GROUP COORDINATOR
TRAINING
HANDBOOK

RURAL DEVELOPMENT

SECTION 523

MUTUAL SELF-HELP

HOUSING PROGRAM
Disclaimer
A Handbook for Grantees of the USDA Section 523 Self-Help Housing Program

Developed jointly by the Self-Help Housing Technical and Management Assistance (T&MA) Contractors:

Florida Non-Profit Housing, Inc. (FNPH)
LIFT CAA formerly known as Little Dixie CAA (LIFTCAA)
National Council of Agricultural Life and Labor Research Fund, Inc. (NCALL)
Rural Community Assistance Corporation (RCAC)

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Refer to the Introduction Chapter of this Handbook to identify the appropriate T&MA Contractor to contact for your area. After receipt of consent and conditions letter you may copy and distribute the manual in accordance with such terms and conditions as set and approved by the T&MA Contractors.
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INTRODUCTION

The Self-Help Program

Self-help housing is just as it sounds, participants working together to build their own homes. This cooperative effort is a direct application of the church and barn raising traditions of pioneering rural Americans. Self-help participants, working in groups, supply the necessary labor to build their homes, having qualified for mortgage financing to purchase land, building materials, and some subcontracted work on the more technical items. A private nonprofit corporation, public body, a federally recognized Tribe, or rural town can obtain a grant from U. S. Department of Agriculture (USDA) Rural Development to hire skilled staff, rent office facilities, pay for mileage, and purchase tools. This staff then works with the participants by providing the assistance and training necessary to fulfill the goals of the self-help housing program. The program is described in more detail below.

With the assistance of the skilled staff, a group of generally four to 10 households is formed. Once the grant is completed, at least 40% of the total participants served should be in the very low income category (50% or less of the county median income). The balance of the participants must be in the low-income category (80% or less of the county median income). The participants select lots, house plans, (or in the case of purchase/repair programs, locate a suitable home) and apply for individual mortgage loans. While participants await loan approval the group studies the responsibilities of homeownership, construction techniques, tool usage, safety, homeowner’s insurance, taxes, home maintenance, and money management. This time is known as the pre-construction stage.

Once the loans are approved, the group begins to build under the guidance of a skilled construction supervisor. The participants must complete a minimum of 65% of the construction labor tasks until the group of homes is completed; usually the more technical work such as electrical, plumbing and HVAC is subcontracted out. The construction stage lasts from six to twelve months, depending on the size of the group.
and other factors. Participants work during their spare time (evenings, weekends, and days off) so as not to interfere with the regular household employment. Rural Development loans feature fixed interest rates ranging from 1% (for a subsidized rate) to the current market rate, depending on the household’s adjusted annual income. The repayment period is 33 or 38 years and no down payment is required.

**Rural Development**

Rural Development is an agency of USDA. The Rural Development mission is to help rural Americans improve the quality of their lives. Rural Development helps rural communities meet their basic needs by:

- Building water and wastewater systems.
- Financing decent, safe, sanitary and affordable housing.
- Supporting electric power and rural businesses, including cooperatives.
- Supporting economic and community development with information, technical assistance and funding.

Rural Development has been providing the funds for the self-help housing program since the late 1960s. They provide Section 523 self-help grants to eligible entities to start and implement the program and they thoroughly review the self-help application before a grant is awarded. When a grant is awarded, Rural Development is agreeing that there appears to be a need for self-help housing in the area; the approved applicant is suited to administer a self-help housing program; the proposed plan, budget and schedule are feasible; the house plans meet local, state and Rural Development building codes; adequate building sites are available; the necessary project elements are in place; and Rural Development is ready to provide the requested financial resources necessary to make the project work. Technical assistance grant funds provided to self-help grantees by Rural Development do not have to be repaid. It is an investment Rural Development is willing to make in order to see self-help housing work.

Rural Development will continue to monitor and provide oversight in the areas of construction and administration, through quarterly meetings, construction inspections, and participant accounts throughout the term of the grant.
In most cases Rural Development provides another important ingredient to the self-help program; construction/permanent financing in the form of a Single Family Housing Direct Home Loan (Section 502). They are independent of private or conventional lending institutions; the financing is directly between Rural Development and the borrower. While labor and construction are group efforts, each applicant must qualify and obtain a loan individually from Rural Development. Rural Development’s function as a lender is significant because private credit institutions in rural areas are relatively few in number, smaller, and often impose more rigid terms which can be a barrier to homeownership.

**Rural Development Offices**

Rural Development usually operates from four levels: national, state, area and local. The National Rural Housing Service Administrator in the National Office and the State Directors are politically appointed – all others are federal civil service employees.

**Rural Development National Office**

The Rural Development National Office is responsible for developing policy and interacts with Congress for legislation, development and program funding. The National Office also obligates and monitors all Section 523 self-help grants. The program staff at the national level maintain reports and statistics on operating self-help organizations and projected needs for funding. The National Office has a separate Appeals Division that hears appeals on actions unresolved at the state level.

**Rural Development State Office**

The State Office has the approval authority over smaller Section 523 Self-Help grant applications up to $300,000. Section 502 home loan funds are allocated on a state-by-state basis and the State Office allocates the 502 money based on a state Rural Development formula. There are additional staff members who are key to the operation of a self-help program located in many State Offices:

Rural Development State Director
Rural Housing Program Director
Rural Development State Architect
Rural Development Appraiser
Rural Development Housing Specialist

**Rural Development Area Office**

The Rural Development Area Director is typically responsible for the Section 523 grant. In some states however, the grant monitoring has been retained at the State Office level with the Single Family Housing Program Director or it has been assigned to the Local Office. In any case, the RD grant manager is responsible to ensure that the grant is operated effectively and in accordance to regulations. Rural Development will evaluate the Section 523 self-help agencies on a quarterly basis and review grant applications for new and on-going programs.

**Rural Development Local Office**

Within this office, the Area Specialist is typically responsible for making the Section 502 home loans to participating applicants of each self-help group. He or she will be responsible for monitoring the 502 loans and will also be the co-signer on the participant’s Supervised/Custodial Bank Accounts and will process the draws. They are the personnel who will convert the loans once the local jurisdiction has completed the final inspection and issued a Certificate of Occupancy.

**The Rural Development Section 502 Single Family Direct Home Loan**

Many applicants that participate in the self-help housing program use Rural Development’s Section 502 home loan program to finance their homes. Section 502 loans are only available for homes in eligible rural areas as defined by USDA (www.rd.usda.gov).

In order to qualify for a Section 502 loan, prospective self-help applicants must meet Rural Development income eligibility requirements as low-income or very low-
income. They must be credit-worthy, have repayment ability for the loan requested, and be unable to secure credit from other sources. Low-income is defined as 80% or less of the county median income, based on family size. Very low-income is defined as 50% or less of the county median income, based on family size. These income standards, established by the U.S. Department of Housing and Urban Development and adopted by Rural Development, are subject to local variation and periodic change. Current information on income standards and eligibility requirements for Section 502 loans is available at Rural Development local offices or online at www.rd.usda.gov.

The repayment period for the Section 502 loan is either 33 or 38 years, and the interest rate is between 1% and the current market rate. The actual rate of interest the borrower pays depends on the borrower's income, as does the loan term. If a borrower is eligible to pay less interest than the market rate, the borrower then receives a subsidy called “payment assistance.” The amount of payment assistance a borrower receives is determined by the loan amount, loan period, and the household income. The assistance makes up the difference between the full loan interest rate and the interest rate the participant pays. A portion of this subsidy must be repaid at time of sale or loan payoff based on equity, time, etc.

During home construction, Section 502 funds are advanced from the Rural Development finance office in St. Louis and disbursed by the local offices to the self-help grantee. Grantees prepare the drawdowns and checks for each participant’s account as needed to purchase materials for different phases of construction. Note that the participant’s loan payments are deferred during construction.

When construction is complete and all the necessary funds have been withdrawn from a participant’s account, Rural Development's finance office sends payment books to the participant. The participant’s first loan payment is due within 30 days of termination of deferred payments. Payments then go directly to Rural Development’s Customer Service Center (CSC) in St. Louis.

**The 523 Mutual Self-Help Housing Technical Assistance Grant**

In order to enable organizations to operate a mutual self-help housing program, Rural Development provides grant funds to operate and oversee the program. Each
technical assistance (TA) grant is usually for a period of up to two years, and is available to public and private nonprofit organizations, federally-recognized Tribes and units of state or local government. The amount of grant funds an organization can receive is based primarily upon how many houses they build in a grant period. An organization can receive up to 15% of the average cost of a new home financed under the 502 program in their area, for every home they are planning to build.

Activities that are allowable uses of Section 523 technical assistance grant funds include:

- Recruit eligible households to participate in the self-help program.
- Hold training meetings with participants on the self-help process and homeownership topics such as mortgages, insurances, taxes, and maintenance.
- Assist participants to obtain and develop building sites; obtaining or creating Rural Development-approved house plans and helping participants select theirs.
- Help participants bid and select building supplies and subcontractors; train participants in construction techniques and provide construction supervision.
- Supervise participant Section 502 loan accounting, including:
  - Totaling invoices and itemizing payments to suppliers and subcontractors.
  - Maintaining records of deposits and withdrawals.
  - Preparing checks (accompanied with invoices and statements).

Disallowed activities using Section 523 Technical Assistance grant funds are:

- The use of any TA funds to pay staff to provide labor on the houses
- Purchasing any real estate or building materials for participating families
- Paying any debts, expenses or costs which should be the responsibility of the participating families
- Any lobbying activities as prohibited in OMB Circular 2 CFR 200 subpart f.
The T&MA Contractors

In 1979, appropriations language was changed to authorize the use of Section 523 grant funds to contract for technical assistance to self-help grantees. Currently there are four Technical and Management Assistance (T&MA) Contractors.

Rural Development contracts with these groups to assist operating and potential self-help housing grantees across the country. This assistance comes in the form of staff and board training, grant management, development of applications, 502 loan program and processing training, newsletters and conferences, among other services. These services are provided at no cost to the grantee.

The four contractors are:

- Florida Non-Profit Housing - covering Region I, the Southeast, including the states of AL, FL, GA, MS, NC, SC, TN, Puerto Rico and the Virgin Islands.
- LIFT CAA fka Little Dixie CAA – covering Region II, the South Central US, including the states of AR, KS, LA, MO, ND, NE, NM, OK, SD, TX, WY.
- NCALL Research, Inc. – covering Region III, the Northeast and Midwest, including the states of CT, DE, IA, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, WV.
- Rural Community Assistance Corporation (RCAC) – covering Region IV, the Western US, including the states of AK, AZ, CA, CO, HI, ID, MT, NV, OR, UT, WA, and the Western Pacific.

Self-Help Training Handbooks

The T&MA Contractors have produced a variety of training materials for the purpose of assisting grantees and training grantee staff. The following is a list of the available self-help handbooks. Please contact your T&MA Contractor for a copy or for more information.
Boards of Directors Handbook

Boards of Directors play a critical role in the success of any non-profit organization. With this in mind, the Board of Directors Handbook was designed for use by board members of any housing agency. It is an informational resource that may be used as a training tool and can provide new insights and a clearer understanding of nonprofit organizations, board meetings and operations, agency planning, administration of agency personnel, teamwork, orientation for new board members, federal accounting requirements, and agency activities.

Program Director Handbook

It is the responsibility of the Program Director or Executive Director to administer a successful self-help housing program. This handbook takes a general look at the process of managing a self-help program as well as providing specific information on required reports, program criteria, grant and financial management, personnel, and fair housing.

Construction Supervisor Handbook

The Construction Supervisor Handbook discusses the roles and responsibilities of the construction supervisor as it relates to self-help housing. This handbook covers aspects of the construction supervisor’s job; from construction specifications, house plans, schedules, bill paying procedures, to group motivation. Insight is provided on how the self-help program operates and what is expected from the construction supervisor.

Group Coordinator Handbook

Group Coordinators are central to the self-help program throughout the self-help participant’s involvement from recruitment through construction and move-in to the completed homes. This handbook provides guidance for the group worker in maintaining effective communication and relationships within the group of self-help participants throughout the self-help process.

Financial Management Handbook for Federally Funded Organizations

The purpose of the financial management handbook is to aid new and operating self-help grantees with the development of financial management systems and policies that are compatible with the fiscal responsibilities set forth
by the funding agency (Rural Development) and the Office of Management and Budget (OMB). While self-help housing programs that have been operating for many years may have sophisticated financial systems and policies, others are lacking written, established financial procedures that assure proper internal controls.

**Accounting for Individual Family 502 Loan Accounts Handbook**

The self-help housing grantee is responsible for keeping an accurate account of the disbursements of funds from the individual self-help family’s Section 502 loan accounts. RD Instruction 1944-I, 1944.403(n)(8) indicates that the technical assistance provided by the grantee to the families should include “providing financial supervision to individual families with Section 502 loans, which will minimize the time and effort required by Rural Development in processing borrower expenditures for materials and contract services.” This handbook provides guidelines for self-help grantees to use in designing the procedures necessary for a reasonable standard of control and a system of checks and balances to protect the participants and the grantee.

**502 Loan Processing Handbook (Under Revision)**

While the labor and construction is a group effort, each participant must qualify and obtain a loan individually from Rural Development. In order to qualify, a household must fall within the income guidelines set by Rural Development, must have demonstrated repayment ability, must have a good credit rating, and should have a low debt load. Because the 502 self-help loan process can be complicated for the individual, the technical assistance staff will pre-screen participants for program eligibility and prepare the application packages for Rural Development. The 502 Loan Processing Handbook will help to train the Group Coordinator or appropriate staff person in packaging these loans.

**Preconstruction Meetings Handbook (Under Revision)**

Each self-help grantee is responsible for organizing participants into self-help groups, which remain together from loan processing through construction. The organization of participants into groups reinforces the “mutual” aspect of
the self-help program because participants within a group are expected to work on each other’s house until all houses in the group are completed. In addition to organizing participants into groups, self-help grantees are responsible for explaining the self-help concept and methodology to participants, and for educating participants about their responsibilities as self-help participants, 502 loan borrowers, and homeowners. This is achieved through a series of “pre-construction meetings” which are covered in this handbook.
GROUP COORDINATOR RESPONSIBILITIES

The Group Coordinator’s job duties and responsibilities are crucial to the success of the self-help program. The Group Coordinator is responsible for locating and screening interested participants, packaging their 502 loan applications, preparing families for the construction phase and homeownership, and may help track their progress during construction. If one of these duties is not fulfilled, the entire program can be in jeopardy. Not all self-help grantee agencies use the title Group Coordinator. Other titles include Group Worker, Loan Packager, Family Support Specialist, Family Recruiter or others. The roles of this position may vary but they are all required for a successful self-help program.

This guide will help the Group Coordinator in the areas of recruitment, communication, forming a group of participants, group management, motivation, and understanding the 502 program. Although some grantees separate the loan packaging responsibilities into an autonomous position, the Group Coordinator often wears many hats and we recommend reading three additional guidebooks:

- 502 Loan Processing Guide - is crucial to the success of qualifying and processing applicants.
- Pre-Construction Meetings Guide - will help guide the Group Coordinator prepare for and facilitate the participant training process.
- Rural Development SHARES User Manual (developed by Rural Development) - will instruct the Group Coordinator on the task of entering information into the SHARES database. This manual can be found in the SHARES website, https://shares.sc.egov.usda.gov or by contacting your T&MA provider.

Typical Job Responsibilities

Below is a list of job responsibilities and qualifications that detail the varied duties of a Group Coordinator.

- Responsible for outreach and recruiting low-income families who are
interested in the mutual self-help method of constructing each other’s homes. This process involves marketing, community meetings, interviewing applicants, and prescreening for program eligibility.

- Counsels applicants on eligibility for participation and suggests steps they can take if they need to remedy a financial situation.
- Prepares 502 rural housing loan applications for submission to Rural Development, including loan-closing procedures. Typical duties include verifying employment, income, credit, and debt along with completing a preliminary screening for eligibility. Once an applicant appears to qualify for the program a full loan application and package will be developed and submitted to Rural Development.
- Organizes groups of participants for the purpose of home construction.
- Holds preconstruction meetings with participants to explain the program and subjects related to homeownership such as budgets, loan payments, taxes, insurance, maintenance, and upkeep of the property. Assists participants in selecting house plans and building lots.
- Acts as the primary liaison between the self-help organization and Rural Development for matters pertaining to loan processing.
- May be responsible for helping participants during the construction phase to (1) encourage maximum family participation, (2) resolve individual participant and group related problems, and (3) provide information on labor saving and record keeping devices.
- Maintains records as required, which may include SHARES reporting and tracking participant labor hours.
- In some areas, the Group Coordinator assists Rural Development with documentation for conversion from construction financing to a permanent loan.
Fair Housing Laws

Fair housing is an extremely important issue that needs to be discussed when working with a self-help program. It effects every staff position within the program. Training in this area is crucial in treating participants fairly and helping the self-help organization remain in compliance with federal laws. The following chapter will describe some of the laws that govern fair housing, provide necessary guidance, and list other resources that can be used to educate staff.

The right to equal housing opportunity is set by law. It is enforced through a formal complaint process, litigation, testing, and monitoring. These actions are necessary, but not sufficient to create a society in which all persons can be assured of their housing rights. Grantees and community members must know about the existence of fair housing laws to avoid violating them. Awareness about the laws and their penalties serves as a deterrent for those who might abuse them. Fair housing education protects housing providers from violating laws simply because of a lack of knowledge.

The Fair Housing Act

There are seven federally protected classes under the Fair Housing Act:

- Race.
- Color.
- National origin.
- Religion.
- Sex.
- Familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under 18).
- Disability.

The Fair Housing Act (the act) covers most housing. (In very limited circumstances, the act exempts owner-occupied buildings with no more than four units, single-family
houses sold or rented by the owner without the use of an agent, and housing operated by religious organizations and private clubs that limit occupancy to members. None of these exemptions apply to self-help housing.) The act applies to:

- All housing financed by government loans, therefore, to all Rural Housing borrowers (7 CFR 1901.203(a)(1)).

- To individual single-family houses so long as the ultimate sale of the house is through the services of any person in the business of selling or renting dwellings or any agent or employee of such person. (A person is deemed to be in the business of selling or renting if he or she has participated as an agent in two or more such transactions within the past year, other than her or his own dwelling, within the past year [7 CFR 1901.203(a)(2)]. This is a very important aspect of the Federal Fair Housing Act as it refers to employees of your organization. A grantees’ self-help staff, full or part time, is considered an employee and must abide by all Federal Fair Housing Act laws.

- The owner of a dwelling intended for occupancy by five or more families.

In the sale and rental of housing no one may take any of the following actions based on race, color, national origin, religion, sex, familial status or disabled:

- Refuse to rent or sell housing.
- Refuse to negotiate for housing.
- Make housing unavailable.
- Deny a dwelling.
- Set different terms, conditions or privileges for sale or rental of a dwelling.
- Provide different housing services or facilities.
- Falsely deny that housing is available for inspection, sale, or rental.
- For profit, persuade owners to sell or rent their homes by suggesting that people of particular protected characteristic are about to move into the neighborhood (blockbusting).
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.
In mortgage lending no one may take any of the following actions based on race, color, national origin, religion, sex, familial status or disability:

- Refuse to make a mortgage loan or provide other financial assistance for a dwelling.
- Refuse to provide information regarding loans.
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees.
- Discriminate in appraising property.
- Condition the availability of a loan on a person’s response to harassment.
- Refuse to purchase a loan.

In addition, it is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right.
- Retaliate against a person who has filed a fair housing complaint or assisted in a fair housing investigation.
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

There is also additional protection for persons with a disability. If the applicant or someone associated with them:

- Has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities
- Has a record of such a disability, or
- Are regarded as having such a disability
Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under 18 live with a parent, a person who has legal custody of the child or children, or the designee of the parent or legal custodian, with the parent or custodian's written permission. Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18. Exemption: Housing for older persons is exempt from the prohibition against familial status discrimination if the HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a Federal, State or local government program, or it is occupied solely by persons who are 62 or older, or it houses at least one person who is 55 or older in at least 80 percent of the occupied units and adheres to a policy that demonstrates an intent to house persons who are 55 or older. A transition period permits residents on or before September 13, 1988, to continue living in the housing, regardless of their age, without interfering with the exemption.

Home seekers and housing providers must know their rights and responsibilities as well as the social and business advantages that accrue through honoring both the spirit and letter of fair housing laws. Home seekers and housing providers also need to learn implementation of the law and how the laws work for them. Home seekers need to know when housing providers are discriminating against them and have the ability to distinguish discriminatory acts from other actions housing providers may take that are not discriminatory. Knowledge of fair housing laws provides an opportunity to learn about the benefits of diversity and diverse talents, doing business in a more open market, and providing housing in a way that allows all residents in the community to grow in understanding, spirit, and community.

**Fair Housing Marketing**

**Affirmative Fair Housing Marketing Plan**

Under Rural Development regulations, self-help agencies must prepare an Affirmative Fair Housing Marketing Plan when five or more houses are involved using HUD Form 935.2B. This is part of the TA Grant application process. Grantees should pay close attention and follow the instructions when filling out the Affirmative Fair Housing Marketing Plan.
There are several requirements for an adequate Plan and accurate information must be used. The purpose of the area’s racial makeup is to determine which racial groups are “least likely” to apply for available housing and must be included in the project Plan. Marketing programs should be developed using media that will reach the entire market and media that will reach the designated “least likely” groups. Advertising is to cover the entire market area, but a special marketing effort must be directed to the racial group that is least likely to apply for housing. Special outreach effort must occur 90 days before the housing is available for sale or rent.

An authorized Rural Development official must sign the Plan “approved” or “disapproved.” In the event a Plan is disapproved, the grantee would make necessary modifications and resubmit for approval. Once approved the Plan must be made available and posted in a prominent place for public inspection. When the project is underway, Rural Development is required to monitor the Plan for compliance.

**Fair Housing Advertising**

In order to comply with the Fair Housing Act, there are certain requirements that must be met. The following is a description of the requirements that pertain to advertising.

I. The following words, phrases, symbols, and forms typify those most often used in residential real estate advertising to convey either overt or tacit discriminatory preferences or limitations. In considering a complaint under the Fair Housing Act, the Department will normally consider the use of these and comparable words, phrases, symbols, and forms to indicate a possible violation of the act and to establish a need for further proceedings on the complaint, if it is apparent from the context of the usage that discrimination within the meaning of the act is likely to result.

(a) *Words descriptive of dwelling, landlord, and tenants.* White private home, Colored home, Jewish home, Hispanic residence, and adult building.

(b) *Words indicative of race, color, religion, sex, handicap, familial status, or national origin*

(1) *Race* -- Negro, Black, Caucasian, Oriental, American Indian.

(2) *Color* -- White, Black, Colored.


(5) *Sex* -- the exclusive use of words in advertisements, including those involving the rental of separate units in a single or multi-family dwelling, stating or tending to imply that the housing being advertised is available to persons of only one sex and not the other, except where the sharing of living areas is involved. Nothing in this part restricts advertisements of dwellings used exclusively for dormitory facilities by educational institutions.

(6) *Handicap* -- crippled, blind, deaf, mentally ill, retarded, impaired, handicapped, and physically fit. Nothing in this part restricts the inclusion of information about the availability of accessible housing in advertising of dwellings.

(7) *Familial status* -- adults, children, singles, mature persons. Nothing in this part restricts advertisements of dwellings which are intended and operated for occupancy by older persons and which constitute housing for older persons as defined in Part 100 of this title.

(8) *Catch words* -- Words and phrases used in a discriminatory context should be avoided, e.g., restricted, exclusive, private, integrated, traditional, board approval or membership approval.

(c) *Symbols or logotypes*. Symbols or logotypes which imply or suggest race, color, religion, sex, handicap, familial status, or national origin.

(d) *Colloquialisms*. Words or phrases used regionally or locally which imply or suggest race, color, religion, sex, handicap, familial status, or national origin.

(e) *Directions to real estate for sale or rent (use of maps or written instructions)*. Directions can imply a discriminatory preference, limitation, or exclusion. For example, references to real estate location made in terms of racial or
national origin significant landmarks, such as an existing black development (signal to blacks) or an existing development known for its exclusion of minorities (signal to whites). Specific directions which make reference to a racial or national origin significant area may indicate a preference. References to a synagogue, congregation or parish may also indicate a religious preference.

(f) Area (location) description. Names of facilities, which cater to a particular racial, national origin or religious group, such as country club or private school designations, or names of facilities, which are used exclusively by one sex may indicate a preference.

II. The selective use of advertising media or content when particular combinations thereof are used exclusively with respect to various housing developments or sites can lead to discriminatory results and may indicate a violation of the Fair Housing Act. For example, the use of English language media alone or the exclusive use of media catering to the majority population in an area, when, in such area, there are also available non-English language or other minority media, may have discriminatory impact. Similarly, the selective use of human models in advertisements may have discriminatory impact. The following are examples of the selective use of advertisements, which may be discriminatory:

(a) Selective geographic advertisements. Such selective use may involve the strategic placement of billboards; brochure advertisements distributed within a limited geographic area by hand or in the mail; advertising in particular geographic coverage editions of major metropolitan newspapers or in newspapers of limited circulation which are mainly advertising vehicles for reaching a particular segment of the community; or displays or announcements available only in selected sales offices.

(b) Selective use of equal opportunity slogan or logo. When placing advertisements, such selective use may involve placing the equal housing opportunity slogan or logo in advertising reaching some geographic areas, but not others, or with respect to some properties but not others.

(c) Selective use of human models when conducting an advertising campaign.
Selective advertising may involve an advertising campaign using human models primarily in media that cater to one racial or national origin segment of the population without a complementary advertising campaign that is directed at other groups. Another example may involve use of racially mixed models by a developer to advertise one development and not others. Similar care must be exercised in advertising in publications or other media directed at one particular sex, or at persons without children. Such selective advertising may involve the use of human models of members of only one sex, or of adults only, in displays, photographs or drawings to indicate preferences for one sex or the other, or for adults to the exclusion of children.

III. Fair Housing Policies and Practices. When officials investigate complaints of housing discrimination, they will evaluate whether or not the following policies and practices of the act have been implemented:

(a) Use of Equal Housing Opportunity logotype, statement, or slogan. All advertising of residential real estate for sale, rent, or financing should contain an equal housing opportunity logotype, statement, or slogan as a means of educating the home-seeking public that the property is available to all persons regardless of race, color, religion, sex, handicap, familial status, or national origin. The choice of logotype, statement or slogan will depend on the type of media used (visual or auditory) and, in space advertising, on the size of the advertisement. Table I (see proceeding section) indicates suggested use of the logotype, statement, or slogan and size of logotype. Table II (see proceeding section) contains copies of the suggested Equal Housing Opportunity logotype, statement and slogan.

(b) Use of human models. Human models in photographs, drawings, or other graphic techniques may not be used to indicate exclusiveness because of race, color, religion, sex, handicap, familial status, or national origin. If models are used in display advertising campaigns, the models should be clearly definable as reasonably representing majority and minority groups in the metropolitan area, both sexes, and, when appropriate, families with
children. Models, if used, should portray persons in an equal social setting and indicate to the general public that the housing is open to all without regard to race, color, religion, sex, handicap, familial status, or national origin, and is not for the exclusive use of one such group.

(c) Coverage of local laws. Where the Equal Housing Opportunity statement is used, the advertisement may also include a statement regarding the coverage of any local fair housing or human rights ordinance prohibiting discrimination in the sale, rental or financing of dwellings.

(d) Notification of fair housing policy:

(1) Employees. All publishers of advertisements, advertising agencies, and firms engaged in the sale, rental or financing of real estate should provide a printed copy of their nondiscrimination policy to each employee and officer.

(2) Clients. All publishers or advertisements and advertising agencies should post a copy of their nondiscrimination policy in a conspicuous location wherever persons place advertising and should have copies available for all firms and persons using their advertising services.

(3) Publishers' notice. All publishers should publish at the beginning of the real estate advertising section a notice such as that appearing in Table III (see proceeding section). The notice may include a statement regarding the coverage of any local fair housing or human rights ordinance prohibiting discrimination in the sale, rental or financing of dwellings.

The following three tables may serve as a guide for the use of the Equal Housing Opportunity logotype, statement, slogan, and publisher's notice for advertising:

**Table I**

A simple formula can guide the real estate advertiser in using the Equal Housing Opportunity logotype, statement, or slogan. In all space advertising (advertising in regularly printed media such as newspapers or magazines) the following standards should be used:
<table>
<thead>
<tr>
<th>Size of advertisement</th>
<th>Size of logotype in inches</th>
</tr>
</thead>
<tbody>
<tr>
<td>½ page or larger</td>
<td>2 x 2</td>
</tr>
<tr>
<td>1/8 page up to 1/2 page</td>
<td>1 x 1</td>
</tr>
<tr>
<td>4 column inches to 1/8 page</td>
<td>½ x ½</td>
</tr>
<tr>
<td>Less than 4 column inches</td>
<td>Do not use</td>
</tr>
</tbody>
</table>

In any other advertisements, if other logotypes are used in the advertisement, then the Equal Housing Opportunity logo should be of a size at least equal to the largest of the other logotypes. If no other logotypes are used, then the type should be bold display face which is clearly visible. Alternatively, when no other logotypes are used, 3 to 5 percent of an advertisement may be devoted to a statement of the equal housing opportunity policy.

In space advertising, which is less than 4 column inches (one column 4 inches long or two columns 2 inches long) of a page in size, the Equal Housing Opportunity slogan should be used. Such advertisements may be grouped with other advertisements under a caption, which states that the housing is available to all without regard to race, color, religion, sex, handicap, familial status, or national origin.

**Table II**

Illustrations of Logotype, Statement and Slogan. Equal Housing Opportunity Logotype.
Equal Housing Opportunity Statement: We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.

Equal Housing Opportunity Slogan: “Equal Housing Opportunity.”

Table III

Illustration of Media Notice--Publisher's notice: All real estate advertised herein is subject to the Federal Fair Housing Act, which makes it illegal to advertise "any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or intention to make any such preference, limitation, or discrimination."

We will not knowingly accept any advertising for real estate which is in violation of the law. All persons are hereby informed that all dwellings advertised are available on an equal opportunity basis.

