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## **USDA RURAL DEVELOPMENT AND RURAL ALASKA COMMUNITY ACTION PROGRAM OFFICIALS HONOR SELF-HELP HOUSING GROUP**

*Working Together, Alaska Families Build Their Own Homes*

### **For Immediate Release**

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[Kenai, AK]— Working under the guidance of the Rural Alaska Community Action Program, Inc. (RurAL CAP), ten Alaskan families have begun building their own homes in Kenai. The families are the latest in a growing group of Alaskans to use the USDA Rural Development Self Help Housing Program to achieve the dream of homeownership. On June 30, 2008 at 5:00 p.m., RurAL CAP and USDA Rural Development plan to host a picnic in the families' honor at the Kenai site, celebrating the group's start. RurAL CAP also recently completed a similar project in Sterling. Eight families finished building their homes, closed on their permanent mortgages and moved into their new dwellings. Members of those families will also be invited to attend the picnic.

Under the Self Help program, groups of up to a dozen families and individuals work together to build their own homes under the direction of a supervisor hired by a non-profit housing developer. They work on their own home as well as those of their neighbors, and are required to complete 65 percent of the work themselves. No one moves in until all the work is completed. The labor they provide becomes their "sweat equity" in the homes at closing. The Self Help program was started by USDA over 40 years ago.

"June is homeownership month in Alaska, and in many cases the dream of homeownership would be unattainable for these families without this program," said USDA Rural Development Housing Director Deborah Davis. "In recent years we have assisted in funding Self Help projects in the Matanuska Valley. This project is the first of its kind on the Kenai Peninsula, and it won't be the last. The Self Help program is unique in that it requires families to work together for a common goal: to finish their homes and those of their neighbors. No one moves in until every house is finished. The participants work very hard and are to be commended for their efforts."

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“This program is about building dreams, not just houses. It has been rewarding to see how the process of building their own homes has empowered and changed the lives of the homebuyer families” says David Hardenbergh, Executive Director of RurAL CAP. USDA Rural Development provided a grant to RurAL CAP, which in turn recruited the families and provided project oversight.

Under the terms of the program, each participant must contribute at least 30 hours a week to the project. The applicant, co-applicant, family members 16 years of age and older, friends, relatives, and community volunteers can all participate. No down payment is required, but participants must submit to a credit check and purchase construction insurance. The loan interest rate at closing depends on household income and can be as low as 1% or 2% at the start of the mortgage period.

Besides RurAL CAP, the volunteer construction group, WorldChangers, Carlile Trucking, Key Bank, The U.S. Department of Housing and Urban Development, Home Depot Foundation, Rural LISC, and the Alaska Housing Finance Corporation provided support to the Sterling project. Volunteers from Restoration Point Foundation of Pass Christian, Mississippi are currently working on the Kenai project, and will attend the celebration on June 30<sup>th</sup>.

For more information about the Self Help program contact USDA Rural Development’s state office in Palmer at (907) 761-7705 or, on the Kenai Peninsula, phone Rural Development’s area office in Kenai at 283-8732. Prospective homeowners wishing to obtain more information about participating in future Self Help construction projects should contact RurAL CAP’s Kenai Peninsula Office at (907) 260-3451, and more information is available at [www.ruralcap.com](http://www.ruralcap.com).

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