

**Joan Edge**  
**Program Director, T&MA Contractor Department**  
**Little Dixie Community Action Agency, Inc. (LDCAA)**  
**Point of Contact: Joan Edge, [joanedge@ldcaa.org](mailto:joanedge@ldcaa.org)**

Testimony before the House Appropriations Subcommittee on Agriculture,  
Rural Development, Food and Drug Administration, and Related Agencies  
March 23, 2015

Little Dixie Community Action Agency, Inc. (LDCAA) strongly urges this Subcommittee to fund USDA Rural Housing programs at: (1) \$900 million for Section 502 Direct Homeownership Loans and (2) \$30 million for Section 523 Self-Help Housing Program.

**Section 502 Single Family Direct Loan Program**

The Section 502 Direct Loan program has far exceeded any other federal homeownership program in terms of successful outcomes. No other federal program can equal the profile of families served: approximately 60% of the families receiving Section 502 Direct Loans have incomes of less than 60% of the median income, and 40% of families participating in the program have incomes that do not exceed 50% of the median income.

Despite serving families with limited economic means, the Section 502 Direct Loan program is the most cost effective affordable housing program in the federal government. The total per unit cost for a homeownership loan to a low-income family is about \$7,000, over the entire lifetime of the loan. This is far less than the monthly cost of other federal housing assistance programs.

**Section 523 Mutual Self-Help Housing Program**

Currently, more than 100 organizations across America participate in the Section 523 Mutual Self-Help Housing program. These organizations unite groups of 8 to 10 families who work collectively to build each family's home. They perform approximately 65% of the overall construction labor. This "sweat equity" results in each homeowner earning and gaining

equity in their homes. It also makes a significant investment in their community, often resulting in the building of homes and neighborhoods together. And, despite the fact that Self-Help Housing families constitute the lowest incomes of participants in the Section 502 Direct Loan portfolio, data demonstrates that these families prove to have the lowest rates of default and delinquency.

Between 2010 and 2014, some 5,200 families have been able to realize the American Dream because of this program. This construction has led to 16,848 jobs, \$1.1 billion in local income, and \$114.4 million in taxes and revenue in rural communities across the country, as evidenced from economic impact numbers from the National Association of Homebuilders.