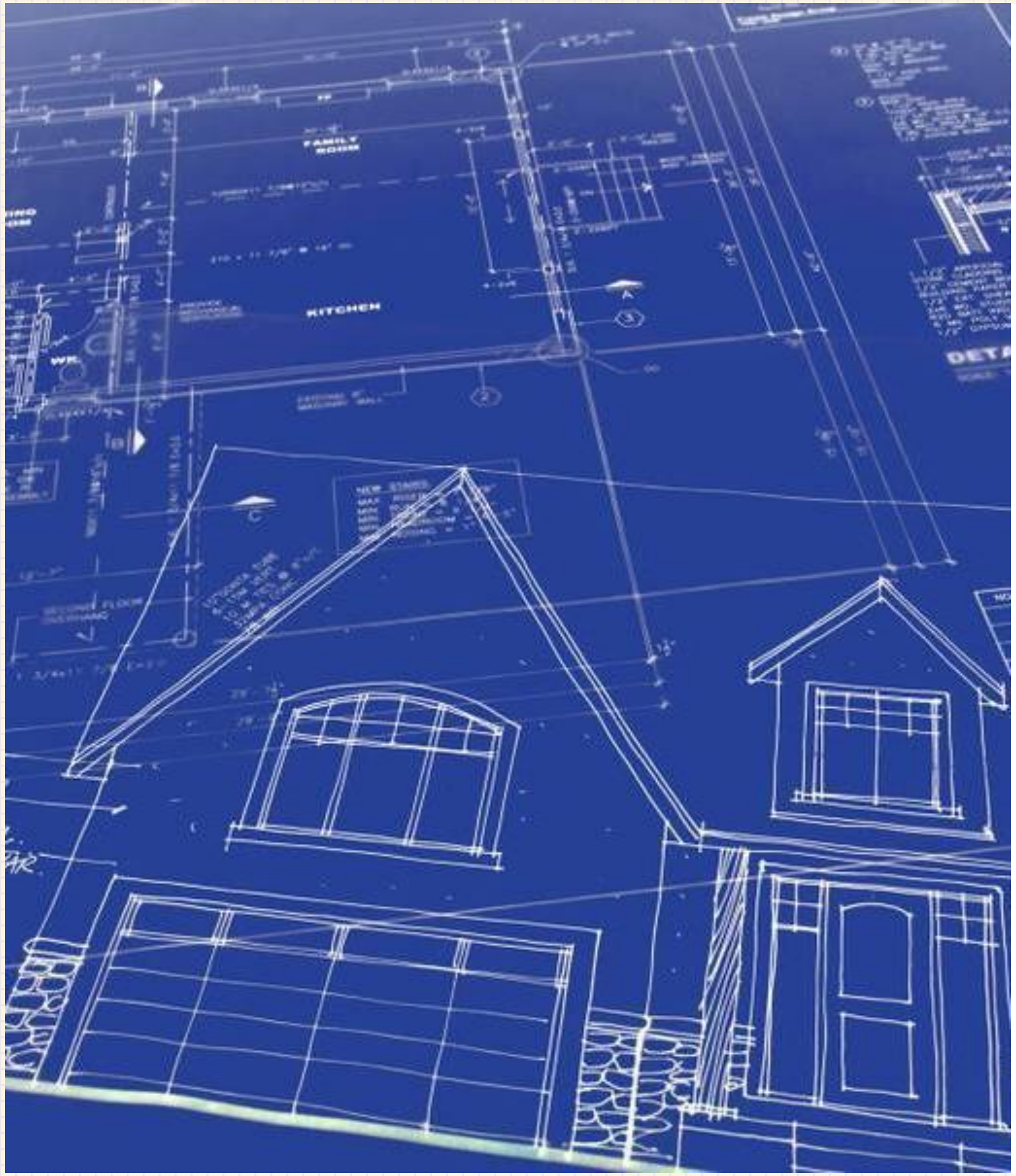


Section 523 Self-Help Housing Application Training

PREPARED BY THE T&MA CONTRACTORS

2/1/23

Throughout this slide presentation, the recommended "best practices" will be notated with a *BP.