Display of Fair Housing Posters

Participants in Rural Development programs are required to display Equal Housing Opportunity Posters in English and in Spanish in areas with a significant Spanish-speaking population, in the following locations:

- All business offices, model homes, and construction sites of all new single-family housing subdivisions until all dwellings are sold.
- Business office, model apartments, and at the construction sites of new multi-family housing projects. In addition, the poster must be placed at the business office of existing multi-family housing projects. If a project does not have an office, participants must provide a protective case for the poster to be placed near the resident manager’s office.
- Business offices of real estate agents, brokers, auctioneers, and dealer
contractors doing business with Rural Development under the rural housing programs.

**Other Applicable Laws**
The following civil rights laws and regulations apply to all grantees and families participating in the self-help housing program. The following laws and regulations can be accessed from either the HUD or USDA web sites.


- Federal Fair Housing Act.
- Title VI of the Civil Rights Act of 1964.
- Age Discrimination Act of 1975.
- Title 24 CFR Subpart A – Fair Housing.
- Title II of the Americans with Disabilities Act of 1990.
- Title III of the Americans with Disabilities Act of 1990.
- Section 109 of the Housing and Community Development Act of 1974.
- USDA Rural Development’s regulation found at 7 CFR 1901 Subpart E also Incorporates Title VI & Title VIII (CFR 1901.201/2).
- Title VIII (additional protected classes: sex, religion, disability & familial status).
- Title VI nondiscrimination agreement (CFR 1901.202(d)).
- Record keeping requirements: racial & ethnic data (CFR 1901.202(g)).
- HOME Grants, although not a civil rights law they are a major HUD source of Federal Financial Assistance in housing.

An organization building five or more units and receiving Federal Financial Assistance from one contracting authority, such as USDA, may be covered by several other non-discrimination laws, as well. Any related activities that are connected to this Federal Financial Assistance funding may also be covered under the Civil Rights Restoration Act. (Federal Financial Assistance includes the RD 502 and 523 programs.) The Federal agency providing the assistance is responsible for compliance issues that
may arise. For example, USDA, Rural Development is responsible for compliance
issues regarding the 502 loans and the 523 grants.

Also, if your organization receives CDBG and HOME Grants, then HUD’s 109,
Title VI and Section 504 nondiscrimination requirements may apply to you. Section 504
includes program accessibility requirements.

The Americans with Disabilities Act and related information, including
requirements for accessibility can be accessed from the HUD web site
http//www.hud.gov/. Only “public entities” are covered by Title II of the Americans
with Disabilities Act and must comply with the program’s accessibility requirements.
State and local governments, as well as agencies thereof, are “public entities.”

**Participant Selection and the Membership and Labor Agreement**

Grantees must follow all fair housing guidelines when screening participants for the
self-help program. HUD and USDA can provide additional training materials for advertising
and marketing. HUD and USDA materials include allowable questions a grantee can ask and
questions a grantee cannot ask when interviewing potential self-help participants.

Two of the most important ways to ensure proof that you are following all
applicable fair housing laws are consistency and documentation. Are there written
selection criteria and is this criteria consistently applied to all families?

It is also imperative to be mindful of the underserved population in your area.
What about households with members having disabilities? Participants must complete
65% of construction labor tasks. A participating family may use a substitute to perform
the labor with prior approval of the Grantee and the Rural Development State Director.
A substitute is only permitted when the participating family is incapacitated. (7 CFR
1944.403 (k)) Is there ever a concern about a participant’s ability to live independently?
For households with disabled members, the fair housing regulation prohibits questions
that go to the nature and extent of disability, except when determining program
eligibility, provided it is asked of all participants. (Provisions can be made when a
family cannot meet the terms of the membership agreement because a new disability
may have occurred.)

Is there proper accessibility upon request? Upon request, accessibility
modifications may be included at the request of the prospective homeowner and financed under the 502 Program, up to the program mortgage limit. USDA 504 regulation (7 CFR 15b.16) and Title II of the Americans with Disabilities Act both require that assisted programs and activities be program accessible.

Recipients of Federal Financial Assistance are required to provide requested modifications to the assisted housing they own. Under HUD’s interpretation of its own regulations, this includes freestanding, single family units, so long as they are in packages of five or more under the same contracting authority. This obligation is limited by a showing that to do so would create a fundamental program change or undue financial and administrative burden.

Are the participants treated equally? In both reward and when being held accountable, all participants should be treated equally. The best way to follow this rule is to comply with the requirements as laid out in the membership agreement. Do not let one participant change their house in the middle of construction and then say no to another. That would constitute unfair treatment and could be considered discrimination. The same could be said about a participant that falls behind in their labor hours, follow the rules in the agreement. If the first participant that falls behind has to have a meeting to explain themselves and the next participant has work stopped on their house for the same level of being behind, the organization is being discriminatory. Treat all the participants equally.

**Identifying and Solving Potential Fair Housing Problems**

Contact USDA/Rural Development or HUD immediately if you believe a potential fair housing problem exists. The sooner you receive technical assistance on the matter the better. Use mediation and all available resources, such as HUD’s conciliation process, USDA/Rural Development, or other legal sources.

It is important to understand the complaint process. HUD investigates Title VIII complaints. For a complaint to receive attention, it must be filed within one year of the alleged incident. There is a Memorandum of Understanding between HUD and USDA, which defines the roles of HUD and USDA/Rural Development in potential fair housing
and civil rights complaints. Either HUD or USDA/Rural Development may investigate Title VI, 504, or Age complaints, depending on the funding source. Both may concurrently investigate such complaints if there is dual-funding. If you have any questions or need information regarding a potential fair housing or civil rights issue, immediately contact the USDA or HUD office.

HUD is ready to help with any problem of housing discrimination. If someone believes their rights have been violated, the Housing Discrimination Complaint Form is available for them to download at https://www.hud.gov/program_offices/fair_housing_equal_opp/online-complaint complete and return, or complete online and submit; or they may write HUD a letter, or telephone the HUD Office nearest them. Due to time limits on when a complaint can be filed with HUD after an alleged violation, a complaint should be submitted as soon as possible.

When filing a complaint, the complainant will be required to provide HUD their name and address, the name and address of the person the complaint is against (the respondent), the address or other identification to the housing involved, a short description of the alleged violation (the event that caused the complainant to believe their rights were violated), and the date(s) of the alleged violation.

Privacy Statement: The information submitted to HUD may be used to investigate and process claims of housing and other types of discrimination. It may be disclosed for lawful investigatory purposes, including to the U.S. Department of Justice for its use in the filing of pattern and practice suits of housing discrimination or the prosecution of the person(s) who committed the discrimination where violence is involved; the public, where appropriate; and to State or local fair housing agencies that administer substantially equivalent fair housing laws for complaint processing. Though disclosure of the information is voluntary, failure to provide some or all of the requested information may result in the delay or denial of help with the housing discrimination complaint.

HUD also provides a toll-free TTY phone for the hearing impaired: 1-800-927-9275. Callers can also ask for disability-related assistance when contacting HUD’s
Office of Fair Housing and Equal Opportunity (FHEO), including reasonable accommodations and auxiliary aids and services. Normally HUD will also notify the alleged violator of the complaint and permit that person to submit an answer and investigate the complaint to determine whether there is reasonable cause to believe the Fair Housing Act has been violated. If HUD cannot complete an investigation within 100 days of receiving the complaint, they will notify the complainant.

HUD will make efforts to help the parties reach an agreement. A conciliation agreement must protect both complainant and the public interest. If an agreement is signed, HUD will take no further action on the complaint. However, if HUD has reasonable cause to believe that a conciliation agreement has been breached, HUD will recommend that the Attorney General file suit.

If the complaint cannot be resolved voluntarily by an agreement, FHEO may issue findings from the investigation. If the investigation shows that the law has been violated, HUD or the Department of Justice may take legal action to enforce the law. Depending on the type of complaint filed, FHEO may follow a different investigative process, such as referring the matter to a Fair Housing Assistance Program partner. The processes of HUD's Fair Housing Assistance Program (FHAP) partners may vary by agency.

When a complainant’s investigation is complete, HUD will issue a determination as to whether or not reasonable cause exists to believe discrimination occurred. If HUD determines that there is reasonable cause to believe that discrimination occurred, HUD will issue a Determination of Reasonable Cause and a Charge of Discrimination. All complainants and respondents have twenty (20) days after receiving notice of the charge to decide whether to have the case tried before a Federal District Court judge. If no one does so, the case is heard by a HUD Administrative Law Judge (ALJ). If neither party elects to have a federal civil trial before the 20-day Election Period expires, HUD will promptly schedule a hearing for your case before an ALJ. The ALJ hearing will be conducted in or near the locality where the discrimination allegedly occurred. During the ALJ hearing, the parties have the right to appear in person, to be represented by legal counsel, to present evidence, to cross-examine witnesses and to conduct discovery of evidence. HUD attorneys will be
assigned to represent you during the ALJ hearing at no cost to you; however, you may also choose to intervene in the case and retain your own attorney. At the conclusion of the hearing, the ALJ will issue a decision based on findings of fact and conclusions of law. If the ALJ concludes a violation of the Fair Housing Act occurred, the following relief can be ordered:

- Compensation for your actual damages, including out-of-pocket expenses and emotional distress damages.
- Permanent injunctive relief, such as an order not to discriminate.
- Appropriate equitable relief, such as making housing available to you.
- Payment of reasonable attorney's fees if you hired a private attorney.
- Payment of a civil penalty to vindicate the public interest.

If the complainant or the respondent chooses to have the case decided in Federal District Court, the Attorney General will file a suit and litigate it on the complainant’s behalf. Like the ALJ, the District Court can order relief, and award actual damages, attorney's fees and costs. In addition, the court can award punitive damages.

A complainant may also file a private civil lawsuit, even if a complaint has already been filed with HUD. The lawsuit must be filed within two (2) years of the most recent date of alleged discriminatory action. If a complaint has already been filed with HUD, the time during which HUD was processing a complaint is not counted in the 2-year filing period. Lawsuits must be filed the expense of the complainant; however, if the complainant cannot afford an attorney, the court may appoint one. A complainant may not be able to file a federal private civil suit if (1) the complainant has already signed a HUD Conciliation Agreement to resolve their HUD complaint; or (2) an Administrative Law Judge has commenced a hearing for the complaint.

In addition, a complainant may file suit, at their expense, in Federal District Court or State Court within two years of an alleged violation. If they cannot afford an attorney, the Court may appoint one for them. They may bring suit even after filing a complaint, if they have not signed a conciliation agreement and an Administrative Law Judge has not started a hearing. A court may award actual and punitive damages and
attorney's fees and costs.

If there is noncompliance with the order of an Administrative Law Judge, HUD may seek temporary relief, enforcement of the order or a restraining order in a United States Court of Appeals.

The Attorney General may file a suit in a Federal District Court if there is reasonable cause to believe a pattern or practice of housing discrimination is occurring. The Fair Housing Act and HUD's regulations contain more detail and technical information. If you need a copy of the law or regulations, contact the HUD Office nearest you.

**Process for Complaints of Discrimination in Housing and Community Development Programs:** If you file a fair housing complaint that also alleges a violation of Title VI, Section 504, the ADA, or other civil rights laws FHEO enforces, some additional FHEO procedures apply. FHEO will try to resolve your complaint through informal means, called a Voluntary Compliance Agreement. If FHEO's investigation finds there has been noncompliance with civil rights requirements, FHEO will issue a letter of findings. If FHEO determines that efforts to resolve the matter through voluntary compliance are unsuccessful, FHEO may pursue enforcement actions to obtain a just resolution.

HUD encourages the informal resolution of matters and may attempt to resolve a matter through informal means at any stage in the processing of the complaint. During the complaint process, HUD will assist the parties in resolving the complaint through informal resolution or voluntary compliance. FHEO will develop a written voluntary compliance agreement to obtain the resolution of findings of noncompliance. A Voluntary Compliance Agreement will obtain assurances from the Program to remedy any violations and ensure that the Program will not violate the rights of other persons under fair housing or civil rights authorities. HUD will notify the parties about the results of its investigation in a Letter of Findings. The letter will include information about the facts found during the investigation and whether HUD found non-compliance with fair housing and civil rights laws.

If a complaint has been brought alleging non-compliance with Section 504, and a Letter of Findings has been issued, either party may request that the letter be reviewed
within 30 days of the receipt of the letter. HUD will either sustain or modify the findings, and this will become the agency's formal determination. HUD will issue a Letter of Determination either sustaining or modifying the findings. If a just resolution of HUD's findings of noncompliance cannot be reached through a voluntary compliance agreement, HUD can use other means to achieve compliance. Among other things, HUD can initiate an enforcement proceeding before an Administrative Law Judge or refer the matter to the Department of Justice and recommend that it bring an enforcement action in Federal Court.

**Additional Resources**

Those responsible for housing activities should be aware that various fair housing training materials already exist. For example, HUD’s Fair Housing Outreach Materials can provide brochures, videos, audio public service announcements, and posters produced and marketed throughout the country by the National Fair Housing Alliance (NFHA) or through HUD’s Publications Distribution Center. Use of these materials can increase the grantee staff and the public’s awareness of subtle discriminatory acts and provides the resources for dealing with such acts. HUD’s Fair Housing Outreach Materials HUD's Direct Distribution Center provides documents to the public, HUD clients, and employees. Materials distributed include publications, handbooks, forms, posters; and mortgagee letters, ethics letters, Title 1 letters, and labor relations letters. Most items can be viewed on-line and are available to download 24 hours per day. Some items must be mailed and will arrive in 7 to 10 business days.

USDA, Rural Development national, state, and local offices can provide training and materials for your organization.

**Legal Practices for the Grantee**

There are many laws that govern fair housing and lending practices. In addition to Fair Housing and other laws mentioned above, there are additional laws that a Grantee should be familiar with.

**Home Mortgage Disclosure Act of 1975.** Requires some depository institutions to make reports showing dollar volumes and residential mortgage and home
improvement loan locations available to the government and the general public.

**Community Reinvestment Act of 1977.** Imposes on federally regulated financial institutions an affirmative obligation to help meet the credit needs of the local community in which they are chartered.

**Truth in Lending.** Requires disclosure of items in consumer credit transactions, including residential mortgages.

**Equal Credit Opportunity Act.** Prohibits discrimination in credit transactions on the basis of race, color, national origin, sex, age, marital status, reliance on income from public assistance, or an applicant exercising their rights under the Consumer Protection laws.

**The Fair Credit Reporting Act.** In the event of a credit denial due to information received by an outside credit-reporting agency, the applicant must be informed of the name and address of the credit-reporting agency. The applicant may contact the credit-reporting agency for an explanation. However, the lender is not allowed to discuss any credit information with the applicant.

In order to abide by these and other laws, there are certain practices that the grantee should follow, and certain questions that should not be asked during the interview process.

Discrimination is not allowed. Do not discriminate for any reason. Rural Development Instruction 1901-E, “Civil Rights Compliance Requirements”, restates that any recipient of financial assistance (i.e., a self-help grantee) will not subject any person to discrimination with respect to their programs.

The grantee acts on behalf of the federal government as the person who takes the loan application. The grantee must be especially careful to abide by the laws while taking a loan application. The Equal Credit Opportunity Act, mentioned above, regulates this area. In order to comply with this law, there are some questions that should not be asked during an application interview. The following list should help with this task.

- Motherhood – Do not ask, “Are you planning to have children?” It is okay to ask about the number and ages of dependents and about dependent related financial obligations.
- Marital Status – Do not ask, “Are you divorced, single, or widowed?” It is only acceptable to ask if the applicant is married, unmarried, or separated.
- Religion – No inquiry is allowed in this area.
- Race, National Origin or Sex – Any question is prohibited for underwriting purposes. This information can be gathered for monitoring purposes, but the applicant must be advised that they are not required to give the information. These questions are asked on the application form. If the applicant chooses not to complete the Monitoring Section of the Loan Application Form, the person taking the application must note the applicant’s race and or national origin from visual observation or surname, and note that the answers came from “visual observation”.
- Income – Because this is a federally subsidized program, the law requires that applicants must disclose income from alimony, child support or separate maintenance.

The grantee should not tell an applicant whether or not they will qualify for a self-help housing loan. This is the responsibility of Rural Development. However, the grantee can counsel participants about if and when they should submit an application. This should be done after a careful review of a family’s income and credit status, and not before. The grantee can advise an applicant that “Based on the information that you have provided, it appears to us that you do not meet the minimum eligibility requirements. If you believe we are mistaken, you may contact the local Rural Development Office for a clarification. If they believe that you meet the preliminary processing standards, we will be happy to complete the preparation of a loan application for your family.” If a potential participant requests that their application be submitted to RD and they are denied, the Loan Originator should speak to the applicant directly to explain the reasons for the rejection and the appeals process.

An “Authorization to Release Information” Form, Form RD 3550-1, (Attachment # 9) must be obtained from all clients to ensure that the client has given permission to the grantee to gather information about/for them. This is especially important when dealing with personal credit information. Releases must be obtained BEFORE a credit report is ordered by the self-help agency. We recommend that this
form be obtained with the Pre-Application Interview Form.
(Attachment # 6)

According to HUD regulation 7610.1 REV-4, 4-8, “Nothing in the Fair Credit Reporting Act precludes a counseling agency from disclosing a credit report to a client.” If a grantee is also a counseling agency for HUD, the present contract does not preclude disclosure to the client. If a grantee/counseling agency contracts with a credit bureau for credit reports, whether or not disclosure can be made depends on the terms of the contract between the grantee/counseling agency and the credit reporting bureau. The prudent practice by the grantee/counselor is NOT to have the counseling agency’s copy of the credit report on his or her desk or in the client’s open file during a counseling session. The grantee should use notes taken from the report prior to the client’s arrival for the counseling session.

It is also important to respect the privacy of the potential participants. To this end, all of their personal information should be kept confidential and meetings with them should be held in private, to the extent that is possible. A grantee is liable for civil suit when a client’s civil rights are violated by sharing confidential information which was relayed to the counselor under the assurances of confidentiality. Files, where the applicant information is kept, should not be widely accessible and should be in a secure (locked) place in the office when it’s not being used by designated staff. Every staff member should not have, and does not need to have, access to this information.

Grantees should not provide legal counsel or advice, just information and assistance. They should also make sure that the participants are making their own decisions. It is not the grantees role to make decisions for the client, it is to educate them so they can make their own informed decisions. In this regard, maintain basic ethical practices in regard to the clients. Be competent, respectful, professional, truthful, and without actual/potential conflicts of interest.

**Conclusion**

It is essential to be familiar with the importance of the Fair Housing Act and the laws promoting equality that accompany it. By educating yourself, coworkers and staff and by
having written policies in place, you help to ensure a successful self-help program for your agency and community.

PARTICIPANT RECRUITING AND PROGRAM MARKETING

Introduction

One of the most important jobs of a Group Coordinator is the recruitment of participants. This can also be one of the most challenging tasks. The Group Coordinator may talk to numerous families to find six that qualify for a group.

There are four important rules to follow:

- Do not stop marketing.
- Do not get discouraged.
- Try something new.
- Plan ahead.

Developing a Recruitment Plan

In order to successfully build a pipeline of applicants, there needs to be a plan. When developing a recruitment plan, review the Affirmative Fair Housing Marketing Plan that was required to be completed and included with the grant application. The strategies laid out in this document, such as where to advertise and who to contact, need to be carried out for the remainder of the program. Rural Development may conduct a review at the end of the program to ensure that this was followed.

The following five steps will help in the development of a recruitment plan. Be sure to allow enough time to accomplish each step. Once the plan has been implemented, analyze the efficiency of your outreach. There is a sample blank and completed plan in Appendix #1.

Step One – Know Your Target Market

Where is the self-help program’s target market located so you can reach them? Do they use social media? Are they at work, church, home, clubs, PTA, etc.? Do they
listen to local radio stations? What programs, what time of day? Is there a local
newspaper that people read? What are their favorite sections to read and on what days
does the newspaper have the most readership? What stores do they go to and when?
(Laundromats, gas stations, grocery stores, restaurants, etc.) In order to get this
information:

- Ask the people who have responded to recruitment efforts. (See Appendix
  #2, Recruitment Survey)
- Ask people to complete market surveys. (See Appendix #3, Market Research
  Survey)
- Ask social service agencies. They might assist in surveying their clientele by
  using the market research form.

Step Two – Analyze the Information

Look at the information that has been collected and determine where and how
the most families can be reached.

Step Three – Investigate

Contact organizations, employers, churches, radio stations, newspapers, etc.
Educate about the program and find out how they can help get the word out. Inquire
about free methods available or the costs associated with each marketing method.
Consider attending and presenting your self-help program at community meetings and
events.

Step Four – Plan and Make Decisions

Look into the effects that your decisions will have and take into consideration
staffing and other job responsibilities. Determine whether other staff members can
provide assistance with marketing efforts and incoming inquiries. Decide how much
time is available to locate applicants and establish the time frames and dates for
program objectives. Cost is also a very important factor for marketing and advertising.
Remember, free advertising may not always be the best way to get your message to
families, but the same may also be true for costly methods. It may cost more to mail 200
flyers than to advertise in local paper but with the right mailing list you may directly
reach more very low-income households than through advertising in the paper,
After all the factors have been considered, decide how the program can most effectively be promoted. If advertising is a viable option, decide where and when advertisements should be placed and how long they should run. There are many ways to promote the program. See “Recruitment Methods” for some ideas.

**Step Five – Develop a Message**

Before the media is contacted or brochures are developed, you need to establish your message. The message is not and should not be intended to tell the community everything about the program. It only needs to interest them enough to take the desired action. It is important to remember that the equal housing opportunity logo must appear in all advertisements. The five elements of a strong message are:

1. **Attract Attention**
   
   To attract the attention of a passerby or a newspaper reader an “attention getter” is needed to create interest.
   
   - Think You Can’t Afford a Home? Think Again!
   - There’s No Place Like Home!
   - Dreaming of Owning a Home? We Can Help!
   - Own a Home for Less Than Rent!

   The self-help housing logo was created nationally and is used on marketing material by self-help groups nationwide to help create a consistent identity for the program.

2. **Stress Advantages & Benefits of Self-Help Housing**

   The recruitment message should be directed at what the families need and/or want, not just what the program provides. Ask yourself, “What are the
qualities and characteristics about the home that make it attractive to the potential participants and what do they get out of it personally?”

- Product – the home itself.
- Price – the low cost of the home, the low interest rate and the money they save.
- Self – learning skills, improving their life.

Make a list and prioritize the benefits for your potential participants.

*See the sample chart of benefits on the next page for some ideas.*

**Benefits of Self-Help Housing**

Self-help housing is different things to different people. Decide which aspects are important to those being recruited and incorporate these aspects into the message. Featuring too many benefits tend to confuse people and reduce the impact of the message. Concentrate on the strongest appeal for each individual group.
### Sample Chart of Potential Benefits

<table>
<thead>
<tr>
<th>Product – Stress Advantages</th>
<th>Price – Stress Value</th>
<th>Self – Stress Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>If the message stresses the aspect of the home itself, detail its advantages. Examples:</td>
<td>If the message discusses the cost, stress affordability, not that it is for “very low income” or that they are subsidized, this negatively categorizes people. Examples:</td>
<td>If the message focuses on quality of life, depict a sense of accomplishment. Examples:</td>
</tr>
<tr>
<td>• Modern, convenient, well built</td>
<td>• House payments based on applicant’s ability to pay</td>
<td>• Independence and self-reliance</td>
</tr>
<tr>
<td>• Energy-efficient</td>
<td>• No down payment</td>
<td>• Improving yourself</td>
</tr>
<tr>
<td>• Quality materials</td>
<td>• Save money by self-help</td>
<td>• Being happy and secure</td>
</tr>
<tr>
<td>• Maintenance free</td>
<td>• The investment benefits of home ownership, and the appeal of earning your “down-payment”</td>
<td>• The appeal of working in a group and really “knowing your neighbors”</td>
</tr>
<tr>
<td>• Designed to meet your needs</td>
<td>• Invest in your own home – invest in your future</td>
<td>• Providing a better, safer environment for your family</td>
</tr>
<tr>
<td>• Fully inspected by local building officials</td>
<td>• Cost savings of owning a modern, energy-efficient home</td>
<td>• Satisfaction of “doing it yourself”, along with developing construction skills</td>
</tr>
<tr>
<td>• Modern appliances (insulated windows, wall-to-wall carpeting, and energy-saving appliances)</td>
<td>• Own a home for less than rent</td>
<td>• The homeowner’s dream come true: getting out of the “perpetual renter” trap</td>
</tr>
<tr>
<td>• The appeal of the houses themselves – feature photographs of finished subdivisions and floor plans</td>
<td>• Affordable financing enables homeownership now</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Best financing for new construction in the country</td>
<td></td>
</tr>
</tbody>
</table>
3. Prove what you say is true

There are different ways of proving that your message is factual. Four tactics that can be used are: testimonials, comparative quality, reputation and successful performance. Testimonials are created when someone that has participated in the program in the past speaks of its benefits.

- Quality comparison could be used between a self-help home and contractor built homes.
- If the organization has a good name in the community, use its reputation to get interested applicants to believe in the program.
- Successful performance is another strategy that can be tried after the first group has been completed.
- People can be shown how well a self-help program works and how nice the homes are.

There is a sample success story in Appendix #7.

Get the participants to sign media waivers prior to the start of construction. This will enable you to use photos of them in social media or your advertising.

4. Persuade

Get potential participants to grasp the idea that they too can enjoy the benefits and rewards of becoming a homeowner. This can be a daunting task because many people never thought that homeownership was a possibility for them.

5. Call for action

Ask people that see an ad, read a flyer, or hear about the program on a TV segment or radio announcement, to make a decision and act on it. Whatever action it is that you want them to take, ask them to do so: call today, come by the office, attend a community meeting, mail in a coupon, etc. Make it easy for them to do this and have all of the contact information readily available.
Appendix #4 contains sample advertisements and brochures that have worked for other self-help organizations.

**Recruitment Methods**

There are many ways to deliver the message once it has been defined. There is no such thing as one method being superior to another at this point. What works in one service area may or may not work in another. Try many different ways until you find several that work well in your community. Remember to always include the Fair Housing logo on all advertising materials. The following is a list of some methods to try.

**Social Media**

Nonprofits have limited budgets for marketing and only so many hours in the day. Social media, unlike mass media, is inexpensive, accessible and immediate. There is no need for a printing press, a license to distribute, special software, or any other qualifications. This is not to say that it doesn’t take some thought to implement.

Social media, such as Facebook, Twitter and Instagram can be the perfect place to post pictures of homes and homeowners working, with brief comments about the mutual self-help program. Invite past homeowners and partners to become your friends, contacts or connections, as well as those who express interest in your programs. The hope is that friends of their friends will see the homes and homeowners at work, read the comments, and contact the organization with interest in self-help.

By creating and updating these social media sites frequently you can stay in touch with funders, donors, supporters, current or past clients and participants, activists, like-organizations and any other interested parties. Interested parties can view photos and understand the mission of your organization and programs offered in the security and safety of their own home. Supporters want to know how they can help you, so answering that question on a regular basis helps them understand how they can get involved, promote and spread the word, volunteer, or give. Organizations can connect with these supporters by keeping them informed on the agency's mission and progress, providing photos of projects and local statistics on the issues.

Make sure you are responsive! People like to interact with your page, but you have to provide answers to questions and comments. Post both serious and fun topics to...
keep people interested and sharing your posts, but don't over-post. Though unexpected negative response posts may happen. Let your supervisor or Executive Director make the decision of how or if you’ll respond.

For more information, search the web for guides and tips on using these sites to help nonprofits. There are many free webinars and articles that can help provide a start in the right direction.

In addition to having organizational social media pages, some grantees have had success posting on a community yard sale page or other community pages.

**Internet**

Another low cost, wide-reaching marketing technique involves using your organization's website. Most nonprofits have a website, but you need to make it work for this program. Consider adding a section on self-help housing on your site. Include income guidelines, photos and a pre-application that potential participants can fill out and submit to you for an initial review. This will also improve your ability to screen more people.

The national self-help housing website called Spotlight is located at www.selfhelphousingspotlight.org. The site features videos about the program, clips from past participants and photos. It is a free service for grantees, administered by NCALL. Each self-help housing grantee has a page on this site with their contact information and a brief description about their program. In order to have information on this site, someone from your organization needs to contact your T&MA Contractor and provide the necessary information to be included. This site is a great place to send potential program participants and government officials wanting more information about the program. Review your organization’s page intermittently for content accuracy and functioning links.

**Newspapers**

Newspaper advertising is used less frequently by self-help housing agencies due to the wide availability of less expensive methods. However, feature articles provide full coverage at no cost. See if the paper will write a public interest story on potential builders, actual builders or previous builders to give the program positive press. (How owning a home has or will change a family’s life.)
Both daily papers and weekly shoppers should be evaluated on their ability to reach the target market. Keep in mind that both have ways to offer paid and free advertising methods. If using paid advertising, positioning is critical in newspaper advertising because most people do not read the entire paper. There is little chance of families seeing the ad if it is in the wrong place. The sports section might be great, but the real estate section may not be appropriate, simply because many very low-income households do not believe they can be homeowners.

Classified ads work great in some areas, although many grantees now use Craigslist for this type of advertising. The activities announcement can be used to announce community meetings.

**Radio**

Ask the station for its target audience and segmentation according to time. Morning programs usually have a larger target listening area. Radio stations also have paid and free advertising available. Free talk shows, interview shows, classified ad shows, public service announcements (PSA), spot radio ads are all possibilities. Local radio stations may have talk shows where you and/or Rural Development personnel could be the guest.

**Television**

The self-help program could be featured on the local news, local community forum-type programs, or mentioned through a public service announcement.

**Flyers, posters, handouts**

Develop simple, easy to read, attractive flyers for public distribution. Rural Development offices, stores, laundromats, Community Action Partnership (CAP agencies, social service agencies, community bulletin boards, post offices, and utility offices are all good places to display information. They should be simple, attractive, and informative.

**Brochures**

Brochures have historically been the best marketing tool used. Design a brochure with enough information so an interested person will call for more information. Brochures should have the name of the organization, the telephone number, basic information about the program, and any additional information that
would be useful. Brochures should be placed in locations where your target market frequents. Some of these might include supermarkets, laundromats, restaurants, and waiting rooms in such locations as hospital, doctor offices, dentist offices, Department of Human Services and Health Departments.

**Direct mailings**

Direct mailings can be expensive compared to other methods, but with the right list it can be more rewarding than a newspaper ad. Church mailing lists, or waiting lists for subsidized rental housing could both be used by the self-help agency. Mailing and paycheck stuffers can be a less expensive method of direct mail, you might be successful in enlisting the assistance of social service agencies, local employers, schools and utility companies.

