number of houses/EU's completed to-date towards the grant goal(s).
19. Enter the total number of homes/EU's started in a previous grant cycle but completing in the current, if any.
20. Enter the number of homes currently under rehab.
21. Enter the total number of families currently in the pre-rehab phase as described in Exhibit M-2.
22. Insert the average elapsed time needed per house from loan closing to final final inspection by Rural Development to complete rehab of a house. If no self-help homes have been completed by this grantee, use other projects or your best estimate as a guide.
23. Enter the number of days it takes on average to approve or reject a borrower's docket once it's submitted to Rural Development and/or list alternate funding sources being used.
24. Enter number and percent of dockets submitted and rejected this quarter.

25. In the chart provided indicate if each item adversely affected grant performance in during the quarter in review my marking yes or no. A narrative may accompany the report to provide additional details on specific situations.
26. If not already submitted to Rural Development reports should be submitted with the supporting documentation listed.
27. Insert title of the Grantee or authorized representative.
28. Enter date of submittal.
29. Signature of Grantee or authorized representative.
30. Area Offices should insert comments concerning loan/grant packages, progress of rehab, success of the project and any problems that the organization may have.
31. Signature of Area Office Representative.
32. Insert date of Area Office Representative review.
33. A State Office representative should insert his/her comments.
34. Signature of State Office representative.
35. Insert date of State Office review.

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Exhibit M-2 Equivalent Unit Tracking and Family Cost Savings

The process for completing rehab projects is different to that of mutual self-help new construction projects. For this reason, EU's for rehab will be tracked as follows:

Acquisition Rehab

- Property acquisition-
identifying & assessing feasibility of potential homes .2 EU
- Application-
Closing/Inspections & Scope of Work/Pre-Construction Activities .2 EU
- Rehab Construction/Subcontractor & Inspection Coordination .4 EU
- End of Construction-
Punch List/Construction Completed/Loan Conversion .2 EU
1.0 EU

Owner Rehab

- Application Closing-
Inspections & Scope of Work/Pre-Construction Activities .2 EU
- Rehab Construction/Subcontractor & Inspection Coordination .4 EU
- End of Construction-
Punch List/Construction Completed/Loan Conversion .4 EU
1.0 EU

Program participants should realize an adequate cost savings, as defined above, from family labor participation in order for a project to be undertaken by the grantee. 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 work the participant will be contributing but may be calculated utilizing an approved method such as those described below.

Methods for establishing the estimated cost savings for a participating family may also vary but must be well supported and may include one of the following methods:

1. **Contractor Cost Saving:** this method should be considered first and requires comparing a contractor bid or cost estimating software amount for work to be completed to the total cost under the Self-Help Method.

Example-Job Summary: Remove/replace 20 sq. shingles; reframe part of roof; remove replace 1600 sq. ft. of siding; remove/replace two doors; remove carpet in bathroom and replace with vinyl flooring.

Cost Estimator	\$16,500
<u>Self-Help Cost</u>	<u>-\$5,700</u>
Cost Savings =	\$10,800

2. **Appraised Value:** this method takes the cost to purchase and compares is to the as-improved appraised value to determine an equity model similar to that used in self-help new construction.

Example-Appraisal Value Comparison:

As-Improved Value	\$160,000
<u>Loan Amount</u>	<u>-\$150,000</u>
Cost Savings =	\$10,000

3. **Hourly Rate of Labor Contribution:** this method would include establishing a typical hourly rate for the job task and multiplying it by the hours contributed by the participant. The 'National Cost Estimator', 'HomeWyse.com', or other comparable software may be used to establish the task labor hours.

Example- Job Summary:

Remove/replace 20 sq. shingles - \$300 x 6 hrs =	\$1,800
Reframe part of roof - \$350 x 6 hrs =	\$2,200
Remove/replace 1600 sq ft of siding - \$500 x 10 hrs =	\$5,000
<u>Remove/replace carpet w/vinyl in bathroom- \$300 x 4 hrs =</u>	<u>\$1,200</u>
Cost Savings	\$10,200

If materials, appliances, etc. come at no cost to the rehab participant, the value of those items may be included in the cost savings calculations.

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