Introduction – What Now?

- **Should take 3 to 4 months**
- **A working relationship with Rural Development is critical**
- **Your T&MA (Technical and Management Assistance) Contractor is available throughout the process**
- *BP **Use your T&MA Contractor as a resource ANYTIME assistance is needed!**

New organizations must pay for:

- **The cost of developing the application**
  (staff time, house plans, marketing, securing land, etc.)
- **Feasibility study**
- **Program and organizational development**
- **This can be costly…be prepared!**

∗BP – Seek other funds or raise funds from other sources

Rural Development

National Office	State Office	Area Office	Local Office
Develops program policies Interacts with Congress Reviews grant applications for more than $300,000	Disburses 502 funds based on a state formula Reviews smaller grant applications ($300,000 or less) May be responsible for the 523 grant	Responsible for the 523 grant	Makes and monitors the 502 loans Co-signer for checking accounts Construction inspections

- **RD provides administrative and loan funds**
- **Expects grantees to carry out grant agreement**
- *BP **A grantee's working relationship with RD is critical to the success of the program**

RD’s Expectations from Grantees

- **Operate within RD’s regulations**
- **Carry out the responsibilities of the Grant Agreement including:**
  - Recruiting low and very-low income applicants
  - Building the number of homes proposed
  - Building the houses in a timely manner
  - Keeping program costs within the guidelines and budget
  - Setting up an acceptable accounting system and adequately tracking the expenses

Feasibility

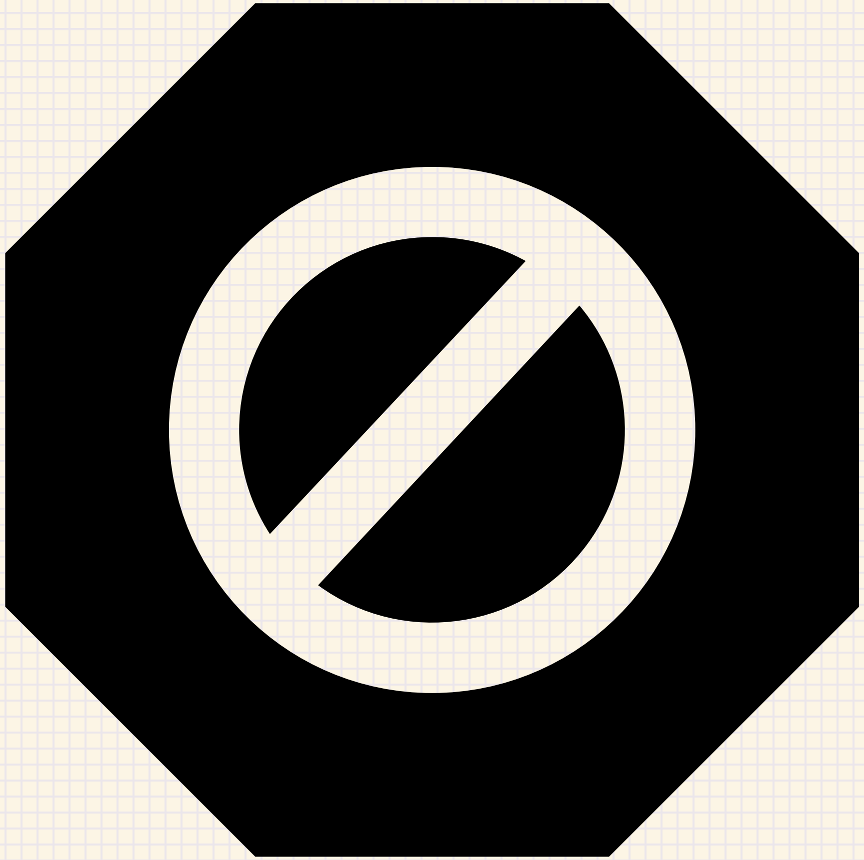
Feasibility

- *BP **Even experienced grantees cannot bypass feasibility**
- **The old way is not always the best way**
- **Organizations must continually monitor:**
  - Need
  - Affordability
  - Land availability and cost
  - Availability of potential participants
  - Staffing patterns
- *BP **See Feasibility Handbook**