**Community meetings**

Holding a community meeting brings a number of people together to explain the self-help program and its requirements. Slide shows and videos can be used to help potential participants visualize what the program entails. This is also a good time to provide information about your organization including any past housing efforts completed or success stories.

**Trade shows, human service fairs, and mall exhibits**

Consider having a booth at the local human services fair and other events. While these may be a good way to see a lot of people, consider the time and effort taken compared to reaching the target market. Are potential participants going to be at the location where you are setting up?

If your organization is planning to attend local fairs and events, start by asking “What are we going to do to bring people to our booth?” Some ideas are: rent a bouncy house, raffle off a play house (check your state’s raffle laws first), offer face painting, make cotton candy or share a booth with a popular radio station or other partner. Attracting kids and making people feel good while they are visiting your booth can be an effective way to hold their attention and educate them about your program.

**Organizations, colleges, trade schools, Head Start, and migrant education centers**

Community Action Agencies often have the best handle on how to reach the population you hope to serve. Other contacts can include, local community
development block grant programs, housing authorities, and Tribally Designated Housing Entities. These partnerships are excellent for getting you directly to the families or for referrals. Pass out newsletters, flyers, or accept speaking engagements to explain the program. Meet with social service agency councils (inter-agency) to share the Rural Development program and explain the process. Write to all social service agencies concerning the availability of funds and income guidelines. Invite their clients to apply.

**Churches**

Meet with local ministerial associations. Churches can be one of the best ways to disseminate information in the community and rural areas. Post announcements in church bulletins, newsletters, or on bulletin boards, talk to congregations, challenge churches to sponsor potentially eligible families within their congregation, or create your own initiatives to partner with local churches.

**Local governments**

Local governments may be able to provide leads and referrals of potentially eligible families.

**Local employers**

Find employers that have a pay structure that supports the 502 program’s income guidelines. Educate employers whose employees would benefit and ask for their assistance in reaching their workers. Post promotional material on bulletin boards, in paycheck envelopes, conduct special meetings, or set up a table in their lunch/break room.

**Other**

Contact members of low-income apartment complexes and arrange to pass out literature and host a tenant’s meeting to see if anyone is ready and willing to move on to homeownership. Determine if letters can be sent to persons on the waiting list for subsidized rental housing. The word of mouth method can be more intensified by sending letters to past participants, letting them know you are seeking more clients and ask them to spread the word. Meet monthly with a core group of social service representatives and brainstorm on how to reach the people who need the housing you have to offer. Low or no-cost marketing initiatives that are working include:
• Using your own For Sale sign on your lots – potential participants are already in the neighborhood looking.
• Surveying previous participants to find people they know who may be interested.
• Offering a “finder’s fee” (not from Section 523 funds) for referrals when the new loans close.
• Getting interviewed by your local news station, newspaper or PBS station.
• Having a local business sponsor your organization for a day and have $1 of every widget sold go to your organization (and they do the marketing).
• Beat the pavement: get out into a targeted community and start talking about self-help regularly. Word of mouth is the best advertising tool!
• Be active, be creative and have fun (it will make people take notice and want to be a part of it)
• Provide printed shirts and hoodies to staff, it’s just one more way to make people familiar with your organization and program.
• Never underestimate the power of partnerships with local businesses, organizations, churches and advocacy groups.

Market Research

To minimize the trial and error in recruitment, it is important for you to know which methods of recruitment have worked best and which ones are reaching your target market. You must continually review and revise, if necessary, the program’s recruitment strategies. Failure to do this will result in decreased recruitment activities, to accomplish this you will need to survey those who have responded to your recruitment efforts. Appendix #2- Market Research Survey and Appendix #3- Recruitment Survey are questionnaires that may help to make these determinations. As families call in response to your recruitment efforts, take a few minutes to complete these surveys.
WORKING WITH PARTICIPANTS

Forming a Group

As part of the entire process, it is important that you are educated in your role and prepared to undertake the next steps. Being informed and knowledgeable provides families with a sense of trust. Remember, they are sharing personal, private and potentially embarrassing information with you. Being honest and up front about the entire process assists in building positive relationships with the participants.

To create a self-help group, there are a series of events that must occur. The first step is recruitment. The second phase is determining 502 eligibility and processing the loan. The particulars of processing are discussed in detail in the 502 Processing Handbook and the Rural Development Handbook 1-3550, Chapter 4. The 502 loan-processing overlaps the third phase, which involves the forming, organizing, and training the group. This third phase can be just as hard to do successfully as the first two steps and it is critical to have a plan in place to guide the process. This chapter will help create a guide for the Group Coordinator to follow.

When Groups Should Be Formed

The point at which participants are invited to form groups depends on the policy of your organization’s self-help program. It is recommended that, after an initial informational meeting, groups be formed when you are reasonably sure that applicants will be deemed eligible by Rural Development and that the applicants appear willing to seriously commit themselves to the self-help program.

Losing participants from formed groups can be detrimental to the program. Losing a participant can not only weaken the groups’ “bonding” process but can also add pressure to the Group Coordinator’s schedule. Instead of having six to twelve months to find qualified applicants, the process may be compressed to three to six months. This also increases the workload of the local Rural Development office. This being said, NEVER, EVER talk a participant into remaining in the program when they indicate that they wish to drop from the program. It is very difficult to replace a participant, especially when an entire group’s construction start may be delayed, but a
participant talked into the program will not have the commitment needed to see the project through. Group dynamics and problems will be inevitable.

Although you cannot stop participants from dropping out altogether, the dropout rate can be minimized through the process by which groups are formed. Make sure the participants understand, as much as possible, about the work and commitment that will be required of them. It helps to have alternative applicants in the pipeline. These families would step in if a family drops out. Not only does this help if a family drops out, it helps take pressure off the current families during construction.

Screening Applicants

This is a sample outline of how a self-help agency might combine the self-help process and preconstruction meetings with homeownership counseling. This outline takes a participant from their first informational meeting through their loan approval and starting the preconstruction meetings. It also helps to blend the formation of a group with the processing of the 502 loans. Some of the following information is covered in the Self-Help Preconstruction Meetings Handbook.

A. Orientation meeting (group)

During this meeting, the families will be introduced formally to the self-help program; giving the background of the non-profit organization and their role in the process. This includes discussion of the technical assistance provided by your agency, the USDA 502 loans, the family labor requirement and its importance, the group agreement, and the benefits of becoming not only a homeowner, but a self-help homeowner. There are several documents/videos you can review with the families.

- **“Building Dreams”** – this is a video developed using actual families in the program and their experiences. While it is dated, it still offers accurate information. There are other videos that detail the process, like “Starting Point.” Some of these can be found on the Spotlight website.
- **Self-Help Participant Guide** (Appendix # 8) – the guide provides a variety of detailed information regarding the self-help building process.
• **Pre-Application Interview Form** Utilizing a Pre-Application Interview Form helps to determine if applicants meet basic program qualifications and income requirements. This form can be completed at the meeting or provided to interested individuals to be returned to the self-help agency completed.

B. **Prescreening Interview (individual)**

Pre-screening for the self-help program is determined from information gathered during telephone calls, scheduled meetings and the Pre-Application Interview Form. Information such as household income, debt load, employment history, rental history, housing needs, household size and structure, and previous ownership experience is assembled. Once all the relevant information is collected, schedule an appointment with the participants and proceed with the application process. This may involve continuing with the loan processing or developing a credit counseling plan for the family.

• **Identification of needs and development of counseling plan** – This is established by both the Group Coordinator and family. In this plan, the steps a family will need to take to qualify for a 502 loan are determined. This can include building or reestablishing credit, paying off debts, and mitigating payment shock by building savings. The goal is that the family will be ready and able to participate in the program later. Maintaining contact with a family during this period is extremely important and it shows that you care and helps them, in most instances, it helps keep them on track.

• **Uniform Residential Loan Application - URLA Form (RD 410-4)** Complete the URLA. This can be done once the credit report and basic information from the Pre-Application Interview Form are sufficient to meet processing requirements and move the application forward.

• **Employment and other verifications are ordered** – Complete the
required verifications. You may need to complete the landlord verification and the employment verification. Paystubs and tax returns will typically serve verify employment. On rare occasions, you will be required to complete the employment verification form.

- **Homework is assigned** – Encourage the family to discuss their methods for handling financial issues. The family should also fill out a spending plan that will assist them in developing a budget.

C. Initial budgeting session

The purpose of this session is to assist the participants in the development of spending plans, spending priorities and to initiate a discussion on credit issues. This can help once the families realize they are not alone in dealing with credit issues.

- **Budgeting priorities exercise** – This exercise is designed to help participants identify their individual priorities on how to spend money, and then to agree jointly on budget priorities for the entire family. This exercise can be located in the Pre-Construction Meeting Handbook.

- **Discussion on family spending values** – Family spending values are discussed to identify individual spending values and to recognize that differences exist within the family so that prioritizing can be accomplished.

- **Case study** – Use a sample family story for the development of a budget. This will help the families better prepare their own budgets and do a better job of following them in the future. This case study can be found in the Pre-Construction Meeting Handbook.

D. Financial analysis (individual)

- **Credit report reviewed** – Credit reports are reviewed. Any problems are identified and corrective actions are discussed. The
family is counseled on how to resolve them. If severe credit problems exist, the Group Coordinator helps to develop a plan that, if followed, should eventually resolve the problems and enable the family to consider homeownership.

- **Budget analysis** – A specific, in-depth family budget is developed using the current household income and debts. A projected budget is prepared reflecting future spending and includes the estimated 502 mortgage payment and additional homeownership expenses. This is an attempt to give the participants a "feel" for the comparison to their current rent payment vs. a mortgage payment.

- **How much credit can one afford and danger signals of over use.**
  The projected budget shows limitations on the amount of credit a family can afford. The danger signals of over-indebtedness are discussed.

- **Savings goals are** established. A plan is developed to assure a family has the necessary money for upcoming expenses, for example, loan closing, moving and set up expenses, etc.

**E. Supplemental counseling (individual)**

Remedial counseling is provided for families that have unique situations or for families who have problems that will not permit them to participate in this construction group.

- **Analysis of money problems** -- As a result of value conflicts, unrealistic goals, emotional spending habits, or planning deficiencies, a conversation needs to be held to resolve any of these issues. Include in the discussion the sources and causes of money problems. An understanding of the source can often help alleviate the problem and assist in creating a plan for resolution.

- **Identification of goals** -- A discussion of personal and family goals sets the stage for planning to include all current household expenses
as well as potential future expenses.

- **Planning for goals** -- Upon determination of personal and family goals, priorities are set and plans, including time frames to attain them are developed.

- **Budget development** – It may be necessary to develop a budget when a client seems to have very little aptitude for budgeting skills. In these situations, a plan and projected budget may not be enough. Plans are developed on a weekly basis and regular assessment of the family's success following a budget plan is made to assure the family is ready and has made the commitment to budget planning. In order to help these families, it may be necessary to use a daily or weekly money manager, spending plans, and additional case studies for practice, as well as visits to review the plan with the family.

- **Budget maintenance** -- Methods for long-term budget maintenance, to obtain their desired goals and resolve their problems, are discussed.

**F. Pre-construction educational meetings**

Additional information and topics that the participants need to know can be covered in the preconstruction meetings. The Self-Help Preconstruction Meetings Handbook can be your guide for these additional meetings and contains information such as basic banking skills, the cost of credit, maintaining good credit, availability and selection of building lots and house plans, homeownership responsibilities, property taxes, home and life insurance, home maintenance, review of loan closing procedures and documents, membership agreement and team work, as well as construction procedures and techniques. Individual homeownership counseling can continue throughout the preconstruction meeting phase and on into construction as called for by the need and individual counseling plan. Families may even want to follow-up for their own sense of security with the plan.
Group Officers

One type of group structure is through the election of officers. Each self-help group is expected to elect officers. While some organizations have these officers elected during preconstruction meeting phase, other organizations wait until the group starts construction before the election takes place. Their rationale for this is that group leaders that develop during the preconstruction phase are not necessarily the same ones that emerge on the construction site. These officers are expected to provide leadership to the group’s members prior to and during the construction phase. They also conduct the group’s business with agency’s staff assistance. The positions usually include the President, Vice President and the Secretary/Treasurer.

The self-help agency or the group may decide extra positions or committees are required. For example, the officers could appoint (by a majority vote) a labor manager or timekeeper. This position would assist the Construction Supervisor in keeping records of hours worked by each member and notifying the Construction Supervisor when hours are behind.

Keeping Track of Participant Hours

It is imperative to keep track of participant hours on a regular basis. Reference the Group Agreement for measures to be taken when a participant falls behind in their hours. It lets the participants know they are accountable for their actions if their required hours are not put in.

Some groups let this task slide in the beginning of their program, assuming that everyone is so excited that participants will not slack off for a while. This can lead participants into thinking that no one is aware of number the hours they are contributing or keeping track of whether they are putting the required amount.

There are many ways to maintain on-site work hours. No one method is perfect. A best practice is to have a time sheet at the job site on which participants are required to sign in and out. If the Membership Agreement has a “timekeeper” position, that person can be responsible for ensuring that a new sheet is on site every week and participants remember to sign in and out. The hours need to be tallied for each participant and verified by the Construction Supervisor who then passes the sheet on to
the Group Coordinator on a weekly basis. The Group Coordinator needs to track these hours and follow the membership agreement rules when participants fall behind. If this is done on a regular basis there is a better chance that the participants will take the consequences seriously and try their best to keep up with the required work schedule (See Appendix # 12). The main thing to remember is that a solid mechanism for tracking hours and tasks completed on site should be developed and consistently maintained.

**Enforcing the Building Group Membership and Labor Agreement**

Reviewing the Membership or Group Agreement with the families in detail prior to construction is essential. (See sample agreements in Appendix # 10) It specifies to the families, in writing, exactly what is expected of them, the agency and Rural Development. Once they have reviewed and signed it, they have little room to claim misunderstanding of the agreement. If a self-help organization loses control of a group, it is not easily regained. For this reason, it is important to make sure that little problems do not lead to bigger ones. The group’s attention must remain focused on the common goal: finishing their houses. It may need to be clarified, repeatedly if necessary, that the only way to reach the goal will be through strict adherence to the labor commitment pledged by each member of the group when he or she signed the membership agreement.

If a participant does fall behind in labor hours, the steps outlined in the membership agreement must be followed. This will not only let that participant know that they are responsible for those hours, it will also demonstrate the consequences to other participants that may fall behind. This cannot be stressed enough. If one participant is getting away with contributing less than the required hours in with no penalties, other participants could start to slack off as well. Sometimes it is hard to follow the rules and be strict, but the program will be better off in the long run.

Aside from labor contribution, we have identified several additional items to consider when safely operating the self-help program.

- Do not allow children under a certain age on the job site.
- Do not allow children under 18 to operate power tools.
• Do not let volunteers contribute all the hours for a participant.
• Do not allow drinking or drugs on the job site.
• Do not let people work that are under the influence.
• Do not allow participants to make any changes to their home or add any amenities after Rural Development has approved the loan.

All these instances can lead to resentment among participants, other participants wanting the same treatment, or cause delays. As long as the rules are applied consistently, many problems will be avoided. Not enforcing or applying the rules consistently could lead to personal conflicts, legal ramifications and/or Fair Housing issues.

**Holding Participant Meetings**

It is important that even after construction starts the participants continue to hold meetings on a regular basis. These meetings can include agency staff or be held solely with the members of the construction group. Several of the topics at the meeting can include the progress of the homes, the future plans, and current onsite problems. These meetings provide the perfect opportunity for the participants to renew their motivation, air out their differences, continue their education on becoming homeowners, or acquire new building skills.

Meetings can be held anytime and anywhere at the convenience of the group. It is not recommended that they be held at the construction site where there are so many other distractions, but this is a typical location common to all members.

Encourage the group officers to take charge of these meetings. The officers elected by the group may need guidance to ensure they know how to lead a meeting. Assist these officers by giving them some tips on how to conduct meetings. Minutes should be taken, members should speak in turn, and respect should be given at all times to all attendees.
**Terminating a Participant**

When it seems evident that a family will need to be removed from the group, refer to the Group Agreement. Removing a participant from the group should come only after all other avenues are exhausted. The families have been informed from the beginning what constitutes unacceptable behavior and what is expected from them during their time in the program.

Unacceptable behavior may be defined as failure to attend mandatory group meetings, failure to meet the conditions of the membership agreement, acts of omission or false information in the loan application, acts of theft or vandalism at the job site, or persistent actions that endanger any member of the group or any situation that might.

Despite the conditions of removal, again, follow all steps outlined in the Group Agreement. This is a very tricky area of the self-help program. Every attempt must be made to resolve the problem before it comes to the point of termination. Continuously keep Rural Development involved and informed of the situation. Before termination occurs work with your T&MA Contractor and Rural Development for a work out plan.

If termination occurs during the construction phase, the participant has already closed on the 502 loan and is the owner of the property and the house on it. The best possible scenario is for the participant to agree to turn their mortgage over to an approved replacement applicant ready to start working on the construction site. Some agencies have the financial ability to purchase the house from the participant and keep it in the program. If the participant chooses to retain ownership, they will need to find a contractor who will complete the home for additional construction costs. The participant will not be allowed to do any construction work on the home. If necessary, the participant must also be able to financially handle the additional payment of a subsequent loan. If the participant cannot afford a subsequent loan, Rural Development will call the loan due and payable, which starts the foreclosure process. When faced with foreclosure, a participant will usually transfer title back to Rural Development. As you can see, this is not simple solution. Terminating a participant is never an easy decision.
COMMUNICATION

Introduction

Communication is something many of us take for granted. We believe that just because we can read, write, speak and listen, we are good communicators; but communication is more than merely transmitting and receiving words. It is transferring meaning. This is done not only through the words we choose but also in our body language and in the way we deliver our message. Our cultural backgrounds, education, and life experiences can strongly influence our choice of words and our interpretation of words and meanings.

The group coordinator needs to communicate often and effectively to successfully fulfill their job duties. They will be speaking individually to participants, to the participants as a group, to those in the community during recruitment, to Rural Development during loan processing, and to fellow staff.

Communication is a complex and imperfect process and can be a frustrating experience. Everyone has finished a conversation at one time or another and found yourself thinking that the other person was difficult to talk to. You wonder if the other person fully understood what was said or what your intended meaning was.

“It is not the precise language that is important here. It is the quality of sincerity and the intention that convey the real message.” Thomas F. Crum, The Magic of Conflict

Communication Style

One reason for our frustration is that we are communicating in different styles. Communication style is the way we send and receive messages. Everyone has a different style. One approach to becoming a more effective communicator is to observe the different ways people communicate, to recognize the different styles and to understand the nuances of these different styles.

Style alludes to the behavior patterns we use in dealing with other people. Each of us has a generally consistent and identifiable behavioral style. Since our individual values and priorities are much the same from day to day, we behave in situations today
the way we behaved in comparable situations in the past. We each play different roles in
certain situations, but after the role is over, we go back to our basic style…the behavior
that is comfortable and satisfying to us. It is a pattern we’ve learned from the time we
began communicating as a child.

We all have developed our own unique style and behavior patterns, but as
unique as we are, we have shared traits with others who have a similar style. These
similarities can be recognized in such activities as the way we communicate, make
decisions, approach a problem, and meet other people.

There are many different schools of thought on communication styles. Different
scholars choose different approaches to identifying and classifying the human
communication methods. The most important concept is that we tend to reflect our
personalities in our communication styles. In psychology the common communication
style categories are: Assertive, Aggressive, Passive-Aggressive, Submissive, and
Manipulative as described in DS Psychology Group Resources,

If you understand some of the traits and characteristics of these different styles,
you’ll be able to better understand how a person processes information and, in turn, how
they express themselves. You can use this knowledge to structure your approach to that
individual. Knowing our own traits can help us understand how we give and receive
information. This knowledge helps us to improve our ability to express our thoughts
honestly, clearly, and directly. Learning to identify different personality types will
improve your ability to communicate and to better understand how to deal with the vast
and varied personalities.

Communication is anything but simple and straightforward. There are other
factors that we’ll discuss including barriers to communication, verbal and non-verbal
communication, and active listening skills.

Communication style is a result of behavior and not motivation; therefore,
different communication styles can be identified by behavior characteristics.

There are no good styles or bad styles—only styles that are different. Learning
to interpret the style of others will make you a more effective communicator which can
save time and energy in your daily job duties. You’ll also find that learning these skills can improve your relationships in your personal and professional lives.

**Characteristics of Each Communication Style**

We can all exhibit characteristics of each style (depending on the circumstances of the communication we’re engaged in), but our behavior will emphasize one style more than the others. The list describes typical behaviors of each communication style. When we recognize another’s communication style, we do it not in judgment; but, instead, as a method to improve communication and to solve problems. By looking at these characteristics, it is easy to see why communication problems can arise, especially with opposite communication styles.

**Assertive**: Probably the most effective style of communication, but should not be confused with aggressive behavior. Assertive communicators usually have high self-esteem and are neither too passive nor too aggressive. It denotes confidence while avoiding the use of manipulation or game playing. Their confidence enables them to set boundaries and stay strong in the face of adversity. The assertive communicator is goal-driven while having the emotional aptitude to be conscious of others and their opinions. This style can build trust in relationships and avoid misconceptions.

**Characteristics**: Speaks directly and accepts the possibility of being rejected and is often relaxed, with open posture and not fidgety. Their behaviors exhibit confidence. They will not allow others to push them over their limit.

**Aggressive**: The aggressive communicator can come on too strong and give the impression they don’t care what the recipient of their communication thinks or feels. Their focus is on winning and is closed off to open, honest back-and-forth exchange of ideas. This type of communication is typically dismissive and can lead to resentment and be interpreted as offensive or intimidating. Their message can be lost to their intended recipient who is often sidetracked by the behavior and method of delivery.

**Characteristics**: Their demeanor is often pushy. They can speak loudly and use physical presence for intimidation. They want to intimidate and make their opponent feel humiliated, resentful, and afraid; and you will sense they lack respect for others.
**Passive-Aggressive**: This type’s communication can be confusing and deceiving. It denotes a lack of confidence and may be misinterpreted by the recipient(s). The communicator may also be sabotaging their own feelings and/or intentions. This type of communicator may come across as passive but may be harboring thoughts and feelings different from what they are expressing. Their verbal and non-verbal expressions may be sending mixed messages. This type of communicator may be false in their messaging to others and even to themselves. This communicator may be telling you one thing but then betraying you behind your back or to others.

**Characteristics**: Avoiding expressing their opinions or feelings; may be inconsistent to their true feelings. May appear to be cooperative and yet have no true intention of cooperation. Being misleading and disruptive are traits of a passive-aggressive communicator. They may use a sweet voice and innocent facial expressions. If you’re feeling confused, angry, hurt or resentful, your instincts may be alerting you that you’re dealing with a passive-aggressive personality.

**Submissive**: The people pleasers! Wanting to avoid conflict, they may sacrifice their own desires and needs in order to placate others, even at the risk of forfeiting their own thoughts and feelings. They tend to discount themselves and easily yield to the preferences of others. They strive to keep the peace and may behave as if their rights are secondary to others. They may feel like the victim and refuse compliments.

**Characteristics**: May appear shy; may avoid eye contact, be fidgety and speak in a low volume, denoting insecurity and wanting to not draw attention to themselves. This communicator is quick to be apologetic when they want to say something.

**Manipulative**: The manipulator has one goal in mind: influence and control others for their own benefit. They can be cunning and use deception to get their way. They want their needs met and may be artful at deception. You may not know you’ve been had by this master manipulator.

**Characteristics**: Confusion is their goal; changing the subject often, rationalizing their behavior, playing dumb or telling half-truths, or shifting blame. They may speak in a high pitched tone. Beware of their cunning. They will undermine others while
establishing dominance. Don’t let them make you feel angry or frustrated. The hardest issue is knowing where you honestly stand with this communicator.

Adapting Your Style

Communication is essential, and the group coordinator will be communicating and interacting with many different personalities and with many different styles of communication. You are often the first person a prospective client interacts with in your agency and based on the program structure, you may interact with this person throughout their association with the agency. You also may be in the public eye doing presentations for the program or leading meetings. Therefore, you must know how to communicate with others in various situations, with varying styles, and in employing different techniques in conversations, e-mails or letters, or in more formal circumstances such as trainings and presentations.

Adapting your style to effectively communicate with the variety of communication styles doesn’t mean not being you. It means being smart and observant. Adaptability is our greatest asset, and empathy can win over the toughest challenger.

The difficulty encountered when adapting your behavior to reach a client will vary. It depends on the degree of differences between the styles. The greater the differences, the greater the difficulty; and the greater the need to adapt.

People with different styles see and hear things from a different perspective. They will often draw different conclusions about the same event. Because of this inability to connect through communication, they will probably not feel comfortable with each other; but knowing the characteristics of these styles can help us to predict where there may be communication problems. It can also help us to adapt our own style to more effectively communicate our message to the client.

Three steps that can help you when communicating with all the different personality and communication styles:

1. Recognize your style.
2. Recognize your client's style.
3. Adapt your message so that it is heard, understood and accepted by the client.
In all communications, whether one-on-one, group, e-mails, texts, etc., a good communicator and successful group coordinator should understand and incorporate effective communication skills.

**Communicating Well**

**Barriers to Communication**

Human communication has its own set of peculiarities which further complicate successful two-way communication. Words have different meanings for different people, based on cultural backgrounds, life experiences and many other situations in our individual lives. People often “code” their messages, not necessarily intentionally. The communicator may be guarded or cautious, not wanting to show their hand, afraid of giving up their true position. For some it’s easier to talk about any issue but the REAL issue. The speaker may be blind to their emotions or blinded by them. Listeners are often easily distracted, or they may hear through “filters” that distort much of what is being said.

Listed are some barriers to communication. Think about these examples, and try to relate them to your own communications style and to the style of others with whom you communicate regularly.

**Insufficient Information** – Telling someone to do something without being specific enough, leading to confusion.

**Unclear Language** – Talking in such a way that what is said is not clearly understood by the other person; also, not being patient enough to clarify the discussion.

**Anticipating** – Thinking that you already know what the other person is saying; reacting before that person completes their comments.

**Sidetracking** – Easily getting off the subject and onto points unrelated to the original idea.

**Unclear Expectations** – Not communicating the deadlines or priorities for different assignments; characterized by frantic, last minute calls for completed jobs.
Disinterest – Seeming to listen to questions or concerns half-heartedly; discounting them either with no statement at all or with simple reactions, such as “Okay” or “Uh-huh.”

Time Rush – Not listening or communicating effectively because of being late or having to meet appointments or deadlines.

Double Message – Stating one thing to someone but acting in a way that is not in line with that statement. This inevitably creates distrust.

Pre-Judging – Making conclusions about another person’s personality, attitude, or abilities on the basis of appearance, gesture, speaking styles, or other mannerisms.

Interruptions – Acting or speaking before the other person has completed his statement.

Lengthy Statements – Saying something in more words and time than is needed.

Over-Reaction – Expressing a greater level of emotion than is appropriate; saying something too strongly.

Unresponsiveness – Avoiding conversation, not initiating discussion, withholding information, speaking in short and curt answers.

Indirect Orders – Being indirect in telling a person what to do.

Absolute Authority – Ordering a person to do something without giving any reason or explanation of purpose for the job.

Effective Communication Tools

Effective communication starts with listening. Listening is the tool in which we determine which issues are important, what problems may exist, and how best we can assist people. Most people don’t listen well. Approximately 70% of our waking moments are spent in communication and, of that time, approximately 45% is spent listening. Sadly, about 75% of oral communication is either misunderstood, ignored, or forgotten. Dr. Ralph G. Nichols from the University of Minnesota performed listening tests and found we tend to forget approximately one third to one-half of what we’ve heard within eight hours of hearing it. Many of us are guilty of listening with the intent
of how we’ll respond in lieu of concentrating on the communicator’s message.

Listening styles also come into play and can be misconstrued by the communicator. For example, men’s listening style tends to be more analytical and problem-solving. Men tend to interrupt and offer advice, which doesn’t mean they aren’t paying attention. Women’s nature is to listen enthusiastically and supportively. They tend to offer advice after the speaker has finished conversing. (Both are listening, but with different styles.) Other cultures have different listening styles as well.

**Communication and Listening Challenges**

Additional obstacles to effective listening may include attitude interference. By allowing your attitude about the person speaking to interfere with what you’re hearing, you can misconstrue their actual intent. Avoid anticipating what they mean or what you think they’re going to say. This leads to judging and also distracts you from hearing what is being said. Your beliefs, emotions, and biases can all impact the quality of your listening. If you’re emotionally upset, you might interpret an innocent comment as negative; or you may assume falsely the intent of their meaning. Next we’ll discuss other communication topics to help improve your communication success.

**Active Listening**

Active listening involves self-awareness and being mindful during our communications. There are several steps to the art of active listening.

**Pay Attention:** Give your full attention and acknowledge you are receiving their message. Avoid wasting time developing a rebuttal and missing some important bits of information. Listen to the speaker and not to your own thoughts.

**Show That You Are Listening:** Use body language and gestures, nod, smile, maintain good posture, and encourage your speaker with verbal comments to let them know you’re paying attention.

**Content and Context:** Content is the message, but equally important is the context; the meaning behind the message. Search for the intent to further understand their meaning and significance.

**Provide Feedback:** Use reflective listening by paraphrasing what has been said. Ask clarifying questions. Summarize their content periodically to verify you
understood what they intended.

**Defer Judgement:** Avoid interrupting by allowing the speaker to finish each point, and avoid counterarguments until they’ve finished speaking.

**Respond appropriately:** Your goal is to gain information and perspective. Strive to be an assertive listener. Be open, candid and honest in your responses. Be respectful with your opinions and your disagreements. The idea is to keep communication going and focus on the outcomes. Aim for mutual agreement and respect.

Use of specific, concrete details increase credibility and impact. Use comments and physical acknowledgements. Requesting confirmation affirms to the sender you are listening and what they say is important.

**Remove Distractions.** Don’t doodle, tap, or shuffle papers. Close a door if possible to limit outside noise.

**Empathize with the Client.** Try to put yourself in the client’s place so that you can see his or her point of view.

**Be Patient.** Allow the client a sufficient amount of time to talk without interrupting. Don’t start for the door or walk away.

**Hold Your Temper.** An angry person gets the wrong meaning from words. Stay professional.

**Go Easy on Argument and Criticism.** This puts the client on the defensive. They may “clam up” or get angry. Do not argue; even if you win you lose.

