

Fast Facts!

Self-Help Housing Builds Strong Rural Communities

More than 50,000 families are currently on waiting lists kept by some 100 Self-Help Housing organizations. Yet, the President's FY15 Budget proposes to cut the Section 523 Mutual Self-Help Housing program by more than 63 percent from \$27.5 million to \$10 million.

What is it?

- ❖ Self-Help Housing is the *only* federal program that combines “sweat equity” homeownership opportunities with technical assistance and affordable loans for America’s rural families:

- Self-Help Housing families work nights and weekends to provide 65 percent (or 1,000 hours) of the construction labor on their own and each other’s homes. In doing so, families earn an average \$25,006 in equity, decrease construction costs, and make lasting investments in their community;
- Section 523 grants help experienced non-profit developers provide training, supervision, and technical assistance to Self-Help Housing families; and
- Combined with a Section 502 Direct Loan, these families can access affordable mortgages with interest rates starting at just 1 percent.

| <u>Section 523 Mutual Self-Help Housing</u> | |
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| FY15 Final: | \$27.5M |
| FY16 Budget Request: | \$10M |
| FY16 House: | \$ |
| FY16 Senate: | \$ |

- ❖ The Self-Help Housing program is exclusively targeted to very low- and low-income families who are otherwise unable to access decent, clean, and safe housing.
- ❖ Over half (52 percent) of the participants in Self-Help Housing are minority households, a population that typically faces greater barriers to affordable housing.

Why is it important?

- ❖ Self-Help Housing expands affordable homeownership opportunities. With affordable mortgages and savings from “sweat equity,” some of rural America’s poorest families can become homeowners.
- ❖ Self-Help Housing promotes stronger civic commitments and community ties. Self-Help Housing children are also more likely to be active in their communities, graduate from high school, attend college, and become homeowners themselves.
- ❖ Demand for affordable, decent rural housing for very low- and low-income families continues to outpace supply. More than 50,000 families are currently on Self-Help Housing waiting lists.
- ❖ The Self-Help Housing program is cost-effective and creates jobs. Every 100 homes built under this program creates 324 jobs, \$21.1 million in local income, and \$2.2 million in tax revenue.

Learn more about how the FY 2016 budget impacts rural communities.

The National Rural Housing Coalition is national member organization of community groups, public officials, and non-profit developers who believe that rural people have the right, regardless of income, to decent, affordable housing, clean drinking water, and basic community services.