Application Format

Required Format

- The format of the application is very important
- Rural Development requires that the information be in a specific order
- Applications are encouraged to be submitted electronically
- Tabbed PDFs are best
- Sections must correspond with item numbers on RD checklist



*BP An organization can drastically reduce its chances of error by having someone that did not put the application together *recheck* it for completion and accuracy before sending it to your T&MA Contractor or RD.

Application Processing Checklist

- RD has a grant checklist
- Exhibit G is for both New Construction and Rehab
- This new checklist came out on 3/28/22 as PN 561

RD Instruction 1944-I
Exhibit G
Page 1

SELF-HELP APPLICATION PROCESSING CHECKLIST
NEW CONSTRUCTION AND REHABILITATION

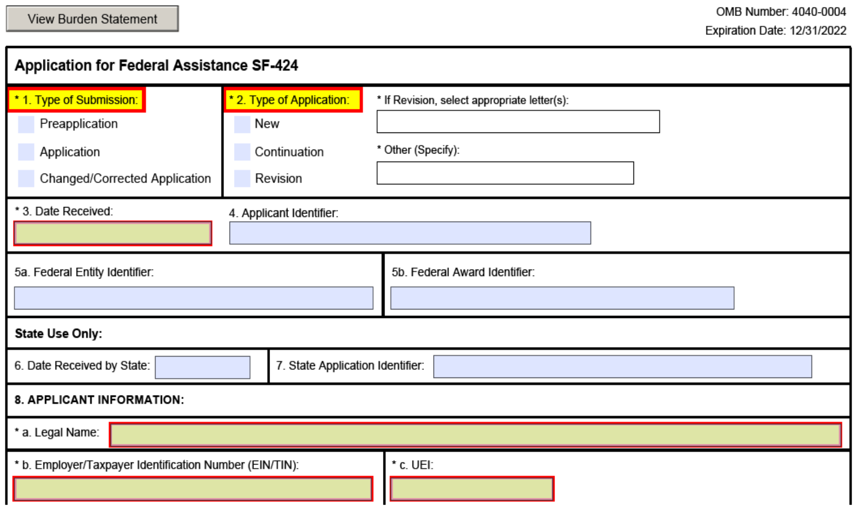
Tab Position	Description of Documents	Form/ Instruction Number	Comments
(1)	Application for Federal Assistance Non-Construction Programs	Form SF-424 1944.410(e)	
(2)	Waiting List of Participants (Name, Contact, & demographic info) *Rehabilitation-Property address(es) (if identified), anticipated loan amount(s) and source(s) of funding*	1944.410(e)(1)	
(3)	Proof that the participants in the first group have qualified for assistance (RD HB LTR 16) *Rehabilitation-Proof that approximately 10% of the participants have qualified for assistance*	1944.410(e)(2)	
(4)	Lot options for first group *Not applicable for rehab*	1944.410(e)(3)	

T&MA Application Checklist

- Checklist the Contractors use to review applications
- It has more detail and will help meet all requirements
- See **Application** Handbook, Appendix 1 & 2

1. Standard Form 424A

- **Standard Form 424, "Application for Federal Assistance" and Intergovernmental Review Response 1994.410(e)**
  - First thing that reviewers see, sample in Handbook
  - Provides RD with all of the pertinent information about the project – how many homes, time period, area, funding, etc.
  - Must be complete and signed



View Burden Statement

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424

* 1. Type of Submission:
Preapplication
Application
Changed/Corrected Application

* 2. Type of Application:
New
Continuation
Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