**Ask Questions.** This encourages the client and shows you are listening. It helps to develop points further.

**Stop Talking.** This is the first and last; all other commandments depend upon it. You just can’t do a good job listening while you are talking.

**Non-verbal Communication**

What lies between the words can belie the truth! Nonverbal clues can be worth a thousand words. Body language, vocal cues, speech patterns, and facial expressions are all clues to the truth behind the words.
“What you do speaks so loudly that I cannot hear what you say.” – Ralph Waldo Emerson

When someone says they’re fine but they have a scowl on their face, do you believe that they’re fine? Do you, instead, believe that they have other thoughts and emotions that don’t match their words? This mismatched message indicates incongruent messages. In most cases, we’re likely to believe the tone of the voice, the facial features and vocal cues over the words. Nonverbal communication has been shown to carry between 65% - 93% more impact than the words spoken. Learn to watch the nonverbal clues to discover true motivation, needs and intent. Some other nonverbal cues for you to use to convey confidence and credibility include: good eye contact, a confident handshake, effective gestures, dressing the part, posture and presence, appropriate facial expressions, appropriate voice tone, engagement, and responding to the other’s nonverbal cues.

The 7 C’s of Communication

A blog by the Mind Tools Team provides seven tools for effective communication worthy of our consideration in all our communications.

Clear: Be clear about your goal or message; state your purpose for the communication. State facts, leaving your listener no room for assumptions or misunderstandings of your intent.

Concise: Stick to the point. Be brief. Proofread e-mails and other correspondence, and use this technique in conversations as well. Separate topics into separate e-mails (or at least separate paragraphs).

Correct: Check your facts! To proof, ask yourself the following questions:

1. Do the technical terms fit the audience’s education or knowledge?
   Avoid techno-speak!
2. Have you proofread your correspondence for grammatical errors?
   Don’t rely solely on spellcheck.
3. Are all names and titles spelled correctly?

Coherent: Your communication should be logical and coherent, with all content relating to the main topic.
**Complete:** You’ve provided everything they need to know. They know the what, when and where if action is required. Leave no room for them to have to ask you questions that weren’t answered in the original communication.

**Courteous:** Be friendly, polite, open and honest. Be neutral and avoid your biases (if any). Avoid passive-aggressive undertones. Aim for a style that is assertive but not aggressive.

First impressions and your overall demeanor will set the stage for a positive encounter. The quality of your communication style, sincerity and intention will convey you’re true intentions. You’ll exude confidence and will tell others you’re professional and enthusiastic. You know your job and you’re ready to help them reach their goals.

**Making Meetings Work**

A large percentage of the group coordinator’s time is spent in meetings, whether it be one-one-one or group. There are some basic ideas to remember during any meeting. Your goal is to be effective, a good communicator, a good listener, and a good representative of your program. You should also strive for interaction of participants, you should be encouraging and help all participants feel comfortable with participating, and you should be motivating. For a structured meeting, Michael Doyle and David Straus suggest the following steps for a successful meeting in their book “How to Make Meetings Work”:

**Before the meeting**

1. Plan the meeting carefully: who, what, when, where, why, how many.
2. Prepare and send out an agenda in advance.
3. Come early and set up the meeting room.

**At the beginning of the meeting**

4. Start on time.
5. Get participants to introduce themselves and state their expectations for the meeting.
6. Clearly define roles.
7. Review, revise and order the agenda.
8. Set clear time limits.
9. Review action items from the previous meeting (if one has been held).

**During the meeting**
10. Focus on the same problem in the same way at the same time.

**At the end of the meeting**
12. Review the group memory.
13. Set the date and place of the next meeting and develop a preliminary agenda.
14. Evaluate the meeting.
15. Close the meeting crisply and positively.
16. Clear up and rearrange the room.

**After the meeting**
17. Prepare the group (participant) memo.
18. Follow up on action items and begin to plan the next meeting.

Obviously, these tips are structured around a “business” meeting, a staff meeting or special project introduction for the project planning group; but most of these tips can be followed for a one-on-one meeting with a new prospective applicant, especially if you have time before you meet to help them prepare for a successful meeting. Remember that your time and their time is valuable. Be respectful and courteous by making the most of everyone’s time.

**CHALLENGES IN PROVIDING AFFORDABLE HOUSING**

**Issues Facing Participants**

Because first impressions are hard to forget, you want all your interactions with clients to be professional and have positive outcomes. You represent your organization, the program, and the Board of Directors. Professionalism will make your clients feel confident and secure. Your job is not to judge or dissuade; instead, your job is to encourage and support. You may not be able to directly meet the need of every potential
client; however, you can still be successful in showing them support and leading them in the direction of the person or program that can be most beneficial at that time. You’ll feel a great amount of accomplishment when you help your clients reach their goal of homeownership. Remember, though, that not every potential applicant is ready for or suitable to the program. Your job is not only to discern those who are ready for the challenge but also to know how to help those who aren’t.

Listed below are some common issues that many households face. For those situations that are outside your agency’s focus, you will want to be properly prepared to help these families by knowing where to refer them for assistance.

1. Employment and financial.
   - Insufficient income and poor employment history.
   - Inadequate credit and budget management.
   - Lack of sufficient consumer information resulting in unwise purchases.
   - Discrimination.
   - Effects of inflation.

2. Legal problems and inability to afford legal assistance.
3. Frequent and costly medical and health problems.
4. Discrimination and race-related problems.
5. Family and marital difficulties.
6. Frequent and unpredictable crises which prevent planning for the future.
7. Lack of information about existing community services.
8. Frequent educational problems of dependent children.
9. Frequent negative encounters which build an air of distrust toward all service agencies.
10. Lack of understanding of housing laws and real estate procedures.
11. A high incidence of mental illness, emotional problems, drug and/or alcohol abuse, or suicide.

Every client faces many issues, problems and difficulties. Every problem encountered by the participant relates to and reinforces other problems. Be informed about the federal and state agencies, where their services are available and who qualifies.
Network and exchange referrals with other agencies and that may be able to provide helpful assistance in:

- Jobs
- Training
- Food Programs
- Energy Assistance

Technical schools, junior colleges and local employers can also have career counseling and skills testing courses. Have a list of phone numbers by your desk of agencies/departments in your area. Some potential phone numbers might include:

- Salvation Army
- Supplement Nutrition Assistance Program (SNAP)
- Fuel Assistance
- Lawyer’s Referral Service
- Legal Aid
- IRS Taxpayer’s Assistance
- HUD
- Department dealing with Child Support Issues
- Family Services
- Department of Public Welfare
- Department of Public Utilities
- Department of Employment
- Consumer Credit Counseling Service
- Better Business Bureau
- Consumer Protection Agency
- Temporary Assistance for Needy Families (TANF)

**Issues the Group Coordinator May Face**

Working in the world of self-help housing, you’ll be exposed to many new ideas, new people, and new opportunities. Along with opportunities come challenges.
The Group Coordinator Handbook was designed to give you guidance and information to do your job successfully. There are some issues outside your scope of work you should be aware of working in the world of affordable housing. NIMBY or NIMBYism is one of those issues.

What is NIMBY?

“Not In My Back Yard”, NIMBY, is a term used to describe a group’s desires to prevent certain land uses near their homes or communities. Although people have NIMBY attitudes about almost every type of development from shopping malls to school facilities, NIMBY commonly refers to citizen-directed actions aimed at preventing the development of low-income, affordable or supportive housing. Every community—no matter how small or large, how rural or urban, how poor or wealthy its population, has citizens who object to the development of low-income and supportive housing next door. NIMBYism is often associated with zoning ordinances implemented by large urban jurisdictions; however, developers or rural low-income and special-use housing must also combat community opposition. Minimum density requirements and lot and unit size requirements, which can prohibit affordable housing development, can often be higher in rural areas.

NIMBYism is about more than over-regulation. NIMBY attitudes are rooted in Americans’ fears and suspicions of people who are different from themselves. The differences that trigger NIMBYism can include race, income, and source of income, national origin, ethnicity and family status. Unfortunately, many localities’ zoning codes have institutionalized, often under the guise of protection of community environment quality, NIMBY attitudes. The NIMBY phenomenon not only hurts individuals and groups who are excluded from decent housing; it also prevents communities of all sizes from enjoying the benefits of diversity. Diverse communities offer a rich life experience and enhanced opportunity to live our country’s best values. Unfortunately, NIMBYism is self-perpetuating. Communication is key to helping fight the issues that cause NIMBYism and to open the minds of those opposing changes to their world. They are fighting to hold onto their status quo, and change can be
frightening. Two tools to help overcome their engrained beliefs are communication and education.

A Good Neighbor Policy is a good start. A facilitator can assist with group meetings and help to formulate a plan to both communicate and educate. Community engagement should begin early and happen often. Address legitimate concerns, and be respectful of everyone’s concerns. This should be done early in the planning process so that good ideas can be incorporated into the design stage.

Include the right participants; hold an open house for concerned citizens to meet the key players including your staff, architects, and developers; in a relaxed setting instead of in structured meeting.

Invite interested parties to view past developments so they can see firsthand what they can expect with your new project. It is interesting to see how surprised folks are, who come and tour a neighborhood of self-help homes and realize these are nice family homes with great neighbors who care about each other and show pride of ownership.

Usually, your organization’s development team will be working against the issues of NIMBYism but since the group coordinator often interacts with the public, you should be aware of this social dilemma.

The Right Training for Your Success

The group coordinator needs to have knowledge of marketing, loan packaging, and assisting applicants with credit counseling. Applicants with perfect credit scores are not the norm, and the group coordinator needs to be able to identify each applicant’s needs based on their credit score and other factors such as employment, family size, etc.

For your program to be successful, you must have a recruitment plan to attract the applicants your program will best benefit. Word of mouth is often the best marketing tool however, you can’t rely on only one approach. Your goal should be to develop a waiting list of applicants who are credit-worthy and ready for homeownership. Occasionally you’ll have applicants with an acceptable credit score or some who have minor credit issues; but it is more common for applicants to start out with poor credit, too much debt or other issues that make them not ready for the
program. It is not unusual to work with folks for up to a year or more to get them ready and eligible. For more information about working with the applicants/families, review the Participant Recruiting and Program Marketing chapters of this handbook.

To package Rural Development Section 502 loans for your applicants, it’s helpful to be trained as a certified loan packager. Once you receive your initial training, keep up with the frequently changing regulations so that you’re current and up-to-date.

You may also be trained to become a credit counselor. Credit counselors offer guidance needed by those who have debt or credit scores that prevent them from obtaining a loan. Becoming a credit counselor entails a number of classes to obtain your certification and also requires continuing education courses to maintain your certification. Being able to provide credit counseling will help you determine the level of counseling your applicants will need in order to be loan-ready. Each applicant’s financial situation will be different and will require varying amounts of your time. The credit counseling and loan packaging training will show you how to review a credit report, analyze income and teach you how to counsel applicants for their path to homeownership. For those clients who need to improve their credit scores, you’ll be able to help them develop a plan to reach their goals. Depending on their particular situation, the families you’re working with may need to seek outside counseling.

These clients are your future building group participants and will make up your waiting list. When the organization is applying for their next grant, they’ll have to prove that there are applicants already determined eligible for an adequate 502 loan. You’ll also need to have applicants in process for the next build in the grant. These applicants become part of your “wait list” or pipeline. Listing these applicants is part of showing that a program is sustainable. You’ll learn more about this under the Working with the Participants chapter of this handbook.

GROUP MOTIVATION

Early Development of Winning Teams

As group coordinator, you will ultimately set the stage for a successful program right from the beginning. Two tools available to the self-help program that are designed
to help establish an environment of group motivation early in the process are pre-
construction meetings and the written membership agreement. Proper perception and
utilization of these two tools can be a great help in developing winning teams.

**Pre-Construction Meetings**

This series of meetings with the participants will set the stage for the group’s
interaction dynamics and work environment. Pre-construction meetings should also
clearly outline what is needed and expected from the participants during this long
process. It is during this time that you are modeling communication skills as well as
setting the standard for positive interactions with the program staff, participants, and
others with whom the participants will be meeting on the construction site. Pre-
construction meetings typically contain varied information such as basic banking skills,
the cost of credit, maintaining good credit, availability and selection of building lots and
house plans, homeownership responsibilities, including property taxes and insurance,
and home maintenance. Review of loan closing procedures and documents, membership
agreement, team work, and construction procedures and techniques should also be
discussed. This is the time to introduce the idea of the participants as owner-builders.
This concept will increase their understanding of the role they play. They need to
understand they are key to the success of the program and their building process. Refer
to the Preconstruction Meeting Handbook for details of the various types of meetings
that may be utilized and their importance to the families’ successes.

**Membership and Labor Agreement**

It is during the pre-construction meetings that the group coordinator and the
construction supervisor review the details of this contract. It must be made clear that the
participants are being held accountable to fulfill the requirements outlined in the
membership agreement. A sample of the Building Group Membership and Labor
Agreement provided in Appendix #10.

**Coaching for Top Performance**

There are various important roles that you will be playing as you move through
the pre-construction process into construction and ultimately to the goal of home
completion. As the group coordinator or construction supervisor involved with the self-help program, the participants will be looking to you for guidance, much as they would a coach. The group coordinator can use the coaching technique to help the families give their absolute best. The coaching technique can guide, shape, and spur individual performance to greater heights. Coaching is educating and training individuals; but it is more. Coaching is essentially a three-part process.

- Educating
- Developing
- Counseling

Basic Guidelines for Coaching for Top Performance:

<table>
<thead>
<tr>
<th>Guideline</th>
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<tbody>
<tr>
<td><strong>Be a model</strong> – It is a key teaching tool, but it also sets the stage for trust and credibility.</td>
</tr>
<tr>
<td><strong>Be where the game is played</strong> – You have to experience what is going on out on the construction site.</td>
</tr>
<tr>
<td><strong>Listen and observe</strong> – Listening and observing firsthand is the only way to learn what your team is doing and thinking.</td>
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<tr>
<td><strong>Think and speak success</strong> – Positive thinking and communication produces good energy and high output.</td>
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<tr>
<td><strong>Build to strengths</strong> – Discover and support people’s attributes rather than harping on their weaknesses.</td>
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<td><strong>Celebrate Success</strong> – Don’t neglect to celebrate successes. Praising a job well done empowers and inspires both individuals and their teams.</td>
</tr>
<tr>
<td><strong>Accept mistakes</strong> – They can be a great learning tool.</td>
</tr>
<tr>
<td><strong>Communicate</strong> – Don’t keep secrets; let your team in on what is going on. Let them know that they are vital to the team’s success!</td>
</tr>
<tr>
<td><strong>Focus on each team member</strong> – Take time to focus on each team member separately, respecting his or her individuality and special needs.</td>
</tr>
</tbody>
</table>
Give support and feedback – Provide consistent support and feedback that are timely, specific, and encouraging.

Educating

- Identifying the current skills of the individuals and, thereby, the group.
- Selecting the training methods that are right for the individual and the group.
  These methods are discussed in the Preconstruction Meeting Handbook.

Developing

- Monitoring performance.
- Utilization of all of the coaching guidelines listed above.

Counseling

- Identifying performance problems.
- Confronting problems directly.
- Involving the individuals in the solution.

As a group of families proceeds through construction, this three-part process will be utilized. As the stages progress, the group coordinator’s role with them will change.

During the Educating process, the families are brand new and completely unfamiliar with their surroundings. Even if they have some construction knowledge, they are unaware of and unable to fulfill their responsibilities to you, the organization, and the team. To the participant, everything is going to seem difficult at first. Families want and need a lot of direction during the first few meetings and when they first go to the construction site. At this stage, the group coordinator takes on more of a role of teacher than of a coach. As a teacher, you will give a lot of direction. Think of it as an “Orientation.” To relate this orientation to our own experiences, think back to the start of a new job. When you started a new job, did you ever have to wonder, “Where are the rest rooms? Where do I park my car? How do I get my paycheck? What happens if the phone rings; how do I transfer the call?” The families might have similar questions, not only at the first pre-construction meeting but also the first time that they are on the construction site. At this stage the families are not looking to build relationships; they
want environmental familiarity. Remember, during the first few pre-construction meetings and also the first couple of times at the construction site, the families are experiencing a lot of environmental changes.

After orientation, you need to put together effective pre-construction meetings that create the group’s “Culture.” They need to know their lines of empowerment within the group. When they get this information from you upfront, they will not be tempted to get it later on through the grapevine or through assumption and conjecture.

Developing happens after the families have been involved in the program for a period of time and they suddenly realize all that the program entails (keep in mind that families develop at different levels). The families are suddenly painfully aware of everything that is going to be required of them for the next several months. They are either participating in the pre-construction meetings or working on the job site, but they still feel uncomfortable and even awkward. They start to align themselves with others and may start to form cliques. They will start to size up other group members and make judgments about their abilities. Your role now is one of a coach. They expect to be able to come to you and share information; they may even expect to be able to make mistakes without reprimand. You should never make them feel that they have asked a dumb question.

As a coach we create an environment where people feel comfortable taking the initiative. If we generate an atmosphere where people feel that they are going to be punished for making a mistake after taking an initiative, they may hide the mistake, blame it on someone else, or never take the initiative in the first place. Coaching is a supportive role.

Coaching is needed when teaching a new skill. This applies not only to pre-construction meetings but also on the construction site. Families have to learn new skills, new tasks, and new methods many times during the construction period. Any time a new skill is needed, they need to receive training and support.
Coaching is needed when there is a lack of self-confidence. “Go ahead and try it. It’s not as difficult as you might think.” Recognize when the problem is not a lack of skill but a lack of confidence. Encourage people and increase their level of self-esteem.

Coaching is needed when people are going through a transition or change. A fear of change exists in all of us to a certain degree. As a great coach would, you will need to help your team members to work through it.

Coaching is needed when people feel overwhelmed with tasks. Understand that the families want to do a good job but are, at times, feeling overwhelmed.

Counseling is an individualized problem-solving technique that addresses persistent roadblocks to good performance. Counseling involves identifying performance problems, confronting the problems directly, and involving individuals in the solution. When might counseling be the technique to use?

Counseling is needed when we have to work with a difficult person or attitude. Fixing things is an inside job. We cannot fix another’s attitude, but it can be brought to their attention. There may be a family that works but doesn’t get along with the rest of the team; or there may be a family that works, but they persist in gossip and create group turmoil. Be very specific in what you say. What are the skills and positives that they bring to the team? What are the “soft skills” that are causing problems? Show them what is expected of them.

Counseling is needed when a team member is bringing personal problems to the job site and it is affecting others.

Counseling is needed when there is repeated feedback from either the families or the construction supervisor that a problem exists.

Counseling takes a lot of time and should be done in a private setting. If a participant has recurring negative behavior, counsel the team member immediately. Let him or her know in a positive way that you are monitoring the problem. When counseling, have the facts straight. Maintaining emotional calm during the session is essential to achieving desirable results. If it is an extremely difficult counseling session, have a written agenda with key points. Do not do all the talking, but listen and permit
feedback. Document for the purpose of development or improved performance, not for having the participant removed from the group. Invite the individual to visit again in one week, so that you may both be able to give further feedback.

**Effective Leadership**

Effective leaders have a clear sense of what they are trying to accomplish, they have a real respect and caring for people, and they celebrate successes. The gift is listening, caring and making each team member feel that he or she is a very important piece of the larger picture.

In order to become a great coach:

- Find a great coach.
- Observe, ask questions, and listen.
- Recall the attributes of great coaches you have known.
- Identify developmental needs (areas you need to work on).
- Develop a training plan.
- Participate in seminars, read good materials, and seek opportunities to learn new skills whenever possible.
- Detail your plan according to specific workplace behaviors you want to start, stop, or change in order to develop your skills.
- Implement the plan.
- Monitor progress.

Coaching skills can be developed through hard work, open-mindedness, passion, and a real caring for the people involved. It is an ongoing process of learning and communicating, listening and responding that yields enriching rewards.

**Symptoms of a Weak Self-Help Group**

As a self-help grantee, every effort is made to recruit the applicants by explaining the program commitments to them, assist them through the loan approval and closing processes, and provide the required pre-construction meetings.
Sometimes, though, when the participants get into the construction phase, the grantees realize that the group of participants, the construction “team,” is falling apart before their eyes. As a grantee, you have houses to produce, a timeframe in which they must be built, and a set amount of money to cover the administrative expenses to produce these results. It can be a pretty dismal picture when the group is disintegrating and you are spending a lot of effort in crisis management. Unfortunately, despite your best efforts, it is a reality that happens in some groups. If it does happen, you will need to determine where the problem lies. To help you find the answers, it might help to look at the symptoms of a weak team.

- **Procrastination** – Once you have identified procrastination as the culprit, you will need to investigate the reasons for it and then fix it. The procrastinator may possibly lack the confidence, instruction, or even the physical resources needed to begin the task.

- **Lack of Ownership** – When applicants are recruited, you talk to them about the self-help program: what will be required of them and how the agency will assist them to achieve their goal of home ownership. Then you have them sign a contract and call it a membership agreement (See Appendix 10). This agreement outlines the construction responsibilities, the labor exchange commitment, the general rules of the group, and grievance procedures. When you spot early warning signs in a team player that there is a lack of ownership in his or her responsibilities to this agreement, bring it to the participant’s attention. Explain again that member’s responsibilities to the contract. Remind the participant that a positive attitude with the entire group is crucial. It may even be necessary to reiterate that the sacrifice is temporary; only a few short months and that the reward of home ownership is permanent. Remind them they are a part of a team and they are a partner with the other participants. Reinforce the owner-builder concept that they are working for themselves and the other participants for a common goal.

- **Conflict** – Attitude problems and conflicts among team members can usually be avoided by reinforcing the concept of teamwork. When conflict between
participants or individual participants occurs, you have to determine why it exists. Is it favoritism or the perception of favoritism? If so, can more communication on your part eliminate that perception? Is one team member carrying a greater share of the responsibilities? If so, the construction supervisor may need to re-balance the workload so it doesn’t seem to be unfair. It seems that in most groups there will be a number of individuals who are extremely motivated and, in the initial stages of construction, will contribute a significant number of extra hours on the construction site. Convey to your team members that sticking to the assigned schedule can eliminate burnout and keep the participants working together. Counsel the participants early on to pace their efforts and work as a group.

- **Missed Deadlines** – The group must realize that when a deadline is missed, it has an impact on everyone. All group members need to be aware that the grant has a deadline and that the construction of the group’s homes is crucial to meeting that deadline. They need to understand that small missed deadlines will delay larger deadlines. An appreciation of schedules, deadlines, and producing results is something that should be discussed with the group during the pre-construction meetings. Meeting or beating deadlines, especially BIG deadlines, gives us a burst of needed energy! Never miss an opportunity to applaud your team whenever a deadline is met. However, when the group is on the construction site and they begin to miss deadlines, a coach needs to use techniques to encourage, motivate, and help bring the project and the group back to a cohesive and productive unit.

- **Wasted Resources** – No one likes his or her time to be wasted. Our largest wasted resource can be time. If you have ever spent hours preparing for a meeting that ultimately gets canceled, you understand this concept. It must be instilled from the start in all team members that they must show up and be prepared to work at each and every scheduled time. As group coordinator, you must set the example by doing the same. Another example of a wasted resource is a team member performing a task that must be redone, simply because he or she wasn’t given proper instruction by the construction supervisor in performing
the task before undertaking it. Team leaders must give proper instruction and ensure that the team member assigned the given task has a proper working knowledge of that task before giving him or her the go-ahead to proceed.

The group coordinator and the construction supervisor are the two staff that have the most interaction with the participants. Use your working relationship to show the participants how a successful team works together to accomplish their goals. Being in communication with each other will keep you apprised of the issues on the jobsite and show your unity to the participants.

**Dealing with Problems**

The membership agreement must contain a formal set of grievance procedures. The grievance procedures must recognize the possibility of problems:

- Among the group members.
- Between the construction supervisor and the group.
- Between the group and the agency.
- Between the group and Rural Development staff.

The procedure utilized to resolve or mitigate a grievance must be logical and just. If faced quickly and directly, the group can resolve most of the problems occurring among themselves.

When a problem interrupts construction progress, the construction supervisor and/or group coordinator must act decisively to eliminate the source of the problem. The members should be encouraged to bring complaints to the weekly group participant meetings. At these weekly meetings, the construction supervisor and/or the group coordinator, along with a neutral member of the staff, should facilitate the complaint portion of the session. The preferred outcome of this session is for the group to come to a consensus of how the problem should be resolved in accordance with the membership agreement. It can never be stressed enough that, once the participants sign the membership agreement, all parties, including the grantee and staff, must consistently follow and comply with the terms of the agreement.
If the parties fail to agree to the consensus of the group, the construction supervisor and/or group coordinator should attempt to resolve the problem. This may, at times, prove difficult; especially if the construction supervisor, another self-help agency staff member, or Rural Development staff member is one of the persons directly involved in the disagreement.

If the construction supervisor and group coordinator are unable to resolve the problem, then a formal written request is made to the self-help agency's program manager and executive director or the Rural Development local office staff to assist in resolving the crisis. The request must present the problem and the surrounding issues in an unbiased manner.

In order to help avoid conflict, discuss potential problems with the group before they arise. During the pre-construction or participant meetings, go over the following list of problems, possible causes, and potential solutions that may occur during construction. Knowing about these beforehand may help participants avoid them or handle them effectively during construction. This activity will also help the group coordinator and construction supervisor think of different ways around the problems that may confront them.

**Situation #1**: The construction group has a bad attitude and will not cooperate with the construction supervisor or the grantee staff.

**Possible Causes**: Lack of detailed communication between the participants and the grantee. Personality conflicts between members. Weather conditions. Construction supervisor’s personality. Attendance not regular by all individuals. Problems with subcontractors. Racial or ethnical differences.

**Potential Solutions**: Grantee staff needs to identify the problem and understand family makeup, personalities, and background. Grantee needs to spend time on the site reminding participants how the program works. Hold regular group meetings. Conduct workshops for participants and grantee. Have Rural Development visit the job site.

**Situation #2**: When the interior work starts, participant morale drops. They want things to move as quickly as they did in the framing stage. Participants are naturally anxious to
move into their new homes. Considerable time has already been spent, and it now seems like it has been forever.

**Possible Causes:** Participants unfamiliar with the nature of the work and time involved. Subcontractor delays. Shortage of proper tools.

**Potential Solutions:** Proper construction planning and scheduling. Keeping the participants up to date on the overall progress. Encouragement and compliments by the construction supervisor and grantee staff. Planning for necessary tool purchases or rentals. Scheduling a field trip to a finished/occupied home to show the participants what they have to look forward to. Motivate or remove a slow/unreliable subcontractor or supplier. Explain the construction process so each member can understand it.

**Situation #3:** Individual participant wants to work on the interior of their home and does not want anyone else to come in and help.

**Possible Causes:** Selfishness. Personality conflicts. Concern that the work will not be done to their standards.

**Potential Solutions:** Have more group meetings so that all the participants will feel friendly towards each other. Have a group outing, such as a picnic or potluck dinner. Explain the mutual self-help concept again in detail and include the timelines for completion. Point out that the work so far has been done up to standards and the interior work will be also. Reiterate the promise the team made to each other to work together through the end of the build until every home is completed.

**Situation #4:** An individual/participant does not show up to work, even on their home, and when they do come, it is usually late.

**Possible Causes:** Illness. Lack of morale. Change in work schedule. Not clearly understanding the requirement that they had to show up for all scheduled work times.

**Potential Solutions:** If illness is a critical condition, require the participant to get substitute labor; if not, then they must show up for work or potentially lose their home. Determine if the construction supervisor or just the lack of progress is the cause of the morale issue. Explain the requirements and discuss the membership agreement **individually.** Remind them of what they are working towards; the end product is a home of their own.
Maintaining Group Cooperation

Generally, after the group comes out of the pre-construction phase, the group members believe nothing can stop them. This sense of euphoria will last a few months, generally through the initial construction activities. Once progress begins to stall, the construction supervisor and group coordinator must be prepared to supplement the group’s faltering conviction. There are many methods of group dynamics to use to attain this goal:

- Setting clear goals.
- Changing the group’s pace.
- Keeping the group informed of its progress.
- Developing a reward or bonus system.

Ultimately, the group members must accept responsibility for what happens during construction. Remember, the group members are providing the labor and, after all, these are their houses. For the group members to accept their mutual responsibility of building houses by pooling their labor, the construction supervisor and group coordinator need to encourage them to identify as a group.

Potential problem areas should be discussed with the group during the pre-construction meetings. Acceptable solutions to the problems can be incorporated in the family agreement. Discuss these sample problems:

- Handling nonparticipation of a group member.
- Judging the quality of a participant’s labor performance.
- Stopping disruptive behavior on the job site.

These potential problem areas need to be introduced. Ask the group how it will handle them. Remember to make it clear to group members that they must monitor their own behavior and solve their own problems as much as is possible.

Over time, the group will divide into natural leaders and followers. Decisive leaders among the group can be helpful in solving internal group conflicts without
involving self-help staff. Make sure leaders are only guiding, not dominating the process.

If problems persist and are beyond the capacity of either the group or the construction supervisor and group coordinator to resolve, notify the other staff of the self-help agency, your T&MA contractor and Rural Development. The construction supervisor and group coordinator must not let little problems grow into unsolvable complications. If an individual, a family, or the whole group is at an impasse on an issue that you have no solution for, go to your supervisor for assistance – immediately.

Conflicts will arise during the long construction process; they must be eased and eliminated before they disrupt the project. The types of conflicts that arise during construction will run the gamut from annoyances to disputes to clashes. Be aware of any increasing level of tension in the group. Strive not to allow personality conflicts to become more than an annoyance, and work toward quickly eliminating their root causes.

**Keeping the Group Motivated**

Motivation can be thought of in two ways:

- How to get someone to do what you want them to do.
  (This is generally not the best way to run a self-help group because of the length and magnitude of the job.)
- How to get someone to *want* to do what you want them to do.
  (This approach takes a lot of thought and work on your part, but is typically easier and more beneficial in the long run.)

**How to Keep the Group Motivated**

Every group goes through cycles of high and low motivation. Early in construction, when progress is most visible, the participants are eager and highly motivated. After three or four months of construction, with possible delays resulting from bad weather or problems with subcontractors and suppliers, motivation and morale may be low among the individual members or the group as a whole. The group coordinator and
construction supervisor must be able to improve the morale by motivating the participants.

One of the best day-to-day tools ever invented to solve this difficult problem is the compliment. Giving compliments on a regular basis works wonders. These can be as simple as any of the following examples:

- “Great work!”
- “Now you’ve got the idea”
- “Why don’t you show the rest of us how you did that?”

