



“Opening Doors to Rural Homeownership”

Press Coverage



New Report Highlights USDA Rural Housing Programs

<http://farmfutures.com/story-new-report-highlights-usda-rural-housing-programs-17-78570>

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The National Rural Housing Coalition on Tuesday released a new report explaining how two USDA programs have expanded homeownership opportunities to some of the nation's poorest rural families.

The Coalition report presents key findings from their analysis of USDA program data. Overall, the report finds that despite serving families with limited economic means, these programs are among the most cost-effective federal housing programs.

"Underlying this report is a simple truth: responsible homeownership continues to be the single, best, long-term investment for most Americans, and the primary source of wealth and financial security for low-income rural families," said Bob Rapoza, executive secretary of the National Rural Housing Coalition.

The group's report found that more than 2.1 million low-income rural families have accessed mortgages in the last 60 years under the Section 502 Direct Loan program. The program is credited with building more than \$40 billion in wealth for the nation's rural poor.

Section 523 Mutual Self-Help Housing program is the only federal homeownership program of its kind, NRHC says, mostly due to its design. Small groups of six to twelve rural families join together on nights and weekends to build each other's homes, reducing construction costs, earning equity, and making lasting investments in their communities.

NRHC says the report also shows that benefits extend beyond participating families to rural communities and the nation. In the past five years, the report finds, the Section 502 Direct Loan program has led to the creation of over 100,000 jobs and \$5.2 billion in local income. The Self-Help Housing program has resulted in nearly 18,000 jobs and \$1.16 billion local income.

Section 502 Direct Loans cost an average \$7,200 over the lifetime of the loan – less than the annual cost of other federal housing programs, the group notes. Likewise, by providing at least 65% of the construction labor on each home – often more than 1,000 hours – Self-Help Housing families earn an average \$27,000 in equity.

The report includes also stories that illustrate how these programs have been used by rural families to become homeowners.

"For many low-income families, these programs are the only available source of safe, decent, and affordable housing. Instead of cutting funding for these programs, Congress should invest in them as key ways to help improve access to affordable housing," Rapoza added.



National Rural Housing Coalition features USDA housing programs in new report

<http://www.agri-pulse.com/National-Rural-Housing-Coalition-features-USDA-housing-programs-in-new-report-192013.asp>

WASHINGTON, Jan. 9, 2013 - A new report issued by the National Rural Housing Coalition focuses on validating the successes of the Section 502 Direct Loan program and the Section 523 Mutual Self-Help Housing program, two homeownership programs administered by the U.S. Department of Agriculture (USDA) through its Rural Housing Service (RHS).

"Underlying this report is a simple truth: responsible homeownership continues to be the single, best, long-term investment for most Americans, and the primary source of wealth and financial security for low-income rural families," said Bob Rapoza, Executive Secretary of the National Rural Housing Coalition.

More than two million low-income rural families have accessed affordable mortgages under the Section 502 Direct Loan program over the past 60 years, noted the report. The report also outlined the cost of the program at an average \$7,200 over the lifetime of the loan, which the coalition maintained costs less than the annual cost of other federal housing programs.

The coalition also argued that a "growing emphasis has been placed on USDA's Section 502 Loan Guarantee program, often at the expense of the Section 502 Direct Loan program." The report maintains that the Direct Loan program serves smaller and poorer rural communities.

According to the report, two-thirds of all borrowers in the Direct Loan program have incomes below 60 percent of the area median income, but the Section 502 Guaranteed Loan program primarily serves moderate-income families, earning 80 and 115 percent of area median income. The coalition further stated that the Direct Loan program is successful in reaching poorer families because of its subsidized interest rates, which can be offered as low as one percent.

"Because the Section 502 Guarantee program does not subsidize interest rates, it is unable to reach the same profile of Direct Loan borrowers, in terms of income or geography," according to the report.

The other program the coalition vouched for is the Section 523 Mutual Self-Help Housing program. In this program, small groups of six to twelve rural families work together to build each other's homes, which the report said reduces construction costs, earns equity, and makes lasting investments in the communities.

Their analysis of USDA program data found that Self-Help Housing families earn an average \$27,000 in equity by providing at least 65 percent of the construction labor on each home.

"For many low-income families, these programs are the only available source of safe, decent, and affordable housing," Rapoza said. "Instead of cutting funding for these programs, Congress should invest in them as key ways to help improve access to affordable housing."

Benefits of the housing programs to local economies are also discussed in the report. In the past 5 years, the Section 502 Direct Loan program generated \$5.2 billion in local income and the Self-Help Housing program resulted in nearly \$1.16 billion local income, according to the National Rural Housing Coalition.

New Report Shows How Federal Programs Help Low-Income Rural Families Become Homeowners

A new report issued by the National Rural Housing Coalition details how two USDA programs have expanded homeownership opportunities to the nation's poorest rural families – at little expense to the federal government.

Over the past 60 years, more than 2.1 million low-income rural families have accessed affordable mortgages under the Section 502 Direct Loan program, which is credited with building more than \$40 billion in wealth for the nation's rural poor. The Section 523 Mutual Self-Help Housing program is the only federal homeownership program of its kind; small groups of six to twelve rural families join together on nights and weekends to build each other's homes, reducing construction costs, earning equity, and making lasting investments in their communities.

The Coalition report presents key findings from their analysis of USDA program data. Overall, the report finds that despite serving families with limited economic means, these programs are among the most cost-effective federal housing programs. Section 502 Direct Loans cost an average \$7,200 over the lifetime of the loan – less than the *annual* cost of other federal housing programs. Likewise, by providing at least 65 percent of the construction labor on each home – often more than 1,000 hours – Self-Help Housing families earn an average \$27,000 in equity.

The report also shows that benefits extend beyond participating families to rural communities and the nation. In the past 5 years, the Section 502 Direct Loan program has led to the creation of over 100,000 jobs and \$5.2 billion in local income. The Self-Help Housing program has resulted in nearly 18,000 jobs and \$1.16 billion local income.

The report includes twelve success stories that illustrate how these programs have been used by rural families to become homeowners.

“Underlying this report is a simple truth: responsible homeownership continues to be the single, best, long-term investment for most Americans, and the primary source of wealth and financial security for low-income rural families,” said Bob Rapoza, Executive Secretary of the National Rural Housing Coalition. “For many low-income families, these programs are the only available source of safe, decent, and affordable housing. Instead of cutting funding for these programs, Congress should invest in them as key ways to help improve access to affordable housing.”