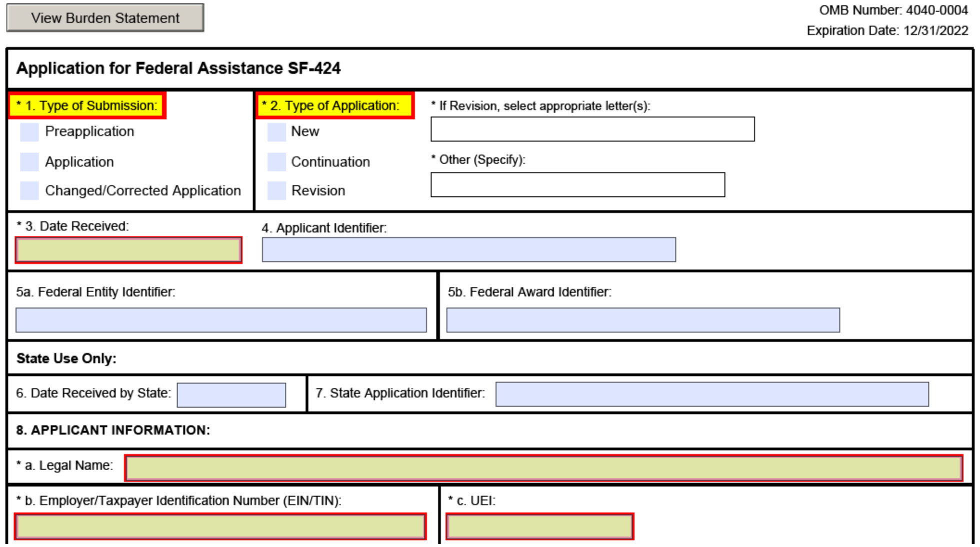
8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):

* c. UEI:

- *BP There are many outdated or incorrect forms out there. Use the correct form!
- Best place to get correct forms…eForms
- Contact your T&MA Provider or RD if help is needed


View Burden Statement

OMB Number: 4040-0004
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Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
Preapplication	New	
Application	Continuation	* Other (Specify):
Changed/Corrected Application	Revision	

* 3. Date Received:

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:

* b. Employer/Taxpayer Identification Number (EIN/TIN):

* c. UEI:

2. Waiting List of Participants

Waiting list should include:

- Information on potential applicants interested in participating in the self-help program
- Names, addresses, number of persons in the household and total annual income is required
- Date of initial contact not required but helpful for marketing & recruitment *(Sample in Handbook)*
- Also track demographic information to help RD with its compliance review and civil rights impact survey
- *BP Aim to have at least three times as many potential participants as would be needed to complete the grant

3. Proof of Qualified Participants

- **Proof is required that participants in the first group have qualified for assistance or been determined "eligible" by RD**
- **Proof will be Certificate of Eligibility (COE) letters from RD**
- **Many grantees request that this be a condition of grant closing**
- The grant cannot close until proof of the first group is provided
- **For rehab, 10% of participants should be qualified**

What Has to Happen for COE letters to be issued:

- ✓Full application must be processed and reviewed *(Sent by eForms including required 3-A Disclosure Letters)*
- ✓Household income is verified
- ✓Credit history is checked
- ✓All other eligibility requirements met
- ✓Loan Originator determines payment subsidy and maximum loan amount
- ✓Letter of eligibility is issued - (3550 HB letter 16 – special COE for SH)

*BP **Include a cover page to this section. This narrative should include:**

- Number of participants in the first group
- List of participant names
- Total cost estimates
- Total 502 loan amount
- Other loan/grant information that will be used for the participant

- **If RD’s 502 loan does not cover complete building costs, include narrative indicating how the gap will be covered**
- **If there are additional loans, advise RD’s local office:**
  - Additional debt may result in increased debt to income ratios
- **Proof will be needed that these funds have been secured**