Another method is a competition. This can be between or within groups, or against a previous group’s progress record. Regardless of the method, the intent is to positively spur the group on.

The following is a list of effective leadership qualities that can aid in motivation:

**Understanding** – Don’t judge individuals because of their situation; instead, put yourself in their place and be empathetic.

**Respect** – Treat each participant as your equal and not as a lesser employee.

**Listening** – Always pay attention to what team members are really saying to you.

**Explaining** – Be clear about what is involved in the program and on the construction site. Explain the tasks well.

**Caring** – Make participants’ problems important to you.

**Support** – Many problems will come up during the construction period. Try to always to be supportive of each member’s situation.

**Honesty** – Don’t trick people into joining the program under false pretenses. Instead, help them to realize how much hard work is involved and how much they will get out of it in return.

**Interest** – Show interest in the lives of your participants.

**Advocacy** – Assure all participants you are on their team.

**Credibility** – Don’t give your participants any reason not to believe what you say.
Trust – Don’t share things your participants have told you in confidence.
Fairness – Don’t treat one participant better than another. It pits the participants against each other and you.
Confidence – Inspire team members’ confidence in you by acting intelligently and responsibly.
Positivity – Avoid speaking negatively about the program with participants. You are their first self-help contact and are viewed by them as an authority figure.
Energy – Let your excitement about the program spur the same excitement in others.
Personality – Don’t be afraid to let participants see you as a real human.
Appreciation – Make certain team members know that you appreciate the work they are doing.

Who Keeps the Group Motivated?

Motivating the participants should not fall solely on the group coordinator. There are many different people who can and should have a positive effect on the participants’ attitudes towards the program. The group coordinator is not alone. If there is a major motivation problem, look into all aspects for both the cause and the solution to the problem.

The following is a list of different positions that are involved in group motivation.

Group Coordinator – locates the applicants and motivates them to join the self-help program. The group coordinator is responsible not only for transforming the individuals into a cohesive group during the pre-construction phase but also for helping to keep the participants inspired during construction.
Project Director – should run a good program with well-prepared/trained staff.
Construction Supervisor – makes the participants feel responsible and capable of carrying out important tasks. Participants should always be treated fairly and never belittled or harassed. This turns the supervisor into their enemy; not someone they can respect and work for.
Rural Development staff – helps participants feel positive about the loan program and the self-help project.

Subcontractors – should not make fun or speak badly of the project. This could make the participants question the quality of the homes or the ability of non-skilled labor (the participants) to build houses.

The community – has the task of respecting the participants for all the hard work they are doing; not for making them feel their houses are inferior or that they are being given the house by the taxpayers.

What Keeps the Group Motivated?

Group Activities
There are quite a few activities that could assist in inspiring the participants. Instead of waiting for a motivation problem to arise, some of these activities may help keep the participants excited throughout the program.

Meals on site – Breakfast could encourage them to be at the site on time, while lunch could provide the group with a nice break.

Party on/off site – While bonding should have occurred during the pre-construction phase, spending time together when they are not working strengthens the bond. Remember: make it fun for them to be together.

Group time sheet – Encourages a little bit of peer pressure and keeps people honest if they have to write their hours down where everyone else will see them.

Measurable Goals
Give goals that your team members can see and understand; for example: “By the end of the weekend we should have the trusses up on three homes,” or “Before we break for lunch we should be able to have the siding up on the front of the house.” Don’t make goals too hard to accomplish, or they will feel they have failed. Failing does not push people to work harder.

Responsibility
Give each person something meaningful to do on the job site. Don’t allow one person to feel incompetent or unwanted. Some grantees have found that getting team members
involved by looking for the best prices on some of the construction materials empowers the participants and helps them feel very involved.

**Teamwork**

Two factors will determine the group’s effectiveness. The first is their ability to accomplish their goal: building the houses. The second factor is their effectiveness in their relationships with other group members. Do not overlook the opportunity to create positive team dynamics. As team leaders, you and the construction supervisor are responsible for developing a climate of trust.

**Internal and External Motivation**

Internal motivation refers to behavior that is driven by internal rewards and based on a person’s values, beliefs, and feelings. External motivation involves engaging in a behavior in order to earn external rewards or avoid punishment. An example of external motivation could be to raffle off a range of a dishwasher, with the number of chances each family receives being dependent on how many hours they worked during the construction period. Ask your appliance provider if they’d like to donate the item. This could be good public relations for their store and great motivation for the participants.

Unmotivated individuals can bring the whole group down. The methods of inspiration differ between individuals and families. Individuals typically respond more favorably to a one-on-one discussion of their situation, their values, and what they can do to improve their life. A group tends to be more motivated by some of the team activities listed above.

Values, needs, desires, money, and self-esteem are other things that motivate individuals. Examples pertaining to self-help housing participants include the following:

**Values** – They believe that their children will have a better life being raised in a home with a yard, compared to an apartment. They think a house brings stability and security to life.

**Needs** – The participant currently has nowhere to live and is sharing an apartment with a friend who can’t keep him or her much longer. Shelter is a must.

**Desires** – They have always wanted a house of their own and pictured raising their family in one instead of an apartment.
Money – They are very aware of the money they are saving themselves by providing their own labor.

Self-Esteem – They need help with their living situation and, through their own hard work, they are able to do something to improve it, learning a new skill in the process.

REPORTING

SHARES

SHARES stands for the Self-Help Automated Reporting and Evaluation System. It is Rural Development’s preferred method for a grantee’s reporting their grant progress. The majority of grantees use SHARES but some grantees use alternative reports. SHARES is an internet-ready application designed to manage, track, evaluate, and report on the status of the self-help program. It also makes this information available to all parties that provide assistance to this program.SHARES has two distinct components. One is an informational section that includes links to other web sites that may be helpful to an organization during the time the grant is active. The second component is an automated database.

The database is the application that will be used regularly by the Group Coordinator. This allows family and grant information to be entered and reports to be generated and printed. Data will need to be entered on a regular basis since Rural Development personnel at all levels and the T&MA Contractor will be reviewing this data for monitoring, reporting, and statistical information purposes. On a monthly basis your T&MA Contractor will be using the information in the database to print a monthly report. A portion of the quarterly report, which is discussed in the next section of this guide, will also be completed through the SHARES system.

There is a considerable amount of information that will need to be entered into this system by the person designated by the Project Director, usually the Group Coordinator for the borrower’s demographics and loan information. The data entered
will include detailed borrower and lot information, construction progress, financial information and grant status. Although this will take time, the reports that this system is able to generate are extremely beneficial to the organization, the T&MA Contractors, Rural Development, and the overall program.

Access to the SHARES program is obtained through the eAuthentication application, which is a secured, US government application. You need to keep your log-in and password private and do not share with anyone. To gain access, contact your T&MA provider. Once you’ve been authorized, again contact your T&MA Contractor who will request you be connected to your organization’s SHARES account. We recommend some initial training by your T&MA provider to properly understand the uses and the benefits of the program. You will also need Microsoft Excel to generate reports in SHARES.

**Monthly Reports**

Monthly, a report using SHARES will be reviewed by your T&MA Contractor and all levels of Rural Development. This report will contain information on the grantee’s activities during the preceding month and will be based on information that has been entered from the grantee's office. This report consists of information such as how much of the 523 grant money has been spent, land status, construction progress and preconstruction information. This report needs to be completed by the 15th of every month. Before SHARES, the monthly report was completed using RD Instruction 1944-I, Exhibit B. Although we no longer complete the report on the old format, it is still a valuable tool in times when SHARES is inaccessible. Your T&MA contractors will still be calling grantees on a regular basis to talk about their progress.

**Quarterly Reports**

As grantor of the self-help technical assistance grants, Rural Development is responsible for the fiscal and programmatic oversight of a grantee’s activities. Rural Development is also accountable for the regular monitoring and evaluation of a grantee’s accomplishments, problems, and timetables.
The primary tool Rural Development uses to monitor a grantee is the quarterly report. Grantees should also use it as an assessment instrument. The Quarterly Review Meeting is a snapshot in time for the whole grant period. Review is conducted on all criteria to see that your organization is on track and has a plan to complete the grant goals in the timeframe given. This report is now completed by using SHARES.

Quarterly Reports must be completed and entered into SHARES per the following table.

<table>
<thead>
<tr>
<th>Quarterly Reporting period</th>
<th>Deadline to be entered into SHARES</th>
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<tbody>
<tr>
<td>January 1 – March 31</td>
<td>April 15</td>
</tr>
<tr>
<td>April 1 – June 30</td>
<td>July 15</td>
</tr>
<tr>
<td>July 1 – September 30</td>
<td>October 15</td>
</tr>
<tr>
<td>October 1 – December 31</td>
<td>January 15</td>
</tr>
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</table>

A copy of the quarterly report will also be viewed by T&MA Contractors for their assessment of the grant's progress.

A progress report should be completed by the Group Coordinator and submitted to the Housing Director or the proper person completing the quarterly report to explain progress made for the previous quarter. The report should contain:

1. Number of families contacted.
2. Number of families willing to participate in the program.
3. Number of groups organized.
4. Progress of construction.
5. Any problems grantee encountered.

This report should become part of the quarterly report completing section 8 of the original 1944-I, Exhibit B.
The following information should be provided to your T&MA contractor and Rural Development for the Quarterly Review Meetings by the SHARES deadline:

1. SHARES Quarterly report.
2. SHARES Grant Funds report.
3. Narrative/Cover Letter with a status update which at a minimum includes: group(s) in construction with anticipated completion date(s), preconstruction or marketing and outreach efforts, future land/builds, problems, concerns or delays and the amount of 523 funds drawn to date if you’re not completing the Supplemental form.
4. Most current Section 523 Grant to Date Budget versus Actual Report.
5. List of all Section 502 Loans submitted to RD (approved or denied) during the quarter.

Quality Control Assessments (QCA) are performed quarterly by your T&MA contractor in part by using the information provided for quarterly review meetings. T&MA contractors are responsible for reviewing 10% of the 502 loan files approved or denied by RD each quarter for completeness and proficiency. This helps the group coordinator’s efficiency and identifies additional training opportunities. In addition, your T&MA contractor will evaluate your grant progress and use of Section 523 funds by analyzing your SHARES report and grant to date budget versus actual report. We may also request examination of your policies and records pertaining to approval processes to purchase construction materials and monitoring contributed labor hours. Having these quarterly conversations and drawing from your T&MA contractor’s experiences and expertise can improve your program and assist you in varying challenges.

**Program Evaluation**

After the participants move into their homes and are finished with the self-help program it is a good idea to ask them to evaluate the program. They can help by providing insight and recommendations that may improve the program. Appendix #11 is a sample evaluation form.
APPENDICES

Appendix 1: Sample Marketing Plan (Blank)

I. What do you want to accomplish with your marketing?

Write down three goals. What are the absolute best results you could hope for?

<table>
<thead>
<tr>
<th>Goal</th>
<th>By When</th>
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<tr>
<td>2. __________________________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>3. __________________________</td>
<td>_____________________________</td>
</tr>
</tbody>
</table>

What outside factors might help or hinder your ability to achieve these goals?

Goal #1

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

Outside factors working FOR you:  Outside factors working AGAINST you:

__________________________________________  ____________________________
__________________________________________  ____________________________
__________________________________________  ____________________________
__________________________________________  ____________________________

Goal #2

______________________________________________________________________
______________________________________________________________________

Outside factors working FOR you:  Outside factors working AGAINST you:

__________________________________________  ____________________________
__________________________________________  ____________________________
Goal #3

Outside factors working FOR you:

Outside factors working AGAINST you:

Revise your goals, if necessary, to make them more realistic.

Goal  
By When

1. ____________________________  _____________________________
2. ____________________________  _____________________________
3. ____________________________  _____________________________

II. Who is your target market?

Describe them as much as possible. Write down whatever you know about them. Their values and motivation, their places of employment, where they live now, where they shop, where they eat, what they listen to and read…
III. How are you going to market?

Write a list of methods you could use to attract the people you just described above. Brainstorm with others and use what you know from the previous stage.

IV. Develop your message

*What difficulties will your message have to meet and overcome?*
What specific action do you want people to take as a result of your message?

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

In order of importance to your target audience, what are the top three benefits and features you offer?

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Features</th>
</tr>
</thead>
<tbody>
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</table>

(Don’t forget – the message should: Capture their attention; make an emotional connection before trying to convey information; write headlines that offer a reason to read more; use pictures to attract and convince; be readable; test before, measure after.)

What would make people WANT to join your program? What would inspire them?
What is your message?

V. Implement the Plan

<table>
<thead>
<tr>
<th>Step</th>
<th>Responsibility</th>
<th>Deadline</th>
<th>Budget</th>
</tr>
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<tbody>
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</tbody>
</table>
Appendix 1A. Sample marketing plan (completed version)

I. What do you want to accomplish with your marketing?

Write down three goals. What are the absolute best results you could hope for?

<table>
<thead>
<tr>
<th>Goal</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Have 10 families approved for the first group before submitting the grant application.</td>
<td>November 2019</td>
</tr>
<tr>
<td>2. Have 10 families approved for the rest of the grant.</td>
<td>November 2020</td>
</tr>
<tr>
<td>3. Have 20 families on the waiting list for the next grant</td>
<td>September 2021</td>
</tr>
</tbody>
</table>

What outside factors might help or hinder your ability to achieve these goals?

Goal #1

Have 10 families approved for the first group before submitting the grant application in November 2019.

Outside factors working FOR you:  
Not much available housing for low-income families.
New program – new opportunity.
Supportive agencies.

Outside factors working AGAINST you:
New program – no one has heard of it – can it be done?
Not much funding.
No experienced staff.
Goal #2
Have 10 families approved for the rest of the grant in November 2020.

Outside factors working FOR you:  
Prospective applicants can see it is possible  
Input from 1st group on how to improve

Outside factors working AGAINST you:  
Families in first group may not be cheerful  
Community may put stigma on low income housing

Funding

Goal #3
Have 20 families on the waiting list for the next grant by September 2021.

Outside factors working FOR you:  
Can show finished homes and proud families  
Can be done

Outside factors working AGAINST you:  
First grant may have had problems  
Keep an eye on family availability

Community may have heard

Revise your goals, if necessary, to make them more realistic.

<table>
<thead>
<tr>
<th>Goal</th>
<th>By When</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Have 8 families approved for the first group before submitting the final application.</td>
<td>November 2019</td>
</tr>
<tr>
<td>5. Have 10 families approved for the rest of the grant.</td>
<td>November 2020</td>
</tr>
</tbody>
</table>
II. Who is your target market?
Describe them as much as possible. Write down whatever you know about them. Their values and motivation, their places of employment, where they live now, where they shop, where they eat, what they listen to and read…

- Low income family (single or married) with children
- Paying rent
- Not much savings
- Works in local factory
- Shops at Super Fresh, 7-11, Wal-Mart
- Reads local weekly paper
- Listens to local talk radio/country music/Top 40
- Watches local news
- Goes bowling
- Belongs to the local Moose lodge
- Attends church
- Kids go to local schools & play in the Little League

III. How are you going to market?
Write a list of methods you could use to attract the people you just described above.
• Hold community meetings
• PSA’s - radio and TV
• Articles in our organization newsletter and on our website
• Newspaper articles
• Facebook advertising
• Speak at local Moose lodge / leave flyers there
• Speak with local employers and local government officials
• Write letters to put in paychecks
• Speak to churches and other nonprofits
• Signs while building
• Free shoppers
• Groundbreaking ceremony / Open House
• Pass out flyers

IV. Develop your message

What difficulties will your message have to meet and overcome?
• Believing that they can actually become homeowners
• Believing they can build their own home
• Waiting for the catch
What specific action do you want people to take as a result of your message?

- Call your office
- Come by to fill out an application
- Make an appointment
- Come to a public meeting
- Attend an Open House/Groundbreaking

In order of importance to your target audience, what are the top three benefits and features you offer?

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Become a homeowner</td>
<td>New</td>
</tr>
<tr>
<td>No down payment and low monthly payments</td>
<td>Good quality construction</td>
</tr>
<tr>
<td>Learn a skill</td>
<td>Energy efficient</td>
</tr>
<tr>
<td>Build self-esteem</td>
<td>Good location</td>
</tr>
<tr>
<td>Self-reliance</td>
<td>Sized to fit needs</td>
</tr>
</tbody>
</table>

The message should:

1. Capture their attention
2. Make an emotional connection before trying to convey information
3. Write headlines that offer a reason to read more
4. Use pictures to attract and convince
5. Be readable
6. Test before, measure after
What will make people WANT to join your program?

- Becoming a homeowner
- Stability for family

What is your message?

- Affordable new homes you can own.
- Own a home for less than you pay in rent
- Build your dreams

V. Implement the Plan

<table>
<thead>
<tr>
<th>Step</th>
<th>Responsibility</th>
<th>Deadline</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Help Spotlight</td>
<td>Co-Worker</td>
<td>Aug 1</td>
<td>$0</td>
</tr>
<tr>
<td>Agency Website</td>
<td>Co-Worker</td>
<td>Aug 1</td>
<td>$0</td>
</tr>
<tr>
<td>Brochures &amp; Posters</td>
<td>Jill</td>
<td>Printed by Aug 1</td>
<td>$800</td>
</tr>
<tr>
<td>Facebook Posts (boosting)</td>
<td>Jill</td>
<td>Continuous</td>
<td>$500</td>
</tr>
<tr>
<td>Radio PSA</td>
<td>Co-worker</td>
<td>Aug 15, then monthly</td>
<td>$200x4=$800</td>
</tr>
<tr>
<td>Newspaper Ad</td>
<td>Co-worker</td>
<td>Aug 15, then weekly</td>
<td>$0</td>
</tr>
<tr>
<td>Newspaper Article</td>
<td>Jill</td>
<td>Aug 5, then monthly</td>
<td>$40</td>
</tr>
<tr>
<td>Hold community meetings</td>
<td>Jill</td>
<td>Sept 1</td>
<td>Refreshments</td>
</tr>
<tr>
<td>Speak to other nonprofits</td>
<td>Executive Director</td>
<td>Aug 10 &amp; Sept 10</td>
<td>$0</td>
</tr>
<tr>
<td>Speak to local employers</td>
<td>Executive Director</td>
<td>Ongoing</td>
<td>$0</td>
</tr>
<tr>
<td>Put letters into paychecks</td>
<td>Jill</td>
<td>CAP agency Aug 15</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>United Way Aug 30</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Shelter Sept 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sept. 15</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oct. 1</td>
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</tr>
</tbody>
</table>
Appendix 2: Recruitment Survey

How did you hear about the program? (specify)
Facebook
Newspaper
Radio
Shopper
Poster
Word of mouth
Date
Location

Which ad did you see?
Build your dreams
Think you can own your own home? We can help!
Own a home for less than you pay in rent!
Appendix 3: Market Research Survey

1. What social media platforms do you use
2. What radio stations do you listen to regularly?
   a. During what hours?
3. What local TV news programs do you watch?
4. What papers / shoppers do you read regularly?
   a. What days?
   b. What sections?
5. What grocery stores, laundry facilities and stores do you frequent?
   a. What locations?
   b. On what days do you normally do your shopping?
6. Do you mail utility bills, pay online or pay at the office?
   Mail
   Office
7. Do you ride public transportation?
8. If you had the opportunity, would you want to be a homeowner? Why?
9. Do you have any ideas or suggestions on how we, a non-profit homeownership organization, can reach your friends and neighbors to explain our program?
Appendix 4: Brochure and advertisement samples

Do you dream of getting out of your current housing situation and owning a home of your own? Take the next step and own the home of your dreams!

You can do it! Habitat for Humanity of Warrick County’s Self-Help Housing Program will help you build your own home.

You Can Build It!!

I did!

We did too!

You can too!

There’s no Home

Like your Own Home!!

Self-Help Housing

Habitat for Humanity of Warrick County

10622 Telephone Road
Chandler, IN 47610
812-858-3707
www.warrickhabitat.org

812-858-3707
www.warrickhabitat.org
Build Your Dream with Self-Help Housing

Now Building in Mallard Lake

The Self-Help Housing Program

Save by building a home of your own! You can do it! The Mutual Self-Help Housing Program provides new home ownership opportunities for those who qualify. No experience required. Participants work in a group setting with other households under the guidance of qualified construction supervisors who will educate each participant through the building of their home. Thirty hours of labor are required each week on all the homes in a group. No one moves in until they are all complete. Very low mortgage rates (as low as 1%) and plenty of sweat equity available.

This is not a new program. The United States Department of Agriculture (USDA) founded the Mutual Self-Help Housing Program in 1971 with the intention of providing rural low-income people the opportunity to build their own homes. As a result of this program and the hard work of the families involved, over 50,000 have moved into self-built homes nationwide.

Who is Eligible to Participate?

To be eligible for the program, a household's gross annual income must not exceed 80% of the county median income. A prospective household must be qualified by Habitat for Humanity of Warrick County for the Rural Development financing. Items that will be reviewed will include such things as employment, personal debt, credit information and the ability to pay the monthly home mortgage payment.

The applicant must also be willing to contribute the required construction labor.

How Much Work is Required?

The participants will be expected to complete at least 65% of the new home construction tasks. Families will be required to work at least 30 hours per week through the course of construction. Certain jobs, such as electrical and plumbing work will be subcontracted to licensed contractors.

The staff of Habitat for Humanity of Warrick County will educate and guide participants through all phases of construction, such as framing, hanging drywall, painting and landscaping. We will also teach other basic skills, such as budgeting, money management, and the home buying process.

Interested?

Habitat for Humanity of Warrick County is currently looking for families that would like to build their own new homes.

Call Amy at 812-858-3707 or email tammy@warrickhabitat.org for more information on the Self-Help Housing Program.
Can’t Afford to Own a Home?

Think Again!!

- Use your own sweat equity to keep improvement or building costs low, with technical assistance from Threshold Housing Development
- No downpayment
- Low interest rates
- Monthly payment based on income
- No construction experience required

Threshold offers several homeownership programs! Find a home in need of repair? Purchase and fix it up all with one loan. Or build a new home. Some of your own time keeps costs low. Oversight provided. Call or email Bruce today at 724-437-9080 or bhotchkiss.threshold@atlanticbbn.net for more information.
Attention Lenders!!

Do You Have Clients that Don’t Qualify for Conventional Lending?

We May Be Able to Help!

YouthBuild McLean County offers a Mutual Self-Help Housing Program for those families that fall through the cracks of conventional lending. The program requires the applicants to assist in the construction of their own homes. This labor is a substitute for a down payment. There are income and credit guidelines, with applicants needing to be 80% of median income or lower. **Call Liz today at 309-287-3389** for more information, or email her at ybmcselfhelp@gmail.com.

- Uses USDA Rural Development financing
- No downpayment
- Low interest rates
- Monthly payments based on income
- The borrower’s sweat equity keeps costs low
Are you a young professional just starting your career? You don’t have to wait to buy a home!

CALL US TODAY!

- No down payment required
- Low interest rate (3.125%)
- Monthly payment based on income
- Offered in Carroll, Frederick and Washington Counties, MD
- You can own a home for less than you pay in rent!

Interfaith Housing Alliance offers a purchase-repair program that makes homeownership affordable!

So what are you waiting for? Give us a call at 301-662-4225 x1209

USDA

Building Homes to Build Community
www.interfaithhousing.org
Self Help Housing offers a unique opportunity for qualifying low and very low income families to fulfill their dreams of homeownership. 

As a renter, you’ve already experienced the futility of paying a landlord each month and having nothing to show for it. Financial experts agree that buying a home is the single most important investment a family can make. But how are you suppose to buy a home when you have to qualify for a conventional mortgage? How many families have several thousand dollars for a down payment?

In cooperation with USDA Rural Development, Little Dixie Community Action Agency, Inc. offers families a chance to buy a home they’ve always wanted. Our standard homes have 3 and 4 bedrooms, bath and 1/2 to 2 bathrooms, garage and central heat and a/c. Little Dixie Community Action Agency Mutual Self-Help Housing is available in Atoka, Bryan, Carter, Choctaw, Love, Marshall, McCurtain and Pushmataha counties.

Little Dixie C.A.A. Self-Help Housing Office Locations:

ANTLERS: (580) 298-5572  HUGO: (580) 326-5201
603 S. W. B Street  500 E. Rosewood

DURANT: (580) 920-2479  IDABEL: (580) 285-6572
400 W. Main  312 N. W. Texas

ARDMORE: (580) 226-3030
 25 W. Broadway #100
What if:

“I’ve never built a house before.”

DON’T WORRY
Self-Help Housing hires professionals to do the most difficult jobs—plumbing, electrical, drywall and foundations. Each job is inspected before it is approved. Each building group (4 to 6 families) is closely supervised by a construction supervisor thoroughly familiar with home building. The construction supervisor will provide training in the basic skills needed to work.

What kind of work will I be doing? Painting, staining, caulking, insulating, cleaning and so forth. The construction supervisor will tell group members what, when and how to build.

WE WILL HELP YOU
• Determine your eligibility.
• Prepare an application for low-interest loan.
• Form a building group.
• Perform all the important steps during building stages.
• Keep necessary records during the building process.

WHAT CAN I EXPECT:
Energy efficient construction.
Choice of 3 & 4 bedroom floor plans.
Central heat and air.
Brick veneer.
Garage may be available on certain floor plans.
Landscaping and decorating.

SERVING: ATOKA, BRYAN, CARTER, CHOCOTAW, LOVE, MARSHALL, MCCURTAIN AND PUSHMATAHA COUNTIES

Contact your local Self-Help office for eligibility, guidelines and more information.

KEY FINANCIAL ADVANTAGES OF OUR PROGRAM:
• NO down payment. Period.
• NO monthly house payment until you move in. This means you do NOT have to make both your rent payment and house payment at the same time.
• LOW monthly payments. The lower your monthly income, the lower the monthly house payment.

WHAT’S THE CATCH?
Families need to be willing to commit several hours each week to work as a group helping each other build and construct their homes. We want you to understand the importance of this commitment.

“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, age, disability, religion, sex, and familial status. (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).”
Do You Live in a Colonia or Rural Area?

Design Your Dream Home!

With CDCB’s Self-Help Program

Make Your Appointment Today!

- Asistencia disponible para aquellos que califiquen
- Consejería Financiera Gratuita

- 956.541.4955 - 901 E. Levee St. Brownsville, TX 78520
- www.cdcbrowsville.org
For more information on this program, please ask for Norma Villarreal ó Arlene Laboy
¿Vive en Colonia ó en Área Rural?

¡Diseñe su propia casa!

Con el programa de Mutua Ayuda de CDCB

¡Haga su cita HOY!

- Asistencia disponible para aquellos que califiquen
- Consejería Financiera Gratuita

956-312-7078 / 956-541-4955 - 901 E. Levee St. Brownsville, TX 78520 - www.cdcbrownsville.org

Para más información sobre este programa, pregúnte por Norma Villarreal ó Arlene Laboy
Appendix 5: Tips for using different media

Script for HUMOROUS Radio Ad II

SOUND: hammering

AL: (friendly greeting): What are you doing? SOUND: Hammering stops
PHIL: (pompous): I’m building my Own Self-Help House.

AL: (disbelieving): You are? I didn’t know you filled out an application.
PHIL: (confused): umm. Application? What application?
AL: (business like): Persons interested in investing sweat equity into their own homes by providing some of the labor, should call ABC at ###-#### to make an appointment to fill out an application for Self-Help Housing. Then, each application is processed on a first come, first served basis. If you meet eligibility requirements, they move forward toward getting you into a quality home, like the ones on the Eastern outskirts of Centerville and in the Upperville Airport View Addition, just eight miles east of Centerville.

SOUND: a building falling down (creaking of nails pulling out and sound of boards falling and general crash sounds)

PHIL: (resigned): (sigh) I… um... think I’ll call ABC to get an application.
AL: (trying not to laugh): I... think that would be a good idea.
(Serious): Let ABC help YOU build YOUR own house. Call ###-#### today! Program eligibility requirements apply. ABC is an equal housing opportunity.

The News Release

Although simple in structure and style, the news release serves as a major vehicle for communicating with the media. A better understanding of its purpose, design, and uses, can also improve the chances of getting published.

In order to get the message out to the public, you probably will want to contact the local media. But how? When seeking publicity for an organization, the following guidelines should be useful.

Decide on the message. There may be many things to tell, but the key is to figure out what might be of interest to the public. Is it a new program, a change in location, or a special event?

Select the media. The message and intended audience determines which publication should be contacted. The biggest is not always the best. A community weekly or a special interest publication may be more likely to run the information because of its direct local impact or strong interest by their particular readership.

Put it in writing. Prepare a properly written release. (See Content and Structure sections)

Get it to the right person. Find out who to send it to. Get to know them and what they like to cover.

Send it by the deadline. For a daily newspaper, this is usually about a week before the event. Community weeklies, community calendars, and specialized publications will require a longer lead time. It may be two to three weeks, or even longer.

Send a thank you note for any publicity the agency receives.

Content of the Release

Familiarize yourself with publications you may wish to use for publicity. Find out what they print and the kind of audience they reach.

Select information of interest to a large part of the publication’s readership. Age,
income, geography, activities, etc. of the general public are some characteristics to consider.

Remember the “5 W’s” -- who, what, when, where, why, and sometimes how (see structure). Be sure they are all in the story.

Keep it brief. Include the important information nearest the beginning of the story and use only the details that are absolutely necessary.

Write in a simple, factual style. Avoid creative, clever or overly wordy sentence structures.

Avoid opinions unless they are attributed to a person mentioned in the article. (i.e. “The effects would be devastating,” according to Jane Doe, Executive Director.) As the writer, do not insert your own opinions.

Don’t assume what a person would think or say. Contact them directly for an answer.

Be accurate. Make certain of all of your facts, such as dates, times, locations, names or titles. Also be careful when you use figures or statistics.

Put a hook in your story. This is what makes the article of interest or newsworthy. Is this a new program? Is it the first of its kind? How is it unusual? Are you offering solutions to a problem in the community?

A word about names. The first time a man or woman’s name is mentioned use their first and last name. Thereafter, refer to them by their last name.

Photographs help to provide more interest and information to a story. Make sure the photos are clear and high in resolution. Identify any people in them and be sure to have their authorization to release their picture.

**Structure of a News Release**

When it’s all said and done there are just two simple rules for writing your own news stories:

*Rule #1* -- Keep sentences and paragraphs short and clear.

