



Single Family Housing Direct Loan Program Self-Help Housing Technical Assistance Grant

The Self-Help Technical Assistance Grant program provide grant funds to non-profit organizations or municipalities to assist low income family to build their own house. The Self-Help organization provides training and assistance for the construction of the family's dwellings. The grantee is also responsible for maintaining a list of families who are interested in participation in the program. When the grantee has formed a group of families ranging from 8 to 14, the grantee packages for each family a Section 502-Single Family Housing loan. The packages are sent to the Rural Development local office and the families are interviewed for eligibility and approval for the single family housing loans.

The grantee sells the families lots and the group begins build their homes with an on site construction manager provided by the grantee. The families must put in at least 30 hours of work each week on the group of homes being constructed. An individual family does not just work on their home, every family in the group works on every house in the group. The families usually take from ten to twelve months to build their homes.

The homes are modest in size ranging from 1100 to 1300 square feet. The lots are modest in size as well. However, the quality of construction is good. The families learn valuable construction skill as will as working with other families as a team. We have found that the loan delinquency rate for borrower who build their homes with the self-help method is about half compared to loans where a builder builds the dwelling. The families take great pride in the home and maintain them very well.

Other responsibilities of the grantee includes ordering building material, request funds from Rural Development to pay for the material, and keep track of how much material each dwelling is using. They also must keep the families motivated because after many months of building their house the families becomes discouraged.

California averages about 500 homes a year build under this program and we utilize about \$45,000,000 of Section 502 funds. California has been using an estimated 50% of California's allocated Section 502 funds for the self-help program.

We have twelve grantees in California that have grants that range from \$137,000 to \$3.9 Million. We deal with very small organizations and very large organizations. The grants are for two years.

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