*Rule #2* -- Place all of the facts at the beginning of the story with quotes, expendable details, and other information in the middle and the end.
The first rule speaks for itself. Ideally, news story sentences should be 16-21 words long. Paragraphs rarely should consist of more than three sentences. Often one sentence constitutes an entire paragraph. Since you are limited in the number of words you can put into a sentence, make every word count. Choose action words that convey a message, describe a situation, or carry weight.

For example: “The Dover Habitat for Humanity will hold its annual Art Auction at Maple Dale Country Club on March 31 at 7 PM.” This lead paragraph succinctly tells you who (Dover Habitat for Humanity), what (Art Auction), when (March 31 at 7 PM), and where (Maple Dale Country Club). Subsequent paragraphs detail the mission and works of the Dover Habitat, officers and organizers names, the type of works that will be up for auction, and how the proceeds will be used.

The second rule, placing vital facts in the first paragraph, is called the “inverted pyramid” because news stories can be drawn to look like an upside-down triangle. When writing a news release, start with a headline and incorporate the two rules.

If the release runs more than one page, be sure to type the word “-MORE-” at the bottom of each continuing page. When you reach the end of the story, sign off with the symbol “-30-” or “-End-”. This tells the newspaper’s typesetter that the story run is over.

There are sample news releases in Appendix #6.

When the Media Calls

Most of the time, we seem to be trying to attract the media’s attention. But what happens when a reporter contacts us? They may be calling in response to a news story that appeared in the national media, and are seeking a local angle. Or the self-help agency may have been chosen as the focus for a featured social issue (the homeless, child abuse, the elderly, etc.). Whatever the case, it is important to remember that this can be a wonderful opportunity for the agency. This can easily be forgotten when suddenly facing the challenge of being an articulate agency spokesperson.

Requests from the media do not often allow much time to prepare and interviews are usually very short. Because of this, saying it right the first time is quite
important. Live interviews, or those on tape or film, do not allow for mistakes. And once printed, mistakes can be more permanent since readers can study it, make copies, and distribute it to untold numbers.

These pitfalls can be avoided by being a relaxed and effective representative.

Before an interview begins:

Be certain of the identity and affiliation of the reporter (name, title, station, publication).
Determine the reason for the interview. Is it to explain the purpose of your agency?
Discuss a basic issue or service? Present a positive image to a particular audience?
Highlight an upcoming event?
If you are not the right person to talk with, refer the reporter to someone in the agency who is appropriate. Occasionally an outside source may be recommended. Notify the person you have given as a referral immediately to inform them that the reporter may be calling.
If you don’t know how to answer a particular question, simply say you don’t know.
Offer to get the information to the interviewer as quickly as possible, and avoid incorrect or rambling uncertainties. If you cannot answer at the time, but will later, explain why and when you expect to address the question.
If you have time, develop a list of key points you wish to make during the interview. These can be statements, agency positions, facts or arguments that convey your intended messages.

What if your schedule does not allow you to take the time for an interview when a reporter happens to call? If so, or you feel it is essential to take time to prepare, find out the publication’s deadline and arrange to call them back.
You may refuse to answer certain questions when they violate confidentiality rules, legal restrictions, or agency policy. Don’t say “no comment” but explain your refusal clearly and politely.

**During the Interview**

Regardless of the medium - print, radio, or television - some general guidelines follow.
Background information. Your interviewer might be a specialist on the topic or may welcome pertinent information or suggested questions and directions you may have to offer. This information might be provided directly before a taped phone interview or for a more in-depth interview scheduled for a later time.

Work in a “quotable quote”. Say something the listeners or readers will remember and that makes an essential point. It can be the agency motto, a memorable phrase, or this year’s campaign theme. Try to get it in early, to increase the likelihood the quote will be used.

Don’t hide the truth or attempt to hide problems that are being addressed. Present them as positively as possible. Talk about what is being done to correct shortcomings and stress the plans underway. Avoid “No Comment”. If you are not sure of the answer, say you don’t know and get back to them as soon as possible.

Personalize your answers. Use anecdotes, illustrations, and personal accounts where you can. “When I was a teenager...” or “One of our clients said....” or “As a taxpayer myself...”

Avoid agency jargon. Don’t assume your listening and reading audience has the same familiarity with the subject as you do. Don’t refer to agencies or programs by their initials (RHS, WIC, MSSH, etc.) unless they are well known by the general public.

Only state your agency’s position since everything you say will be considered just that. Use phrases like “Our agency believes...” and “We feel ...”, rather than “I think...” Be sure what you say reflects official agency policy or guidelines.

Rephrase any negative or objectionable questions the interviewer may ask. Always reply positively and use your own words, rather than repeating the words in question.

On the Radio

Radio, since it is a voice only, electronic medium, has some special considerations. Your voice projects your entire image. The listening audience therefore assumes a great deal from it. Your voice can lend credibility and interest by listeners to what you say or it can turn them away.
Good posture aids your voice as well as your appearance. On radio, sitting straight allows you to speak using your diaphragm, which in turn allows you to speak longer without your voice becoming hoarse, high, and thin.

The microphone. This may intimidate you, but it is very similar to a telephone. Radio is a personal medium, so speak into it as if you were talking with one person.

Vocal problems like a hissing “S” or popping “P’s” may be accented by talking directly into a directional tabletop mike. Speaking slightly above it or off to one side will reduce these problems.

Live call-in programs are becoming more popular, particularly on radio. If you are invited to appear on one, inform your family, friends and co-workers so they can phone in relevant questions which point to your agency’s desired message.

The Television Appearance

Your appearance is important since television is primarily a visual medium. It does not permit overly broad gestures or a loud speaking voice commonly associated with public speaking. Moderate gestures used for emphasis are best. Always remember to keep them within camera range.

Your attire helps project the image you want. Your attire should be selected with regard to the audience and the host. You may consider wearing your most conservative business outfit. Going with an appearance that clearly says “professional” will usually work best. Avoid certain colors and color combinations, such as white and prints with small dots, thin white stripes or busy patterns. Their bright images will prove distracting to the viewer. Color opposites such as red/green, blue/orange, or yellow/purple should be avoided.

Check your appearance before your television interview, dress in the outfit you plan to wear, and sit before a full-length mirror. See how it looks. If you are not happy with your choice, change it. Ask the opinion of others if you are not sure.

In the studio the microphone is usually attached to your blouse or jacket (lapel mike), or suspended overhead by a boom or pipe (boom mike). Speak conversationally, without taking any special considerations.
A guest editorial is where you appear alone to present an opinion. Speak directly to the camera as if you are talking to your audience. The camera is your viewing perspective and this gives you more involvement with them.

A group appearance means your attention is toward the host and the other guests on the show. In this situation, direct your conversation to them rather than the camera. Filming on location which will usually mean at your agency, requires a quiet room with enough space for a camera crew as well as the interviewer and yourself. Also, sufficient electrical outlets and capacity is needed for the camera and lighting equipment.

A copy of the program may be possible from the station.

10 Tips to Getting an Article Published

Sometimes it seems like a daunting task to try to get a self-help housing story published in the local newspaper. It definitely does not have to be so intimidating! Here are 10 tips that may help to get a story in a newspaper near you:

1. Be proactive in submitting material for publication. Assign someone to get your news out!
2. Do your homework. Review the newspaper’s website or other printed brochures. Many newspapers share information on how to get published and whom to contact. (Your ad representative may know who.)
3. Build a relationship with the appropriate contact.
4. Find out how the paper prefers to receive material (i.e., fax, hand delivery or email, file formats for photos).
5. Understand the non-traditional or niche publications put out by the paper.
6. Put contact information on press releases and check spelling and accuracy.
7. Remember to be timely. Find out how much notice is needed.
8. Persevere. If you don’t get published the first time, keep trying!
9. Consider using the Opinion Editorial forum to convey news.
10. Have a good idea and know why the paper should cover it!

In one local area, the newspaper actually holds two meetings per year for nonprofits and community organizations specifically to help train them on how to get published in
their paper. The meetings’ attendees are able to ask any questions they have about the paper and are introduced to the reporters that cover the types of stories the organizations want to get published. Instead of being intimidated, the attendees are able to see the personal side of the newspaper. Check with your local paper to see if they have a similar program.

Getting the word out about our nonprofit organizations and programs is an important task that needs our focus. It can be done with some dedication!
Appendix 6: Sample news releases

NEWS RELEASE

Date: May 14, 2020  
Contact: John Doe  
Self-Help Housing Project Director  
(###) ###-####

A Special Open House for Ten Local Families

An Open House will be held tomorrow at the corner of State and Division Streets at 12:30 p.m., so ten proud families can display the homes they built themselves. Many months of hard work is over for these members of the Self-Help Housing Project. In the self-help program, income eligible families are able to keep housing costs down by providing their own labor in construction.

This labor, which must equal 65% of the labor necessary to build a home, enables the families to get low interest loans from USDA Rural Development without a down payment. Some of the tasks the families have done include framing, hanging drywall, landscaping and painting among others.

After the Open House, the families will move into their new homes. If you are interested in hearing more about this program, call John at ###-###-####.

-###-
NEWS RELEASE

Date: For Immediate Release
Contact: John Doe
Self-Help Housing Project Director
(###) ###-####

______________ Provides a New Housing Opportunity

______________ plans to bring a self-help housing program to (City). The organization hopes to help twenty ______ families achieve their dreams of homeownership in the next two years. In the self-help housing program, income eligible families keep housing costs down by providing their own labor in construction. This labor, which must equal 65% of the labor necessary to build a home, enables the families to get low interest loans from USDA Rural Development without a down payment.

______________ plans on starting construction with the first group of ten in July.

To hear more about this program, attend an informational meeting next Tuesday, July 17, at the ____Public Library, _________ Street at 7:30 p.m., or call John at ###-####-####.

-###-
NEWS RELEASE

Date: For Immediate Release
Contact: John Doe
Self-Help Housing Project Director
(###) ###-####

__________________________ Awarded Grant to Provide Housing

__________________________ has just been awarded a grant in the amount of $__________. This grant was given by USDA Rural Development for the administration of a self-help housing program.

The funds will enable ___________________ to provide assistance to twenty (City) families to build their own homes. Such oversight activities include selection of building sites, loan packaging, and construction supervision. In the self-help housing program, income eligible families keep housing costs down by providing their own labor in construction. This labor, which must equal 65% of the labor necessary to build a home, enables the families to get low interest loans from USDA Rural Development without a down payment. _______________ plans to start construction with the first group of ten in April.

Call John at ###-###-#### to hear more about this program.

-###-
NEWS RELEASE

Date: May 14, 2020
Contact: John Doe
Self-Help Housing Project Director
(###) ###-####

Local Families Embark on Challenge

Ten _____ (City) families will break ground today at the site where they will be building their new homes. The ceremony will be held on the corner of State and Reed Streets at 11:00 a.m. The families are all members of ____________________________ Self-Help Housing Program.

In the self-help housing program, income eligible families keep housing costs down by providing their own labor in construction. This labor, which must equal 65% of the labor necessary to build a home, enables the families to get low interest loans from USDA Rural Development without a down payment.

Some of the tasks the families will be doing include framing, hanging drywall, landscaping and painting among others.

________________________ is currently working on assembling their next group of ten that will start construction in March. If you are interested in hearing more about this program, come to the Groundbreaking ceremony or call John at ###-####-####.

-###-
Appendix 7: Sample success story

Milestone on a Long Road to Success

By Kathy Heinrichs Wiest

Edith Arreguis can already picture herself and her son, Leixander, enjoying their new home in Calisto, California, a small town of 15,000, located in the San Joaquin Valley. Because options for clean, decent, and affordable housing are severely limited in Calisto, Edith turned to Self-Help Enterprises, a local nonprofit organization, to help her give a better life to her son. Self-Help Enterprises provided construction supervision and financial counseling to support Edith and 7 other families as they built their own homes under USDA’s Mutual Self-Help Housing program.

Edith’s search for suitable housing for her son was a challenge. The waiting list was long for government subsidized housing. The cost of a mortgage on a house in a safe neighborhood was out of the question. So Edith and Leixander live in a small room in an apartment shared with Edith’s mom, stepdad, and three siblings.

The dream of providing a better life for her son carried Edith through the hard work required to build a Self-Help Home. Despite the struggles of being a single mother, Edith contributed over 1,000 hours to help build her home and the homes of 7 other families in the program. “Sometimes I’m here [working on the house] from 7 to 11 and then I run home and shower and get to my job. I might not see my baby till ten at night. It’s hard, but it’s worth it.”
For Edith, finishing and moving into her house is more of a milestone on her journey than an end goal in itself. She is eager to get settled because it means there will be time again to pursue her education. Her goal: to become a surgical nurse.

Building her own house allows Edith to provide a secure home for her son, and continue toward her career goals. “If I’d get a normal house, I wouldn’t be able to go to school because it would be too expensive,” she reflects. “There are a lot of people like me who can’t afford going to school, having a job, and paying their mortgage.” By building her own home under the USDA Mutual Self-Help Housing program, Edith was able to save $40,000 on her mortgage loan. This translates into $300 less in monthly bills each month that she can use to save for her son’s education or a rainy day.

With these ambitious goals, Edith is well on the way to fulfilling her dream of providing a good life for her son. “Even though I am so tired,” she says, “I will never regret this opportunity.”

*Self-Help Enterprises is largely credited with pioneering the concept of organized Mutual Self-Help Housing in the United States. Since 1965, SHE has served thousands of low-income, rural families in San Joaquin Valley, California and has served as the model for similar organizations around the world. Over 45 years, SHE has assisted over 5,779 families build their own homes in over 90 communities.*
Appendix 8 Self-help program guide for participants

INTRODUCTION

This booklet is designed to take you step by step through the Self-Help building process. We hope to clear up any misunderstandings and give you, the prospective self-helper, more insight into the total Self-help Housing Program – what to do, why to do it and how to do it.

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SELF-HELP BUILDING PROCESS

I. GENERAL INFORMATION

A. What Is Self-Help Housing?
Mutual Self-Help housing is a construction program in which the borrower actually helps in the building process. Self-Help housing is a Rehabilitation program to help existing homeowners with health and safety repairs or purchasing an existing home that requires health and safety repairs to qualify for financing. In the Mutual Self-Help program a group of eligible participants work together to build their homes under the direction and supervision of a non-profit, housing authority or municipality and Rural Development (RD). The program is designed to lower the total amount of the mortgage and monthly payment by using the borrower’s labor; sweat equity. It also educates the new homeowner in the care and maintenance of a home by in-depth involvement in construction of the home as well as educational materials related to home maintenance. Self-Help Owner Occupied Rehab assists individual homeowners with repairs and does not require the group structure.

B. Who May Qualify for the Self-Help Housing Program?
A family must meet RD income eligibility requirements and be unable to obtain financing for a modest home from conventional lenders. Each family must also be credit worthy and have the ability to repay a loan, which is demonstrated by the family’s debt management.

C. Where Does Funding Come From for a Self-Help Housing Program?
Mostly the funding for both the family loans, and the grant to administer the program comes from the Rural Housing Service of the United States Department of Agriculture. In some cases local banks, churches, foundations and others who are interested in advancing the self-help housing concept may also have contributed monies to help the program.

D. How Does the Loan Program Work?
The RD 502 Self-Help Loan is designed to give families who would otherwise be unable to get financing, a start in homeownership. RD does this by a subsidizing process, which they call “payment assistance.” This simply means that RD can defer part of the interest the borrower owes. The amount varies depending on the borrower’s income. The least amount of interest the borrower can ever pay is one percent. The actual interest rate of these loans varies based on current interest rates.

To qualify for payment assistance, a family must qualify according to guidelines by family size and income. The loans are examined every year by RD to determine the family’s ability to make the house payments. If their income increases the family will be expected to assume more of the interest rate of the loan and their payments will increase. If the family’s income decreases, it is possible for this procedure to work in reverse and payments will decrease in amount.

The homes provided by this loan must be occupied by the borrower and family and the home must be modest in size, design and cost for the family to utilize the payment assistance feature of the loan.

The financing for the Owner-Occupied Rehab program funding is RD 504 Loan and/or Grant and the RD 502 can be used for the Acquisition Rehab program which covers the purchase price and necessary repairs required to bring the home to financing standards. Additional funding sources such as HOME, CDBG or AHP through the Federal Home Loan Bank can enhance your efforts and allow more repairs to the home from this additional funding.

E. What is the General Background and Purpose of Rural Development?
RD was originally a credit agency for lower income farmers who could not qualify for loans elsewhere. Its program of mortgage credit for non-farm rural and small town residents now overshadows many of its other operations. RD’s function as a lender is significant because private credit institutions in rural areas are relatively few in number, smaller, and often impose more rigid terms than institutions in urban areas.

The five purposes of RD’s programs are:
1. To encourage the ownership and operation of family farms;
2. To attempt to bring adequate housing to rural areas;
3. To help in obtaining needed community facilities;
4. To provide economic support to farmers affected by disaster;
5. To foster economic development by providing business and industrial loans in rural areas.

F. What is the Role of RD to the Self-Help Housing Program?

RD will:

- Determine the eligibility of each participating family;
- Provide those eligible families with an affordable mortgage loan;
- Perform mortgage maintenance tasks, income reviews, and foreclosures on borrowers who fail to make required monthly payments;
- Make technical assistance grants to qualified organizations to pay for technical assistance and oversight of the construction groups;
- Make loans to eligible nonprofit organizations to develop home sites to be sold to applicants involved in the self-help program.

RD is independent of local private lending institutions. The RD Local Office approves and originates the loan and the agency itself continues as the contact for the borrower through the first year. The Servicing Center is located in St. Louis, MO. RD reviews each self-help application prior to acceptance into the self-help program to determine the applicant’s eligibility. If the applicant has been accepted, RD will inspect development work as frequently as necessary to assure that construction and land development conform to the plans and specifications. RD will make an inspection at the earliest possible date after 100% completion of the planned development. Families are not allowed to move into their homes until the homes are declared complete by RD, the local building inspector and the self-help sponsoring organization. Follow-up inspections may be made after the family moves in, if necessary. Any obvious non-compliance with mortgage restrictions is cause for further inspection by RD (a set of RD rules is on pages 13 & 14).
G. What Is a Self-Help Organization?

A self-help organization is usually a private, nonprofit group, an Indian tribe or municipality who was given a grant from RD under Section 523 of Title V of the original Housing Act of 1949 to organize and assist families in utilizing the self-help process. The self-help housing loans and technical assistance funding was initiated in 1968.

In the event an agency has no housing experience, a sponsoring agency can be used. The self-help sponsoring agency is not a governmental agency, but rather a private nonprofit organization. It is made up of individuals who are concerned with the housing needs of lower income persons in rural areas and have ample experience in delivering housing. The sponsoring self-help agency works in a specific geographic area. RD will assist in making the decision if a sponsor is needed or not. T & MA providers cannot serve as a sponsoring agency. They are available in their capacity to provide training and guidance so a sponsoring agency may not be necessary at all.

Generally a self-help organization operates under a board of directors who receive their power from the organization’s members. Former self-helpers often become organization members and directors of the board.

H. What Are Rural Development Technical Assistance Funds Used For?

A self-help organization may use technical assistance funds to:

- Hire personnel to carry out a program of technical assistance for self-help housing;
- Pay necessary and reasonable office and administrative expenses;
- Make essential equipment, such as power tools, available to families participating during self-help housing construction;
- Pay fees for training self-help staff or for other needed professional services, for example, an auditor.

Organizational Structure of a Self-Help Housing Organization

Board of Directors
II. THE SELF-HELP APPLICATION PROCEDURE

A. Summary of Steps

The steps below are a brief summary of application steps and loan procedures. Each step will be explained in detail in the 502 Loan Processing Guide. RD also has materials and training available to assist in this process.

1. Application Forms
2. Certification or Denial by RD
3. Group Formation
4. Pre-construction Meetings
5. Complete Loan Docket (forms and steps to be completed)
6. Loan Approval – Order Money
7. Closing
8. Construction

B. Your First Meeting

In the first meeting (individual or group), the self-help organization provides an explanation of the loan and a general description of the self-help process. At the end of the interview the family may decide if they want to apply to RD for certification. You may
be asked to complete a “pre-application interview form” and authorize the agency to obtain an initial credit report.

Specific house plans or details of site selection are not discussed until RD declares a family eligible for a loan.

C. Making Application
With the initial interview, usually done in the office, enough information is compiled to begin the loan “packaging.”

Basically, the forms provide information to RD: Each form will be explained in detail during the interview. The applicant usually is required to pay $25-$38 to have a full mortgage credit check completed by RD. Your application and the information within it are confidential and are treated as such.

When all necessary information is gathered together, the application goes to the RD office for review. The self-help organization and RD work out any problems together. This may involve gathering additional information, clarifying difficulties with the family, the loan package, etc.

If you have applied for a 502 self-help loan, you have applied for one of the best loans available in the country. There is no down payment, interest payments vary from as low as 1% and may only increase to the fixed interest rate, and the family gains equity by the self-help building process.

D. Certification
RD will evaluate a family’s application and notify the family if certification is granted or denied.

E. Group Formation
As soon as a family is certified they are grouped together with other families who wish to build in the same vicinity. Usually four to ten families will constitute a group. The first official “group” meeting may come at any time after a family’s certification from RD.
The success of self-help housing is dependent upon the group’s ability to work together. It is extremely demanding to care for a family, work a full time job and spend 30-40 extra hours a week for 8-12 months building. Added to this burden is the necessity of getting along with the others in the group, each having different work habits, personalities and values. It is important that the group have a clear understanding of their responsibilities. A group agreement is signed and some time is spent getting to know each other before construction begins.

F. What Costs Do You Pay Out of Your Pocket?

1. Insurance Policy (Paid for after the loan approval).
2. Closing Costs (Attorney’s Fees).
3. Hand tools and tool belt.

Some of these items can be paid from the loan.

G. Selection of Site for Building

Sites for building self-help homes can be located anywhere in the approved rural area. The expectation of building wherever you like may not be a reality due to varying factors. Each site must be affordably priced, be within close proximity of all other sites in a self-help group, meet requirements and be approved by RD.

The cost of the land is included as part of the total mortgage amount. Normally the self-help organization options available land. At times, families may be involved with their lot search. It is the role of the self-help organization to choose the sites to be built upon. The families then choose from these lots. On occasion, family may own land or be gifted land from family. No matter what the circumstances, all lots must have RD approval and the approval of the self-help organization.

Buying and selling land can take time. Be ready to wait. At the same time when lots are ready to be shown, you will not have several weeks to decide. If you are undecided, it will be offered to the next family in line.

H. Cost Estimate and Floor Plans
The self-help organization will have a selection of basic house plans that have been reviewed and approved by RD. Based on your family’s needs, affordability factors and zoning requirements, a house plan is chosen.

Final house plans and cost estimates are then prepared and sent to RD. No changes in plans will be made after approval by RD. Cost estimates are developed for each house. These estimates must be adhered to at all costs. It is important that the cost control system be effective to insure proper coordination of purchases and prevent cost overruns.

I. Materials Used in Building
A group meeting will be held to explain the selection of materials available. You will be told as a group if any material changes must be made because of style deletions, price increases, specification changes, etc. The selection of materials presented when your group meeting is held, are the only choices available for your group. Do NOT attempt to change these at a later date.

All the materials have been comparison shopped to give you the best quality for the amount of money available in your loan. They meet RD specifications and all applicable State and County building codes, are approved by RD.

Roofing, siding, windows, doors, cabinets, vanity, and counter tops will be selected from samples and choices available through the self-help organization. The contractor will put in all light fixtures, smoke detectors, and a range-hood fan.

J. Loan Docket
Loan Dockets are compiled with a variety of forms and documents. Some of these include:

1. Offer or option to purchase
2. Cost estimate
3. Appraisal
4. Association agreement
5. Survey
6. Location map
7. Development plan
8. Dwelling specification
9. House plan
10. Plan certification

More detailed information is provided in the 502 Loan Processing Guide.
K. Loan Approval – Order Money
   RD will approve the loan and order the mortgage money for closing. More detailed
   information will be provided in the 502 Loan Processing Guide.

L. Insurance
   Each family is required to purchase a full coverage homeowner’s insurance policy
   before closing. More detailed information will be provided in the 502 Loan Processing
   Guide.

M. Loan Closing
   Prior to closing, a staff member from the self-help organization will assemble several
   other forms including:

   1. Title Insurance or Abstract          2. Preliminary Option
   3. Insurance Receipt and Binder       4. Building Permit

   More detailed information will be provided in the 502 Loan Processing Guide,

N. How Long Does It Take to Complete the Loan Process?
   Be prepared for delays. Packaging and processing loans is hard work and time
   consuming for both the packager and RD. The review and eligibility determination of
   applications may not happen as expediently as you want or need. We sincerely hope
   that only genuinely interested applicants continue in the self-help program, but
   remember everyone is eligible to apply. If at any time an applicant feels unable to cope
   with any more delays, we advise assisting them in investigating other housing
   alternatives. We have had to accept delays as part of the program, and we sincerely
   hope that explaining this fact to you in advance will help you understand and cope with
   the problem.

   Delays are caused by a number of items; lack of buildable sites, weather conditions, site
   development complexities, a family’s personal problems, RD loan processing backlogs,
   errors, sometimes a family’s situation changes, incomes change, loss of job or a move
to another town. We will inform you of the progress of your loan and any delays as they arise. Please keep us informed of any changes in your situation as well.

III. BUSINESS OFFICE PROCEDURE FOR YOUR LOAN

A. Cost Estimate
A cost estimate is developed for each family’s house plan. The cost estimate is created for your specific land and house cost. We try to make the estimate as accurate as possible, but at times a building project may encounter unforeseen expenses or prices on materials will change up or down.

We are able to build your home within the estimate by buying quantity orders of materials and hiring sub-contractors for skilled labor. We not only look for the right price, but quality materials, workmanship and good follow-up service on the jobs.

B. Contingency
A contingency line item is included for the unexpected expenses and emergencies. If your bill is over the cost estimate when buying materials, this overrun is taken out of the contingency. If you under spend on any item, that amount remains in the line item and stays a part of the balance. This will serve as a guide when developing future cost estimates. When your home has been declared 100% complete by RD, any money that might be left over may be used to purchase approved items to enhance the value of your home or to pay down your principle loan balance, as defined in your Group Agreement and approved by RD. In all cases RD reserves the right to approve or disapprove any or all requests. Just because you saved on one item does not mean that you can add it to another category in your cost estimate.

C. Business Office Approval on Purchases
The families are all required to sign purchase orders prior to all ordering/purchases. The organization will order all materials. Sub-contracts must be complete with bid estimates and signatures before work can begin.

D. Purchasing Items on Your Own Without Approval
When you purchase items without approval from the organization, you risk the chance of not being reimbursed for your purchase. Sometimes items that you have purchased will not meet approval from RD, and cannot be put in your home. This is the role of the agency and it is recommended that this practice is not made a habit.

E. The Supervised Checking Account

Each family’s loan money is kept in a supervised checking account at a local bank. Each family’s checkbook is kept at the office of the self-help organization. All loan and construction related bills are sent to the organization. Checks will be made out at the office and it will be the individual families’ responsibility to come to our office to sign the checks on scheduled days.

After the family reviews and signs the check and the invoice, checks are delivered or sent to RD to be countersigned. Checks are not valid until both the family and RD have signed the checks. This is to protect you, the self-help organization, and RD.

F. Custodial Bank Accounts

In the custodial bill-paying system, the grantee maintains a separate custodial account. Throughout the construction process, some of each family’s individual 502 or 504 loan funds are deposited into this account and held in trust for the families until the funds are disbursed to various vendors. The primary difference is in the number of checks required to be written to the vendor.

G. Why Checks Must Be Signed Soon

Bills have to be paid as soon as possible. With certain companies, you get a special discount if the payment is received within 15 to 30 days. Lateness on payment of some bills will result in late charges, which have not been allotted for in the cost estimate. If you refuse to sign a check without a valid reason, we will not order any more materials for your home until the matter is resolved.

H. What To Do In Case of Theft of Materials

As soon as you discover theft of materials, follow this procedure:

1.  Check to seek what and how much was taken.
2.  Examine your insurance policy to see if you have met the deductible amount.
3. Call the police and give them a list and value of materials as closely as possible.
4. Call the insurance company and give them the same list you gave the police.
5. Call your self-help organization and report the loss to them. Arrangements will need to be made so more materials can be purchased for your house.
6. Once reimbursed by the insurance company, the checks go into your supervised account.
7. Remember – If you do not report the theft to the police, you will not be reimbursed.

I. Pre-Construction Meetings
When enough families have qualified to form a group, the group pre-construction meetings begin. Meetings are held as often as necessary to inform you of any crucial developments in progress and to make sure that you understand the program and your commitment to it. Whenever a meeting is called, the attendance of at least one member of the family is required.

The information you receive at the meeting is the information that is in effect for your group. The procedures do change from one group to another, however slightly. Whatever information a neighbor has heard or information received from a group that built in the past is not always the correct information for your group. The person who has the final say on the information is the staff member responsible for your group. The best advice is to attend all the scheduled meetings and interviews so you get your information first hand and can ask your questions of the knowledgeable staff person. The questions asked by other group members might also serve to benefit you.

J. Construction
The construction phase is long, difficult, and very demanding. While the self-help organization provides professional supervision during each stage of construction, the group itself determines the pace. The more initiative and determination exerted by the group, the more rapidly the homes are completed. In this respect, especially, the program is truly self-help.
Construction proceeds as follows. *(Sample)*

1. Foundations  
   a. Excavation (contracted)  
   b. Footings Set and Poured (contracted)  
   c. Basement walls built (contracted)  
   d. Back Filled (contracted)  

2. Roughing  
   a. Deck, Trusses and Outside Walls (self-help)  
   b. Interior Walls (self-help)  
   c. Roof Shingles (self-help)  
   d. Siding, Windows and Doors (self-help)  

3. Finish Work  
   a. Plumbing (contracted)  
   b. Electric (contracted)  
   c. Heat (contracted)  
   d. Basement Insulation and Framing (self-help)  
   e. Drywall (self-help)  
   f. Trim (self-help)  
   g. Flooring (contracted)  
   h. Insulation and Cabinets (self-help)  
   i. Painting (self-help)  
   j. Finish Grade (contracted)  

4. Landscaping (self-help)

All the foundations are completed first. The second phase is roughing in the structures. Finally, the finish work is accomplished. The group should prepare to spend 1½-2 months per house to build their homes.

**K. Periodic Inspections (RD)**

Periodic inspections are conducted by RD to insure homes meet program requirements. They also perform these inspections to verify work in place for check signing purposes. A local building official will do building code inspections.
L. Final Inspection

The final inspection by RD is an important one. A complete inspection takes place and should result in 100% approval. Homes must pass a final inspection from local building officials and occupancy cannot occur until the final official building inspection and clearance is obtained. After the final inspections of all the homes and approval by the self-help organization, the families are allowed to move into their new homes.

M. When You Move In

When you finally move into your new home it is already an old friend. Yet the work is never really done. The challenge remains to maintain and to make your “dream” home a reality. For most families, the skills have been developed which will make their dream possible.

However, housing problems do not necessarily end when you move into your new home. Problems of budgeting, making monthly payments on time, and keeping your home looking like new will weigh heavily on every family’s ability to keep their new home. It is extremely important that each family recognize the fact that being a homeowner carries many responsibilities, as well as satisfactions. Homeownership may not be for everybody.

N. Rural Development Regulations for Your Self-Help Loan

RD has secured a loan to provide for your housing needs. The loan was made after it was determined that you met all qualifications of RD.

The note and mortgage and other forms were signed by you at loan closing. You agreed to those contracts. You should study those forms and become familiar with property ownership responsibilities and agreements, some of which are included in the following rules:

1. Make monthly payments when they are due. If unable to do so, immediately contact the RD and fully explain your circumstances. This is a must.

2. You must provide fire and extended coverage insurance, with the proper mortgage clause attached, in at least the amount of the loan on your home.
3. RD will advise all Section 502 Rural Housing applicants that payment assistance is subject to recapture.

4. Maintain your yard, lawn and residence as a home that you and others would be proud to own. Make all repairs promptly.

5. You are not to permit any other liens, mortgages, encumbrances, or judgments to be filed against your home without the written consent of the government.

6. You are to comply with all laws, ordinances, and regulations now in existence or that may become of record that affect your property.

7. RD reserves the right, at reasonable times, to inspect your property.

8. You will be requested to refinance your loan when other lenders are willing to provide credit, such as when you no longer need subsidy.

9. Any damage to the property such as fire or natural disaster, or any major improvement plans, should be reported to the RD.

10. You must occupy the home at all times. You cannot sell, lease, transfer or vacate your property without the consent of RD.

11. RD will be glad to help you with any of your problems affecting your loan. You should seek his/her assistance for such problems or for improvements contemplated.

IV. GROUP DEVELOPMENT

The Self-Help Group
The self-help group is the most important part of a self-help housing project. If the group is cooperative, hardworking and able to get along, the building process is a smooth and very worthwhile experience. If the group is argumentative, lazy and at odds with each other, building will be long and difficult. In either case, the houses will be built.

Every group is different because every person is different. Personalities, values, work habits and employment situations are always varied. The group must make every effort to accept all of its members regardless of personal likes and dislikes. The most important element of any group is steady, consistent work habits. In our past experience, we can verify that the group that works together and stays together finishes
sooner. If a member or members of a group are not working as hard as the others, the group breaks down and construction slows. The first mandate of the self-help program is to show your face on site regularly. You may not be the fastest, hardest or most talented worker, but at least you can be there! If you are not there regularly, don’t be surprised to find that actions will be taken against you accordingly.

What Qualities Do We Encourage in Self-Helpers?

What kind of people are able to build a self-help home? We are looking for people who are:

1. **Willing to work.** It is not important that you have any knowledge of building a home. Our professionals lay out the work, teach you how to do it and make sure it is done right. Groups who finish the quickest are made up of people who realize their individual responsibilities to the group and do not expect others to do their work for them.

2. **Able to handle their debts.** Practically everyone has debts. RD understands this and it is not necessarily an obstacle to getting a loan. However, if RD lends a family the money needed to build a home, they want to be sure that the family’s debts are not excessive and that they pay them regularly.

3. **Able to sacrifice for the group.** The group comes first, not the individual. Don’t expect to get anything that the others aren’t going to get on their homes. Remember that you are dependent on them and they on you. Vacations and holidays may well be spent working on your house, so be prepared.

4. **Interested in caring for and maintaining their new home.** We are proud of the majority of families we have helped in this program. However, not every family has the pride in their home that RD, the community and the self-help organization expect. Families who neglect their home damage the integrity of the program and reflect upon the organization negatively.

It is our intention to insure the quality of self-help homes by educating families and working with them to maintain their property.

**A Sample of Group Problems**
The following are some problems a self-help group can face:

1. **Personality conflicts** – “I can’t stand him.”

2. **Differing values** – “A woman’s place is in the home.” “A woman can and should do everything a man does.” “Working on Sunday is against my religion.”

3. **Differing Work Habits** – “He’s a working fool.” “I can’t do it.” “He expects too much.” “He doesn’t do anything but stand around.”

4. **Physical Differences** – “I’m afraid of heights.” “I had a heart attack last year and can’t do anything.”

5. **Personal Problems** – “My father died and we won’t be back for a week.” “I can’t work because we can’t find or afford a babysitter.” “I don’t have the gas money to drive back and forth every day.” “We have to move this weekend.”

6. **Construction Problems** – “Where’s the plumber?” “My basement wall is cracked.” “Where’s the electrician?” “Someone stole my drain tile.” “Where’s the drywaller?” “They sent the wrong material!” “We aren’t going fast enough.” “Where’s the excavator?” “We’re going too fast!” “I don’t like the materials you use.”

These problems are not exaggerated. If you feel these problems could cause you extreme hardship or you feel uncomfortable with them, please consult with a staff member. There are potential resolutions but harboring bad feelings will only make things worse.

**The Construction Process – Part I**

RD will typically defer up to the first twelve months of payments on your loan. Therefore, the self-help group has a specified period from the date of the first loan closing to complete all their homes. While it does not always require that specific amount of time to complete all these homes, groups should plan on completing construction prior to that period of time. Do not come back to us after six months demanding to move in because school is starting or for any other reason! You will move in when all homes are 100% complete and RD has given you the go ahead. Not before!

Sometimes it will seem to the group that things are moving too slowly. Contractors are not there when they said they would be or materials are not delivered exactly when
needed. When possible these things will be corrected, but they will always happen. That is why you have a designated time frame in which to complete your homes.

Normally construction will begin when the first loan in a group is closed. All families will then start working together. Once all loans are closed, work begins on each of the houses. The foundations/basements on all homes are completed first, all homes are roughed in next and finally they are finished. All homes should be finished within two or three weeks of each other.

Please note that the order of construction is not always according to whom closed first, second and so on. This will be determined by the construction supervisor.

The Construction Process – Part II

The construction supervisors have three responsibilities to the self-help group.

1. **Instruct the self-helper.** This includes laying out the work, assigning tasks, explaining the use of tools, etc.

2. **Inspect the work.** If something is wrong, it will be done over.

3. **On-site supervision.** The construction supervisors will be working together with the group whenever possible. The group is quite capable of accomplishing 90% of the work without assistance. It is the group that takes the initiative and is assertive that gets finished sooner.

Here are a few rules the self-help organization and RD have regarding self-help construction.

1. **We regulate the pace of construction.** Our supervisors decide where, when and what tasks are to be completed on site, not the group. We decide which home needs a step towards completion next.

2. **We order materials.** Materials will be sent when we decide they are needed, not when the self-help participant decides. If a family is not working, we may stop ordering materials for the home altogether.
3. **You build our way.** Many selfelpers feel they know how to build a home and that theirs is the better way. In the end, however, the group will build these homes using the methods stipulated by RD and the self-help organization.

4. **We bid out for the contractors.** We take bids and screen all potential contractors. The self-help group does not. If the group knows someone who wants to put in a bid they are welcome to do so. We will then present these choices, along with our opinions and recommendations to the group of families. The families then choose which subcontractors to use and sign the contracts with them.

We are open to suggestions and improvements in the self-help process. When a change for the better can be made, it will be. This is one of the reasons group meetings are held periodically once construction starts.

**Can A Family Lose Their Home?**

Yes. Any family that does not adhere to the group agreement can lose their home. The group has the power to discontinue their association with a member family if the family has clearly failed to provide the labor requirement. This is done when the families vote to remove a family from the group and RD and the self-help organization upholds their decision. RD can present a few options to the self-help borrower to complete the house, to include complete via a contractor, a transfer of the loan to another family for failure to meet self-help obligations or even foreclosure. Effectively, a family can lose their self-help loan. It has happened. However, no family that has worked consistently has ever had to worry about that. It’s up to you.

**V. FAMILY FOLLOW-UP AND CONSUMER EDUCATION**

**A. Pre-Construction Meetings**

Meetings are held before the families begin building to prepare them for their new responsibilities and help them understand the process they will be going through. The meeting topics are enhanced as often as possible with outside speakers to familiarize the families with available community resources. Attendance is required at these meetings. Information essential to the building program is given at each session.
B. **Housing Related Follow-Up**

Following up centers on helping families work out misunderstandings in billing, property tax problems, and sometimes referring the problems to the proper agency. For the length of time the family is receiving payment assistance, they will be asked by RD to complete annual forms to establish the need and renew the assistance.

C. **Community Acceptance for Self-Help Housing**

Interior and exterior appearance is crucial to the success of the self-help program. A clean, well-maintained home is a stipulation of the terms of the RD mortgage and also the neighborhoods and communities self-help groups build in. You can enjoy the ultimate of self-satisfaction and pride in owning and showing off your new home.

VI. **IMPORTANT**

1. RD cannot allow a family to pay less than 1% on their loan. But conversely, a family cannot be asked to pay more than the “market rate.” That is the interest rate at the time of loan closing.

2. As your income goes up so will your monthly payment. If your income goes down significantly, the process can work in reverse. When your adjusted family income and homes equity reaches a certain level, you can be required to pay the full amount.

3. Besides the loan payment, other costs associated with being a homeowner include real estate taxes and homeowners insurance. RD has an interest in making sure that these costs are paid in order to protect the property from tax sale or foreclosure. To ensure that funds are available RD requires borrowers contribute funds to an escrow account to be used to pay the borrower’s tax and insurance bills. When a borrower receives a construction loan, the standard initial deposit to the escrow account is not collected at closing, but when construction is completed. RD does permit any real estate taxes that become due during the construction period, as well as the initial escrow account, to be included in the mortgage loan.

4. When your income and equity is high enough RD can ask you to refinance. This simply means that you must go to a bank or other lending institution and attempt to refinance your loan. By refinancing, the money loaned to you to get you started can be lent to
someone else. RD is not in the business of competing with banks. They only loan to applicants whom banks will not loan to. When a family is able to secure a loan from a bank, they will be required to do so.

5. RD will review your loan periodically and may inspect your home.

VII. DO’S AND DON’TS OF SELF-HELP BUILDING

These are a few rules, which we have found to be helpful to our self-help families during construction. In setting up these rules, we hope to alleviate some of the problems, which we have had in the past.

1. You will keep time sheets. The families will be required to keep daily work sheets consisting of date and time period worked each day. These sheets will be turned into the self-help sponsoring organization on a schedule determined by the organization.

2. No children or pets are allowed on the site. To prevent problems with small children being hurt on the site, and people being bit by dogs, they are barred from the construction site. If the need arises, someone in the group may be appointed to watch all of the children in one location so that the others can work.

3. Do not give notice of when you are to move. Construction does not always run as smoothly as we would like. There may be delays due to weather conditions, machinery breakage, subcontractors work schedules, and many other unforeseen things. Therefore, we cannot be very specific as to when you can move. However, we will try to give you some idea so that you can give proper notice. Do not call us and tell us that you have to move on a certain day, because we will not be responsible for your eviction. If you must move, then you must find a place to stay.

4. Furniture cannot be moved into the house until final inspection is completed. If you decide to give notice not knowing for sure if you can move, and you have to have a place to store your furniture, that will also be your responsibility. Nothing can be stored in the new house.
5. **We regulate the time frame for final inspection.** You do not tell us when you want to have final inspection. We will tell you when you are ready.

6. **Houses must be cleaned at the time of final inspection.** When the final inspection is conducted, the houses should be clean. This should include sweeping and general cleaning.

7. **Call if you won’t be at the site.** During the group meetings, you will be setting up a work schedule on the times you will be available to be at the work site. If you cannot be there, let the group president or construction supervisor know. If you are unable to get in touch with them, contact one of the other families in the group.

8. **The use of drugs or alcoholic beverages on the site is prohibited.**
Appendix 9: Self-help program information sheet

What is Self-Help Housing?

Self-Help Housing is a method by which families of modest means can achieve home ownership. Families are formed in a group and agree to help each other build their houses with technical assistance provided by a competent construction supervisor.

Three elements are necessary to make Self-Help Housing work: technical assistance; mortgage loans; and families who want homes of their own and who are willing to do most of the work in building their homes. Usually 4 to 10 families make up a building group. Each family contributes as much labor as is required to complete all the houses in the group. Generally, about 1000 to 1,200 hours of labor per family is necessary, with each family contributing about 30 hours per week. Family hours include the labor of both the husband and wife. Children 16 years or older and any other friend or relative may help with each family’s labor contribution. Each family must complete a minimum of 65% of the construction labor tasks. Most of the work on the houses is done in the evenings and on weekends. If a family is not willing to give up many of their free evenings and weekends, they should not join a self-help group.

The total process generally takes 12 – 16 months. 3-4 months in application and pre-construction meetings and 8-12 months in construction. Stick built or panelized construction is used in self-help housing. The type of construction is usually determined by what is common in the area.

All houses in the group must be completed before any families can move in.

What is Technical Assistance?

Technical assistance is the process of organizing and supervising groups of eligible families in the building of their own homes and may include the following:

- Recruiting Families
- Explaining and discussing subjects related to home ownership during pre-construction meetings
• Finding suitable building lots
• Assisting families to select house plans which meet their needs and are within their ability to repay
• Assisting families in getting cost estimates and subcontractors
• Preparation of loan applications for the purpose of purchasing land, building materials, and paying for any subcontracting that will be required.
• Supervising and training families in proper construction

Technical assistance is provided by paid staff, hired by the local self-help housing grantee, and approved by Rural Development. Funds to pay for their salaries and expenses are obtained in the form of a grant from Rural Development. The cost is paid by the Rural Development TA grant, not by the families building homes.

All house plans must be reviewed by Rural Development and certified by a design professional ensuring that all local building codes and standards are met. The first monthly payment on the Rural Development self-help loan is due no later than one month following the completion of the house. An estimate is made of how long the period of construction will be and payments are deferred during that period.

If your application is rejected by Rural Development, you will be notified of your appeal rights, appeal procedures and the reason why you were rejected.

Home loans are written for 33 or 38 years. The interest rate on the loans is at market rate, but subsidies can be provided that will bring the interest cost to as low as 1%, depending on the family income and size.

**Income** – Rural Development is looking at gross income for the coming 12 months. You must fit within the Rural Development income categories to qualify for a loan.
**Eligibility** – Eligibility is determining the applicant’s ability to repay the loan but does not mean a loan will be approved. Loan approval depends upon a satisfactory appraisal.

**Legal Fees** – Rural Housing loans closed with your choice of attorney or Title Company. The applicant must show ability to cover these expenses prior to closing. The approximate closing cost is $\ldots$

**Insurance** – All borrowers are required to carry and pay for homeowners insurance. You must have the first full year of insurance paid before loan closing. Upon completion of your home, the insurance will be escrowed into your house payment.

**Taxes** – Real Estate taxes will be escrowed into the house payment.

**Graduation** – All borrowers are asked to refinance to conventional credit when possible.

**Payment Assistance** – This is the subsidy provided on the loan. The interest rate paid on the loan can be reduced or increased each year after a review is made of the borrower’s income status. The rate can never go higher than the rate on the note.

**Recapture** – When the property is sold or transferred, payment assistance is subject to recapture by the government.

**Payments** – Monthly payments are due on the same date as the note date and CANNOT be changed. Also, your monthly payment will change year to year, based on your income reported to Rural Development. The lower your income, the lower your monthly payment will be due to a larger interest subsidy from Rural Development. The higher your income, the larger your monthly payment, due to a smaller interest subsidy from Rural Development. Changes in property taxes and homeowners insurance can also affect your monthly payment.
**Occupancy** – Borrower MUST occupy property. If the borrower does not occupy the property the loan goes to full note rate and Rural Development could initiate foreclosure.

**Creditworthiness** – The most critical part of your application, outside of having repayment ability, is your credit report. Rural Development has strict guidelines to follow and they will not make a loan to anyone that has had a bankruptcy in the last three years. It must be dismissed or discharged for at least three years. Any collections or judgments must be paid in full for at least one year before they will consider an application. Upon application, we will run a credit report that will give you a look at what problems you may not be aware of. Late payments on monthly obligations or late rent payments are also looked at very closely and must have an explanation readily available.
EXAMPLE

MEMBERSHIP AND BUILDING AGREEMENT

Self-Help Housing Owner-Builder Group

This Agreement is entered into on the _____ day of __________________, 20___, by and between the individuals ("Members") and their families ("Families"), whose names appear in this Agreement, and (Organization), hereinafter referred to as "Organization".

In order to complete the construction of the houses, the Members and their families have joined together to form a mutual self-help group, known as the _____________________________ Group (hereinafter referred to as "Group").

The purpose of this Agreement is to foster the accomplishment of the Members' goal of constructing houses using the Mutual Self-Help method, with technical assistance from <Organization>. The Members understand and agree with each other and with <Organization> that this Agreement will control the construction of the homes located in, _________________ County of ______________, State of ________________

I. <Organization> TECHNICAL ASSISTANCE SERVICES:

A. <Organization> agrees to provide the following services to the Members of the Group:

1. Provide assistance and advice in the selection of house plans which have been developed by <Organization> and approved by the lending agency.

2. Ensure each family has obtained a set of hand tools and they bring them to the jobsite every day they’re working.

3. Coordinate and assist the Members in the construction of all of the Group's houses.
4. Provide instruction in the tasks necessary to construct the houses according to the plans and specifications within the allowed budgets.

5. As agent for each Family, coordinate the purchase of materials and services necessary to construct the houses in accordance with the plans and specifications.

6. Arrange for the payment of all legitimate bills.

7. Coordinate power tools and special tools as needed on the job.

8. To the extent practical and reasonable, schedule <Organization> construction staff on site to coordinate with the Members' availability to work on the houses.

9. The ability of <Organization> to provide the services listed is contingent upon the continued availability of funding under the USDA/Rural Housing Services 523 Technical Assistance program.

B. Limitation of Responsibilities and Liability:

In providing the Services described above, <Organization> will be acting at all times as the agent of the Group and of each of its Families rather than as a "contractor". Furthermore, <Organization> is unable to and therefore does not guaranty the satisfactory performance of each of the Member and Family, the subcontractors and suppliers, state and federal governmental agencies and lending institutions. Accordingly, <Organization> will therefore not be responsible for, and will have no liability for, any of the following:

1. Except as may be provided for in any agreement to purchase the building site from <Organization>, for any defect or cloud on the title of the building site of any member family;

2. Any latent or patent defect or unsafe or hazardous condition, including but not limited to the contamination of any building site by any unsafe or hazardous material affecting or concerning any building site;
3. The failure of any member family, subcontractor, or supplier to construct any home or portion thereof in accordance with the plans and specifications, any applicable building code or in accordance with normal standards of quality and workmanship;

4. The failure to complete any home in a timely manner and the failure of any member family or of the group to complete the home or project;

5. Any injury, disability or death resulting from any cause, including but not limited to the improper use of any tool, or from the defective condition or design of any tool, or the negligent instruction or supervision by any <Organization> staff;

6. Any injury resulting from the willful or intentional act of any family member, subcontractor or supplier.

II. LABOR CONTRIBUTION AND GROUP PARTICIPATION:

A. Each Family is required to contribute a minimum of 40 labor hours per week to complete construction of the houses. Each week at least 30 of these hours must be contributed by the Members listed on this Agreement. The balance of each Family's weekly hours may be contributed by the Members, by other members of the Family who are at least 16 years of age, or by approved volunteers.

1. Where there are two Members in the Family, each Member must contribute at least 15 hours each week. Where there is a single Member Family, or if in the sole judgement of <Organization>, only one Member is physically capable of contributing to the work, then that Member must contribute a minimum of 15 hours. <Organization> has the sole authority to approve exceptions.

2. A family may have outside persons, volunteers, to help make up the balance of hours of the weekly requirement of 40 hours, provided that these persons are pre-approved by the Construction
Supervisor. If said help is approved, their work will be subject to the terms of this Agreement.

B. Each Member and <Organization> agree that the Members and any approved outside persons are not in any way employees, agents or representatives of <Organization>.

C. Each Member family agrees to perform at minimum, all tasks listed in Exhibit A of this Agreement. Further, each Member agrees to perform any additional construction tasks as instructed by the <Organization> Construction Supervisor.

D. No children under the age of 16 are allowed on the project site during work hours.

E. No Member of the Group may hire or pay anyone to do work required under this Agreement.

F. Hours contributed shall be recorded by the Construction Supervisor and this record will be the official record. <Organization> will have the final authority to determine the acceptability of hours contributed.

G. Each Member agrees that if the family is more than one week or 40 hours behind in their hours, <Organization> may stop work on that family's house until the hours are caught up. If the family gets more than 80 hours behind, that family's participation under this agreement may be terminated as specified later in this Agreement.

H. Each Member agrees individually, and all families agree collectively as a Group, that the construction is to be carried out as mutual self-help. To this end, each Member agrees to work cooperatively on all the homes in the group, and that each of the houses will progress at the same rate.

I. If a Member becomes physically incapacitated or dies after construction starts, and in the sole judgement of <Organization> it becomes impossible for the Family to meet its commitment under this Agreement, the Group agrees to provide the additional labor necessary to complete the house.
III. CONSTRUCTION OF THE HOUSES

A. Each Member and Family agree they are responsible for the completion of the homes according to the plans and specifications and within budget, with labor contributed by the Members and Families under the coordination of <Organization>. Each Family will be responsible for any additional supplemental loans or payouts that may take place because of cost overruns during the course of construction.

B. No change of plans and specifications is permitted without the approval of <Organization>, the lender, and the Member.

C. Each Family agrees that they will be responsible for all material purchased for their house once it is delivered to their site. Any theft, loss or breakage is the responsibility of the Family and replacement will be made out of loan funds.

D. Each Family agrees to review the "Request for Payment" when submitted by <Organization> staff and to sign checks promptly for payment. If bills are not paid promptly, the property may be subject to a Mechanic's Lien in accordance with State law.

E. Each Member agrees that safety is a primary concern and that Member will:
   1. Follow safe work practices on the site at all times;
   2. Abide by and enforce all safety policies or instructions as may be issued by <Organization>.

F. Each Member agrees that they will not use or permit the use of alcohol or illegal drugs on the site and that no one will be allowed on the building site while under the influence of alcohol or illegal drugs. Any continued problem relating to alcohol or illegal drugs on the job will cause automatic expulsion of the Family from the Group and the termination of this Agreement for that Family.
IV. GRIEVANCES

Grievances in relation to individual member families and this Agreement shall first be brought to the attention of the Group at one of its meetings. If, after attempting to resolve the issue at that meeting, no resolution is achieved, then the following grievance procedure will be followed:

Before construction begins, the grievance should be brought to the attention of the Preconstruction staff assigned to the Group; during construction, the grievance should be brought to the attention of the Project Coordinator. If resolution is not achieved, then the Program Manager for New Housing shall be notified of the grievance in writing. If not resolved by the Program Manager, the <Organization> Board of Directors shall be notified of the grievance in writing and its decision shall be final.

V. TERMINATION OF AGREEMENT

Any Member or Family shall be terminated from participation under this Agreement if a Family does not meet the conditions of this Agreement as determined by <Organization>.

By signing below, I agree to all conditions of this Membership and Building Agreement.

<Organization>:

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EXHIBIT A

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<th>RD Instruction 1944-I</th>
<th>Exhibit B-2</th>
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BREAKDOWN OF CONSTRUCTION DEVELOPMENT FOR DETERMINING PERCENTAGE CONSTRUCTION COMPLETED

<table>
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<tr>
<th>With Slab on Grade</th>
<th>With Space</th>
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1. Excavation
The removal of earth to allow the construction of a foundation or basement.

2. Footing, Foundations, columns
Footing: Construction of the spreading course or courses at the base or bottom of a foundation wall, pier, or column.
Foundation: Construction of the supporting portion of a structure below the first floor construction, or below grade, including footing.

3. Floor slab or framing
The floor slab consists of concrete, usually reinforced, poured over gravel and a vapor barrier with perimeter insulation to prevent heat loss.

4. Subflooring
The installation of materials used for flooring that is laid directly on the joist and serving the purpose of a floor during construction prior installation of the finish floor.

5. Wall framing sheathing
The construction process of putting together and erecting the skeleton parts of a building's walls (the rough lumber work) and, for the exterior walls, covering with sheathing (plywood, waferboard, oriented strand board or lumber) and insulating board to close up the side walls prior to the installation of finish materials on the surface.

6. Roof and ceiling framing, sheathing
The process, or method, of putting the parts of a roof, such as truss, rafters, ridge and plates in position. Ceiling joist support the overhead interior lining of a room. Roof sheathing is any sheet material, such as plywood or particleboard, connected to the roof rafters or truss to act as a base for sheathing felt, shingles or other roof covers.

7. Roofing
The installation of a material that acts as a roof covering, making it impervious to the weather, such as shingles over sheathing felt, tile, or slate.

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8. Siding, exterior trim, porches
   The installation of lumber, panel products or other materials intended for use as the exterior wall covering including all trim.

9. Windows and exterior doors
   The installation of all exterior windows and doors. This includes securely fastening windows and doors plumb and level, square and true and adjusting sash, screens and hardware for smooth and proper operation.

10. Plumbing - roughed in
    Subject to local codes and regulations the installation of all parts of the plumbing system which must be completed prior to the installation of plumbing fixtures or appliances. This includes drain, waste, and vent piping, water supply, and the necessary built-in fixture supports.

11. Sewage disposal
    Subject to local codes and regulations the construction and installation of a wastewater disposal system consisting of a house sewer, a pretreatment unit (e.g., septic tank, individual package treatment plant), an acceptable absorption system (subsurface absorption field, seepage pit, or subsurface absorption bed). The system shall be designed to receive all sanitary sewage (bathroom, kitchen and laundry) from the dwelling, but not footing or roof drainage. It shall be designed so that gases generated anywhere in the system can easily flow back to the building sewer stack.

12. Heating - roughed in
    Subject to local codes and regulations the installation of ducts and/or piping and the necessary supports to minimize the cutting of walls and joist. This rough in is done before finish wall and floor installed.

13. Electrical - roughed in
    Subject to local codes and regulations the installation of conduit or cable and the location of switch, light, and outlet boxes with wires ready to connect. This roughing-in work is done before the dry wall finish is applied, and before the insulation is placed in the walls and ceiling.

14. Insulation
    The installation of any material used in walls, floors, and ceilings to prevent heat transmission as required by RD Instruction 1924-A, Exhibit D of 7 CFR of Part 1924, Subpart A.
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15. Dry wall
   Dry walling is covering the interior walls using sheets of gypsum board and taped joints.

16. Basement or porch floor, steps
    The construction of basement or porch floors and steps whether wood or concrete.

17. Heating - finished
    Subject to local codes and regulations the installation of registers, grilles and thermostats.

18. Flooring covering
    The installation of the "finish flooring" (the material used as the final wearing surface that is applied to a floor). Floor covering includes numerous flooring materials such as wood materials, vinyl, linoleum, cork, plastic, carpet and other materials in tile or sheet form.

19. Interior carpentry, trim, doors
    Installing visible interior finish work (molding and/or trim), including covering joints around window and door openings. The installation of an interior door including frames and trim.

20. Cabinets and counter tops
    Securing cabinets and counter tops (usually requiring only fastening to the wall or floor) that are plumb and level, square and true.

21. Interior painting
    Cleaning and preparation of all interior surfaces and applying paint in strict accordance with the paint manufacturer's instructions.

22. Exterior painting
    Cleaning and preparation of all exterior surfaces and applying paint in strict accordance with the paint manufacturer's instructions.

23. Plumbing - complete fixtures
    Subject to local codes and regulations the installation of a receptor or device which requires both a water supply connection and a discharge to the drainage system, such as water closets, lavatories, bathtubs or sinks. Also, the installation of an energized household appliance with plumbing connections, such as a clothes washer, water heater, dishwasher or garbage grinder.
24. Electrical - complete fixtures
   Subject to local codes and regulations the installation of the
   fixtures, the switches, and switch plates. This is usually done
   after the dry wall finish is applied.

25. Finish hardware
   The installation of all the visible, functional hardware in a house
   that has a finish appearance, including such features as hinges,
   locks, catches, pulls, knobs, and clothes hooks.

26. Gutters and downspouts
   The installation of a shallow channel of wood, metal, or PVC
   (gutters) positioned just below and following along the eaves of the
   house for the purpose of collecting and diverting water from a roof
   to a vertical pipe (downspouts) used to carry rainwater from the roof
   to the ground by way of a splash block or into a drainage system.

27. Grading, paving, landscaping
   Landscaping includes final grading, planting of shrubs and trees, and
   seeding or sodding of lawn areas. Final grading includes the best
   available routing of runoff water to assure that house and adjacent
   homes will not be endangered by the path of water runoff. The minimum
   slope should be 6" in 10' or 5% from the foundation of the home.
   Paving includes both driveways and walks.
Appendix 10: Building Group Membership and Labor Agreement

BUILDING GROUP

This agreement is entered into on the day of ________________, 20___, between the members of building group _____, commonly known as ____________________________

(Group #) (Name of Building Group)

and hereinafter referred to as the “BUILDING GROUP MEMBERS” and ________________

(Name of Self-Help Grant Recipient)

hereinafter referred to as “SELF-HELP GRANT RECIPIENT.” The principal location of building group ____ is ____________________________

(Group #) (Address, City/Town/County, State)

The SELF-HELP GRANT RECIPIENT is an eligible entity, which provides technical assistance and management services for building group members under the mutual Self-Help Housing Program.

The SELF-HELP GRANT RECIPIENT is not acting as a "contractor" on behalf of BUILDING GROUP MEMBERS, but as a Rural Development grant manager and technical advisor. BUILDING GROUP MEMBERS, as homeowners and builders, are acting as their own general contractor. The BUILDING GROUP MEMBERS agree to hold the SELF-HELP GRANT RECIPIENT harmless for any purchases, even though such purchases may have been made by the SELF-HELP GRANT RECIPIENT on behalf of the BUILDING GROUP MEMBERS.

The purpose of the Agreement is to foster the smooth accomplishment of the BUILDING GROUP MEMBERS’ goal of construction of houses. The BUILDING GROUP MEMBERS understand and agree with each other and with the SELF-HELP
GRANT RECIPIENT that this Agreement will control the progress of the project. Violation of any portion of this Agreement may result in implementation of Section VII of this Agreement. Rural Development is not a party to this agreement.

I. COMMITMENT

The SELF-HELP GRANT RECIPIENT agrees to provide technical assistance to the undersigned BUILDING GROUP MEMBERS as follows:

A. Pre-Construction Services

1. Locate and obtain control of suitable Rural Development building sites.
2. Recruit and determine preliminary eligibility of potential group members.
3. Prepare all loan application documents for submission to Rural Development and work with Rural Development on behalf of the applicants.
4. Assist the officers of the group in the fulfillment of their functions.
5. Arrange and present a series of informational meetings covering homeownership and related subjects. This series is normally referred to as the "Pre-Construction" meetings.

B. Construction Services

1. Provide house plans, which have been developed or acquired by SELF-HELP GRANT RECIPIENT and approved by Rural Development.
2. Direct, control, and implement construction on all of the members’ houses.
3. Teach tasks to the members as necessary to build the houses according to the plans and specifications, within the allowed budgets.
4. To initiate contracts in the name of the members for materials and services to be purchased in accordance with the plans and specifications.
5. Provide bookkeeping services to maintain individual group member accounts, and to pay bills on behalf of group members from these accounts.
6. Lease power tools and special equipment as required on the job. (See Section VIII).
7. Present to the building group for approval, bids from outside contractors and suppliers to provide the materials and contracted work necessary to build the homes
according to plans and specifications. The selection of a supplier or contractor should be made only on the basis of quality, experience, completeness of bid, price, and past performance. (See Section VIII).

II. GROUP MEMBER COMMITMENT

The undersigned BUILDING GROUP MEMBERS agree to the following:

A. To build their own homes in the SELF-HELP GRANT RECIPIENT’S construction program, using Rural Development and/or alternative financing.

B. To use their labor to the extent required and to pay for all materials and contracted labor and services used in the construction of their home, according to the directions of the SELF-HELP GRANT RECIPIENT, including costs associated with lot development and costs shared with other participants.

C. To purchase materials and contracted labor on a group basis whereby the building group utilized the same suppliers and contractors.

D. To use their best efforts to meet construction goals and objectives established by the group and the SELF-HELP GRANT RECIPIENT in performance of this agreement.

E. To work at all times in a safe manner, and to follow the Construction Supervisor's instructions in this regard.

F. To work on any house in their group and at any job as required by the Construction Supervisor.

G. To cooperate with other group members and the SELF-HELP GRANT RECIPIENT in the performance of the requirements as set forth in this agreement, and to conduct themselves at all times in a manner that will not disrupt or interrupt other group members in their performance of assigned tasks. It is agreed the Construction Supervisor has the authority to require removal from the job site of any individual whom the supervisor deems to be a disruptive influence to work requirements.

H. To follow the plans, budgets, blueprints, specifications and instructions of __________ the SELF-HELP GRANT RECIPIENT and Rural Development in construction of their houses. (Change orders will only be allowed in accordance with Section XI following.)
I. To allow the SELF-HELP GRANT RECIPIENT to solicit bids and not to negotiate with or direct the work, or otherwise interfere with subcontractors and suppliers, unless authorized to do so by the Construction Supervisor.

J. To provide the SELF-HELP GRANT RECIPIENT written schedules of the hours they are available to work and to work the hours as assigned by the Construction Supervisor.

K. To review requests for payment as submitted by the SELF-HELP GRANT RECIPIENT and to sign checks for payment, acknowledging that if legitimate bills are not paid, property is subject to liens in accordance with state law. (See Section III, A.10. following.)

L. Not to move into the house that will become theirs or move personal property into that house until all the homes in the group are finalized by Rural Development and/or other appropriate officials.

M. To purchase (Builder’s Risk) Homeowners Insurance as required by Rural Development, to be in force beginning with the date of loan closing. (See Section XIII following)

N. To attend all scheduled meetings as directed by the SELF-HELP GRANT RECIPIENT. (See Section V.D.4. following.)

O. To work as directed by the Construction Supervisor.

P. To attend all pre-construction training meetings offered by the SELF-HELP GRANT RECIPIENT.

Q. To close their loan account within (30) days of final inspection by Rural Development, unless otherwise extended by Rural Development.

R. To meet all other requirements as set forth in this agreement.

III. CONSTRUCTION RESPONSIBILITIES A. Labor Exchange Commitment

The building group members agree to exchange work labor in a cooperative manner, and to work jointly on all members' houses.

1. Each household will be required to put in a minimum of _____ productive hours per week, or as many as necessary, as directed by the Construction Supervisor, to complete construction of the homes on schedule. Equal time will
be allowed for labor performed by members regardless of the approved type of work involved. It is further agreed that only the work hours of person’s ___ years and older may count towards the ___ hours. We require that any delinquent hours be made up the week following their accrual unless prior arrangements have been made with the Construction Supervisor. Accumulation of hours – Families who accumulate more than the _______ hours required per week, may accumulate limited hours in a "family reserve." The accumulated hours may not exceed _____ hours per week above and beyond the ______ required hours. Families are only allowed to draw hours from the "family reserve" if they first clear it with the Construction Supervisor. The decision will be made on the basis of the nature of the request and the progress of the project. Additionally, families may donate any excess hours to other participating families with the approval of the construction supervisor.

2. Labor hours that count towards the minimum _____ hours per week requirement per household is labor that contributes to the construction of houses in the group. Labor hours do not include lunch breaks, coffee breaks, travel time, childcare for your own family, time away from the job site not on construction business, or time spent involved in non-productive conversation with others. One hour of credit per household will be allowed for each of the following: selection of finish flooring and counter tops, lighting fixtures, and landscaping. Work from non-group members must be scheduled by the Construction Supervisor prior to performance of the work. Any vacation or time off from construction must be pre-approved by the group and the Construction Supervisor. No previously earned labor hours in excess of the hours per week requirement can be used towards the current _____ hours per week requirement, without prior approval of the BUILDING GROUP MEMBERS and the SELF-HELP GRANT RECIPIENT.

3. Volunteer hours – Volunteers who perform work at the site, will work as scheduled by the Construction Supervisor. Volunteers will work on all houses in the group.
4. Labor that must be performed by building group members is listed as "Homeowner Labor" on the following chart, amounting to at least 65% of the total work tasks. Group members must perform a majority of the work for each task listed, in order to receive the percentage credit shown.

**CONSTRUCTION LABOR DIVISION – SELF-HELP HOUSING**

<table>
<thead>
<tr>
<th>Subcontractor Labor</th>
<th>Homeowner Labor</th>
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<tbody>
<tr>
<td>1. Excavation</td>
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<td>2. Footings, Foundations</td>
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<td>3. Floor Slab or Framing</td>
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<td>4. Subflooring</td>
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<td>5. Wall Framing, Sheathing</td>
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<td>6. Roof &amp; Ceiling Framing</td>
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<td>7. Roofing</td>
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<tr>
<td>8. Siding, Exterior Trim, Porches</td>
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<td>10. Plumbing Rough-In</td>
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<td>12. Heating Rough-In</td>
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<td>13. Electrical Rough-In</td>
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<td>14. Insulation</td>
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<td>15. Dry Wall</td>
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<td>16. Basement or Porch Floor,</td>
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<td>17. Heating Finish</td>
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<td>18. Flooring</td>
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<td>26. Gutters and Downspouts</td>
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<tr>
<td>27. Grading, Paving, Landscaping</td>
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Totals
5. If a household becomes _____ hours behind during any three-week period or for the total minimum number of hours required at that period of construction, without approval of the Construction Supervisor, no additional materials will be ordered for their house. At this time, the member is required to meet with the Construction Manager and the Group Coordinator for approval of a written plan submitted by the member to bring labor hours current. When labor hours are brought current, the SELF-HELP GRANT RECIPIENT will again be authorized to purchase materials for their house.

If a household becomes _____ hours behind the total minimum number of labor hours, all work and associated activities on their house will stop. At this time the member is required to meet with the SELF-HELP GRANT RECIPIENT’S Housing Program Director and the Group Coordinator, with a written plan to bring labor hours current. Work may again start on their house when the household is no more than _____ hours delinquent, although no additional material is to be ordered for their house. When labor hours are brought current, the SELF-HELP GRANT RECIPIENT will be authorized again to purchase material.

If a household becomes ___hours behind the required number of labor hours, expulsion from the group may occur, in accordance with Section VII of this agreement.

6. The Construction Supervisor will decide what work is to be completed by the members each day. The members agree to perform the work assignments made by the supervisor. Any member who performs work not assigned by the supervisor may not receive credit for labor hours, at the discretion of the Construction Supervisor.

The Construction Supervisor may ask a member who refuses to perform an assigned task to leave the job site. Continued refusal may result in implementation of Section VII of this agreement. A member may not work alone unless the task can safely be done alone and he/she has the consent of the Construction Supervisor.

Any work by a member devoted exclusively toward that member's own house will not be credited toward the weekly work requirement, unless such work has been
assigned or approved by the Construction Supervisor. (Mutual self-help of an organized work team is stressed, not individual home building.)

7. If the household becomes verifiably disabled after construction starts, the group agrees to continue to help the participant construct its house, subject to the following provisions:

a. Disability claims must be verified in writing by a licensed M.D., stating specifically those construction tasks the claimant cannot perform. Tasks not prohibited in writing by the M.D. will be expected to be performed by the claimant, as assigned by the Construction Supervisor. Such tasks may not have been required prior to the claimed disability, and time worked on these tasks may or may not be included as contributing in their entirety to the required minimum hours to be worked each week by each member household subject to the discretion of the Construction Supervisor.

b. The household claiming to be incapacitated must provide the Construction Supervisor a written plan stating the name and the hours to be worked by those individuals who contribute the required make-up hours, to assure the household maintains its required work responsibility. All individuals thus named must sign an agreement to work the specified hours. The plan must be approved by a majority vote of the group members. The substitute labor must also be approved by the SELF-HELP GRANT RECIPIENT and the Rural Development State Director.

8. Action to be taken by the group following death of a head-of-household or spouse is to be determined by majority agreement at a meeting of the group, and is to include plans for completion of the group member's house. The plan is subject to approval by the SELF-HELP GRANT RECIPIENT prior to enactment.

9. Each household will complete a "Weekly Work Availability" form in which each household will plan their weekly minimum hour work schedule at the construction site. Completed schedules will be given to the Construction Supervisor one week or more in advance and all schedules will be posted at the construction site. The Construction Supervisor shall specify which of the available hours are required to
meet the construction goals for the week. The intent is to have a well-organized flow of work utilizing the best-varied abilities of the group members in order to assure proper job, contractor and material supplier scheduling. Group members will record their work hours and tasks daily at the job site, under the supervision of the Construction Supervisor and timekeeper, who will maintain records of such hours and jobs. Any conflict over work schedules or hours worked will be resolved by the Construction Supervisor.

10. Each member agrees individually, and all members agree collectively as a group, to abide by the purchase order system for ordering materials. The only persons authorized to order materials shall be designated by the SELF-HELP GRANT RECIPIENT.

11. If a household becomes _____ days delinquent in approving construction invoices, all work on the house will stop. No additional materials will be ordered until outstanding invoices are paid and the SELF-HELP GRANT RECIPIENT has assurance that delinquencies will not reoccur.

12. Each member agrees individually, and all members agree collectively as a group, to work on each other's houses together as a work team, as assigned by the Construction Supervisor. Group members may perform extra work in addition to that required by the Construction Supervisor, and will receive credit for this work, so long as it is for the benefit of the entire group, and is assigned by the Construction Supervisor.

13. If for any reason, families are not able to perform the required _____ hours of work, because of snow, storm, tornado, flood, or any other "acts of God," penalties listed in Section III, part A, number 4 will not be automatically enforced. Rather the participants will work with the Construction Supervisor to find a solution that is mutually acceptable.

IV. ELECTION OF OFFICERS

In order to function as a group, the following procedures will be followed:

A. Officers shall be elected by the group for the life of the project and their duties shall include the following:
1. Group Facilitator – Shall chair all group meetings, and act as the main representative of the group.


3. Timekeeper – Shall keep a record of all group members’ timesheets and shall be responsible for submitting timesheets to the SELF-HELP GRANT RECIPIENT’S office on a weekly basis.

An additional and very important responsibility would be that of "material checker," to accept and check all supplies delivered to the group. This may be an elected position, or the duty of each member present.

B. Officers may be recalled or replaced by a majority vote of the households.

V. GENERAL RULES OF THE GROUP

A. In consideration of safety issues, children under the age of 16 shall not be allowed on the construction site without prior approval of the Construction Supervisor for each individual occurrence.

B. Each member agrees that no member of the group may hire or pay anyone to do their work for them.

C. Hours shall be recorded by the timekeeper after approval of the Construction Supervisor. Any conflict over number of hours worked will be resolved by the Construction Supervisor and/or Group Coordinator.

D. The building group shall have a group meeting at least once every _____, as called by the Construction Supervisor, the majority of the group members, or the Group Coordinator. At least one the SELF-HELP GRANT RECIPIENT’S staff member will attend each meeting, and this may be the Construction Supervisor. Time spent at the group meeting will count towards the required labor hours only if required by the SELF-HELP GRANT RECIPIENT. Group membership meetings may also be called by the Program Director. Notice of any meetings shall be given to one of each household at least hours in advance.
1. One vote per house in construction is allowed and each household shall cast one vote.

The head-of-household or co-applicant may cast the vote.

2. A quorum consists of at least one vote per household at meetings in which half or more of the households are represented. When a quorum is present, the majority vote shall carry all motions, except as stated differently in the Agreement.

3. Each household has the responsibility of having at least one voting member of the household attending each group meeting, and any member household that misses more than two meetings may be subject to disciplinary action by the group, up to and including termination of the households voting rights.

4. The meeting location shall be assumed to be the job building site and all relevant conditions of this agreement shall apply at these meetings.

E. No one will be allowed on the building site while under the influence of alcohol or illegal and non-appropriate drugs, such as marijuana or opioids, nor will the drinking of alcoholic beverages or the use of illegal drugs at the job site be tolerated. Any incident involving alcohol or illegal drugs on the job is cause for automatic expulsion of the participant by the Program Director and termination of this agreement.

F. Each member agrees that they will be responsible for all materials, supplies, and other items purchased for their house regardless of the location of such materials, supplies or other items. Any theft, loss, breakage or damage is the responsibility of the member and replacement or repair will be made out of their loan funds.

G. The group members and families shall pay for all materials and contracted work purchased for benefit of their homes, including extra materials or overruns. The Construction Supervisor will allocate all materials, equipment, purchases, and contracted work between the households and this allocation shall be binding on each household.

VI. GRIEVANCE PROCEDURE
A. Any claim, dispute or question raised by any group member or BUILDING GROUP MEMBERS shall be first brought to the attention of the Group Facilitator, discussed in a group meeting and settled then.

B. If no resolution can be accomplished through the group meeting, the following grievance procedure shall be followed.

1. Before Construction

The grievance should be brought to the attention of the Group Coordinator assigned to the group. If no resolution can be made, the Program Director must receive the grievance in writing. If a resolution is again not reached, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Executive Director. If a resolution is again not reached, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Board of Directors for final resolution.

2. During Construction

The grievance should be brought to the attention of the Construction Supervisor. If a resolution does not follow then the grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Program Director. If a resolution is not reached again, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Executive Director. If a resolution is again not reached, then the written grievance shall be referred to the SELF-HELP GRANT RECIPIENT’S Board of Directors for the final resolution.

C. If a claim is brought prior to completion of construction and occupancy of the residence by the group member(s), the foregoing shall be conditions precedent to arbitration. In any event, any claim, dispute, or question arising between the SELF-HELP GRANT RECIPIENT and the parties shall be subject to arbitration at the choice of any party. In the event either party elects arbitration, it shall serve a notice on the other party or parties, stating their grievance and desire to arbitrate, and the parties shall proceed in accordance with state law. A decision of the arbitrator shall be a condition precedent to the right of any other legal action. The cost of the arbitrator shall be born equally by all parties to the dispute.
D. The SELF-HELP GRANT RECIPIENT has agreed to provide technical assistance to the group members in construction of their housing. The SELF-HELP GRANT RECIPIENT does not charge group members for this service, and in return the group members agree that the SELF-HELP GRANT RECIPIENT shall have no liability for acts and omissions done in good faith. The SELF-HELP GRANT RECIPIENT shall have no liability of consequential or delay damages resulting from any act, omission, breach of contract, or negligence.

VII. TERMINATION PROCEDURE

Violations of the terms of this agreement will result in all expenditures for materials/labor being immediately halted until a satisfactory resolution is reached. If a satisfactory resolution cannot be reached or the same problem continues, expulsion from the group will be determined by the Grantee. Expulsion results in the loss of any rights under the terms of this agreement and the loss of building privileges under the SELF-HELP GRANT RECIPIENT’S self-help program. After expulsion, the member's rights concerning their house will be determined by Rural Development. In the event a group member, family or group members fail to meet the requirements of this agreement, the remedies afforded the BUILDING GROUP MEMBERS and Rural Development in this agreement are cumulative, and in addition to any other remedies afforded by law or otherwise.

VIII. CONTRACTS AND OBLIGATIONS

The group members and spouses are jointly and severally bound by the contracts they enter into, and agree to the terms thereof. The group members may not elect to exclude themselves from such contracts, but are irrevocably committed to them.

IX. SUPERVISION OF ACCOUNTS AND PAYMENT OBLIGATIONS

The undersigned families and group members agree to place their Rural Development loan proceeds and other funds into a designated bank account which is managed by the (SELF- HELP GRANT RECIPIENT). (Borrower Name) is
authorized to approve of all labor, materials, contracts, sub-contracts, liens, expenses, taxes, and other costs incurred for building their house. Only [SELF-HELP GRANT RECIPIENT] may request draws on the group member’s Rural Development loan account and prepare checks for payment of all costs and charges attributable to construction of the participant’s home. These payments are to be authorized by the designated participants and Rural Development with supporting documentation provided by [SELF-HELP GRANT RECIPIENT].

The group members and families agree to execute and deliver to [SELF-HELP GRANT RECIPIENT] any other document necessary to implement this agreement.

X. LEVY OF DUES

The group may agree by a majority vote to levy dues upon its members. Further, the group has sole custody and responsibility for any money, which it may earn or collect from its members for purposes of the group. These funds may be disbursed in any manner as determined by a majority vote of the group. The SELF-HELP GRANT RECIPIENT will not be accountable in any way for these funds.

XI. SUCCESSORS AND ASSIGNEES, JOINT AND SEVERAL LIABILITIES

The parties bind themselves, their spouses, heirs, successors, assignees, partners, and representatives to this agreement. The undersigned group members agree that this agreement is jointly and severally binding upon them, and that any liabilities and obligation, rights and duties created hereunder shall be joint and several to each signatory.

The undersigned families and group members agree to build according to blueprints and specifications provided by SELF-HELP GRANT RECIPIENT and approved by Rural Development. No change will be made in these plans without prior approval of Rural Development. Change order approval by participant or group members requesting the same hereby holds harmless its agents, employees and officers for any liability resulting there from.

XII. INSURANCE
Each group member or participant agrees to purchase Builders Risk Insurance as required by Rural Development and other lending institutions to be in force from the date of loan closing. This policy shall include sufficient individual liability coverage in an amount not less than _______. However, the SELF-HELP GRANT RECIPIENT may require a higher amount if it determines that this is necessary. The SELF-HELP GRANT RECIPIENT shall be given proof (binder) of insurance.

XII. ACCEPTANCE OF HOUSING/RELEASE

At the time of completion of the participant or group member's home, the head-of-household must inspect the home and at that time make any claim against SELF-HELP GRANT RECIPIENT or waive the right to do so by signing the Release and Hold Harmless Agreement attached to this agreement. (Addendum #3) SELF-HELP GRANT RECIPIENT will not approve the closing of an account prior to receiving the release. A participant or group member may not occupy their home prior to inspection and accepting the home, and delivering the executed Release and Hold Harmless Agreement to SELF-HELP GRANT RECIPIENT. It is agreed that any claims against SELF-HELP GRANT RECIPIENT will be made at this time, or will be forever barred.

XIV. TERMINATION OF AGREEMENT

This agreement shall be terminated with regard to each member and SELF-HELP GRANT RECIPIENT by the following conditions:

A. After all families' houses have been completed, received final inspection and approval by Rural Development, all bills and credits have been settled, and the supervised bank accounts are closed.

B. By signing below, I agree to all conditions of this Membership and Labor Agreement. I also declare that no statements, representatives, or any express or implied warranties of any nature whatsoever have been made to me by the SELF-HELP GRANT RECIPIENT. I further acknowledge that the SELF-HELP GRANT RECIPIENT agrees only to provide technical assistance and construction supervision set forth in this agreement, and shall have no liability for any damage, error or construction defect. In
the event that damage or defect must be remedied, the group members agree to repair
the same using their own "self-help" and/or subcontractor labor, and to pay for materials
and/or labor as required. I also acknowledge receipt of a copy of said Agreement for my
personal files
GROUP MEMBERS

By signing below, __________________________ agrees to all conditions of this (SELF-HELP GRANT RECIPIENT)

Building Group Membership and Labor Agreement. __________________________ also (SELF-HELP GRANT RECIPIENT)
declares that no statements, representations or any express or implied warranties of any nature whatsoever have been made to this building group.

___________________ _____________________________________
Date                  Construction Supervisor

___________________ _____________________________________
Date                  Program Director
RELEASE AND HOLD HARMLESS AGREEMENT

I have inspected or had an opportunity to inspect my house and property, legally described as

Lot ___, ___________________________.

(Address, City/Town/County, State)

I hereby release ____________________________, its agents (SELF-HELP GRANT RECIPIENT) and employees, of any claim or liability with respect to the construction of said residence, whether known, or arising in the future.

I agree to indemnify and hold ____________________________ (SELF-HELP GRANT RECIPIENT) and its agents and employees harmless for any claim made against them by a third party with respect to construction of said residence.

Dated this ___ day of ____________________________, 20_____.

By: ____________________________________________

By: ____________________________________________
The above information was explained to us and I/we understand and accept these conditions.

NAME ___________________________ DATE ___________________________

NAME ___________________________ DATE ___________________________

NAME ___________________________ DATE ___________________________

NAME ___________________________ DATE ___________________________

NAME ___________________________ DATE ___________________________

NAME ___________________________ DATE ___________________________
RECOMMENDED TOOLS

(One Set per Household)

25' to 30' – 1" measuring tape
Speed square
Hammer – 16 or 20 oz., straight or curved claw
Nail set
Chalk line and chalk Nail apron/Tool bag Work gloves
Safety glasses & earplugs
Flat pry bar
Utility knife with extra blades
Carpenter's pencils
Screwdrivers – flat and Phillips head
Shovel – round point
Construction shoes (good quality) Cat’s-paw (nail puller)
Appendix 11: Self-Help Housing Program Participant Confidential Evaluation

Please circle the response for each question below that best represents your experience.

How satisfied are you with your overall experience in the Self-Help Housing Program?

Very Satisfied
Somewhat Satisfied
Neutral Unsatisfied
Somewhat Unsatisfied

How knowledgeable do you feel Organization staff were of the building process?

Very Knowledgeable
Somewhat knowledgeable
It could have been better

Do you feel you were actively involved in Contractor/bid selections?

Yes
Sometimes
No

If you had a concern or problem during the process was it resolved effectively by the Organization?

Yes
Sometimes
No

If you had a concern or problem during the process was it resolved effectively by RD?

Yes
Sometimes
No

How likely are you to recommend the Self-Help Housing Program to friends or family?

Very Likely
Somewhat Likely
Neutral Unlikely
Somewhat Unlikely
Do you feel you are/were treated with respect by Organization staff throughout the process?

Yes  Sometimes  No

Do you feel you are/were treated with respect by RD staff throughout the process?

Yes  Sometimes  No

Do you have any recommendations for improvement?

____________________________________________________________________
____________________________________________________________________

**Please Circle**

1) Application process-------- Excellent  Good  Average  Poor  Terrible

2) Preconstruction meetings- Excellent  Good  Average  Poor  Terrible

3) Loan process---------------- Excellent  Good  Average  Poor  Terrible

4) Instruction in tool usage----Excellent  Good  Average  Poor  Terrible

5) Instruction in work place safety-Excellent  Good  Average  Poor  Terrible

6) Tools available for construction Excellent  Good  Average  Poor  Terrible
<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Good</th>
<th>Average</th>
<th>Poor</th>
<th>Terrible</th>
</tr>
</thead>
<tbody>
<tr>
<td>7) Construction techniques used</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8) Construction schedule</td>
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<tr>
<td>9) Construction materials used</td>
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<td></td>
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<tr>
<td>10) Materials selection process</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>11) Contractor selection process</td>
<td></td>
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<td></td>
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<tr>
<td>12) Bill paying process</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>13) Detail of construction cost information</td>
<td></td>
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<tr>
<td>14) Communication with USDA Rural Dev.</td>
<td></td>
<td></td>
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<tr>
<td>15) Communication with office staff</td>
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<td></td>
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<tr>
<td>16) Communication with Construction Supervisor</td>
<td></td>
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</tr>
</tbody>
</table>
17) How would you rate the Construction Supervisor?

a) Construction Knowledge----------Excellent    Good    Average    Poor    Terrible

b) Teaching Skills for Construction--Excellent    Good    Average    Poor    Terrible

c) Organizational Skills-------------Excellent    Good    Average    Poor    Terrible

d) Communication Skills-----------Excellent    Good    Average    Poor    Terrible

e) Job sight scheduling------------Excellent    Good    Average    Poor    Terrible

18) Overall quality of the home constructed Excellent    Good    Average    Poor    Terrible

19) Overall value of the home constructed   Excellent    Good    Average    Poor    Terrible

What is the most positive aspect about your involvement with this program?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
What is the most negative aspect about your involvement with this program?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

Would you recommend the self-help housing program to others?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

Any suggestions to improve the program?

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

Other comments:

______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________
______________________________________________________________________

Name (Optional): ___________________________________.


Self-Help Housing Program Confidential Evaluation

_________________________________ will be starting a new Self-Help Project this fall in _________________ counties. Having been a part of the last project, we value your input on what worked and what did not. Please take a few minutes and complete the evaluation form. You do not have to identify yourself, so please voice your positive and negative suggestions. Thank you for taking time to complete this. Please return by _________________ in the enclosed envelope.

1. How did you learn about the Self-Help Housing Program?
   ____________________________________________________________________

2. Would you recommend this program to other families who are interested in owning their own home? Yes or no (circle one)
   ____________________________________________________________________

3. What changes in the program would you recommend?
   ____________________________________________________________________

4. Do you feel the Construction Supervisor was respectful of your needs and responsive to your suggestions? (circle one) Excellent Good Fair Poor
5. Do you feel the staff at __________________________ was respectful of your needs and responsive to your suggestions?
(circle one) Excellent Good Fair Poor

Comment:

6. Do you feel the Rural Development staff was respectful of your needs and responsive to your suggestions?
(circle one) Excellent Good Fair Poor

Comment:

7. Do you feel the construction training you received fulfilled your training needs and helped you succeed in the construction of your new home? Will this training be helpful to you in adequately maintaining your new home?
(circle one) Excellent Good Fair Poor

Comment:

We offer our congratulations on the completion of your home and thank you in advance for sharing your thoughts and suggestions on how to improve this program.
Appendix 12: Participant Work Record

<table>
<thead>
<tr>
<th>Record of Family Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family:</strong></td>
</tr>
<tr>
<td><strong>Week Ending:</strong></td>
</tr>
<tr>
<td><strong>Hours</strong></td>
</tr>
<tr>
<td>Excavation</td>
</tr>
<tr>
<td>Footing, Foundation, Columns</td>
</tr>
<tr>
<td>Floor Slab or Framing</td>
</tr>
<tr>
<td>Subflooring</td>
</tr>
<tr>
<td>Wall Framing &amp; Sheathing</td>
</tr>
<tr>
<td>Roof &amp; Ceiling Framing or Sheathing</td>
</tr>
<tr>
<td>Roofing</td>
</tr>
<tr>
<td>Siding, Exterior Trim, Porches</td>
</tr>
<tr>
<td>Windows &amp; Exterior Doors</td>
</tr>
<tr>
<td>Plumbing - Roughed In</td>
</tr>
<tr>
<td>Sewage Disposal</td>
</tr>
<tr>
<td>Heating - Roughed In</td>
</tr>
<tr>
<td>Electrical - Roughed In</td>
</tr>
<tr>
<td>Insulation</td>
</tr>
<tr>
<td>Drywall</td>
</tr>
<tr>
<td>Basement or Porch Floor</td>
</tr>
<tr>
<td>Heating - Finished</td>
</tr>
<tr>
<td>Floor Covering</td>
</tr>
<tr>
<td>Interior Carpentry, Trim, Doors</td>
</tr>
<tr>
<td>Cabinets &amp; Counter Tops</td>
</tr>
<tr>
<td>Interior Painting</td>
</tr>
<tr>
<td>Exterior Painting</td>
</tr>
<tr>
<td>Plumbing - Complete Fixtures</td>
</tr>
<tr>
<td>Electrical - Complete Fixtures</td>
</tr>
<tr>
<td>Finish Hardware</td>
</tr>
<tr>
<td>Gutters &amp; Downspouts</td>
</tr>
<tr>
<td>Grading, Paving, Landscaping</td>
</tr>
</tbody>
</table>

**Family Signature:** __________________________  **Date:** ____________  **Construction Supervisor Signature:** __________________________  **Date:** ____________
<table>
<thead>
<tr>
<th></th>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Activity:**  
- 1st Week:  
  - Hours Worked:  
  - Hours Worked:  
  - Hours Worked:  
- 2nd Week:  
  - Hours Worked:  
  - Hours Worked:  
  - Hours Worked:  
- 3rd Week:  
  - Hours Worked:  
  - Hours Worked:  
  - Hours Worked:  
- 4th Week:  
  - Hours Worked:  
  - Hours Worked:  
  - Hours Worked:  
- 5th Week:  
  - Hours Worked:  
  - Hours Worked:  
  - Hours Worked:  

**Construction Supervisor:**    **Date:**    **Family Signature:**    **Date:**