4. Lot Options for First Group

- **Land for the first group must be in control**
  - Purchase agreements
  - Copy of deed if owned
  - Option agreements
- **Include a narrative identifying number in first group, how land is controlled, by whom, when it will be purchased and where it is located**
- **Consider CCRs (covenants, conditions & restrictions) when looking for land**

Often grantees need interim financing to obtain land

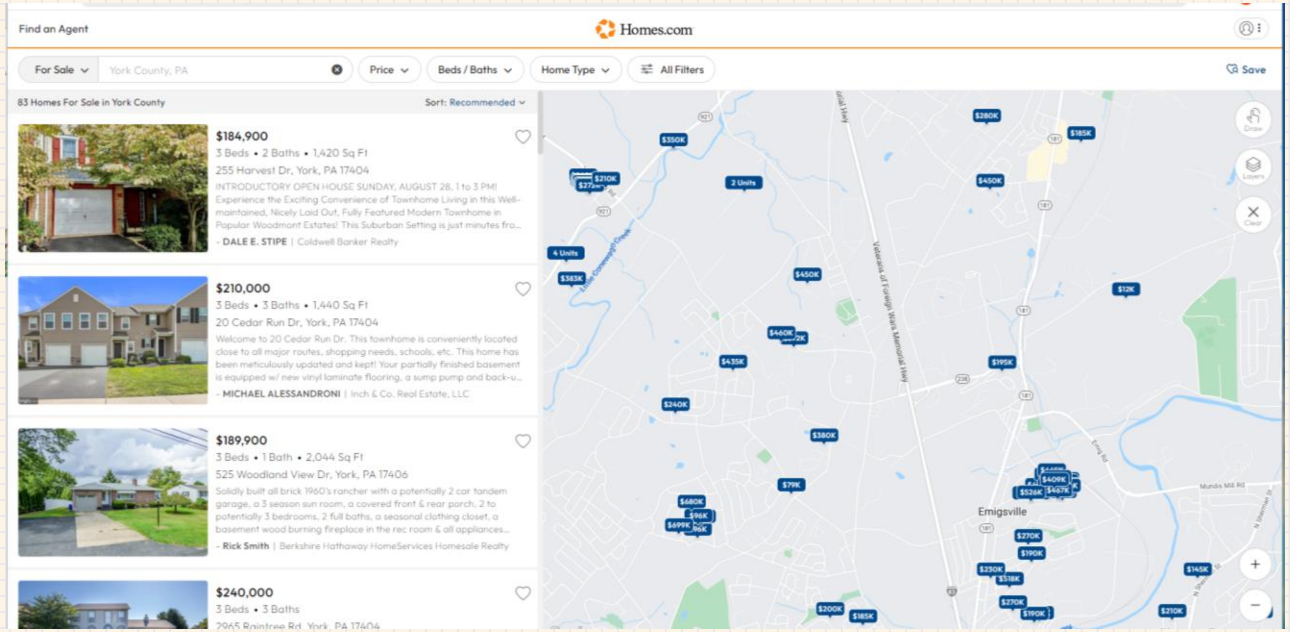
Control land by purchasing or entering into an option agreement

See sample of Option to Purchase Real Estate in Application Handbook

Caution!! 523 Grant funds **CANNOT** be used to option or purchase land. RD does have a site loan that can be used for this purpose.

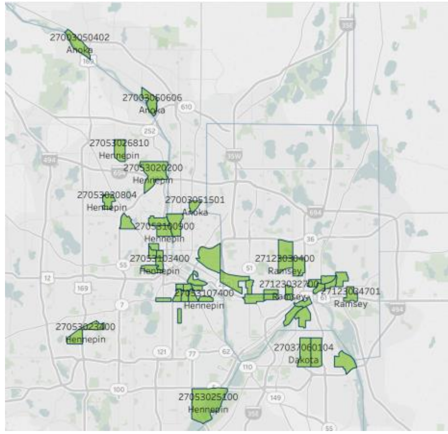
For Rehab Application

- List potential homes for sale or owner-occupied homes identified for repair
- Use MLS listings or another source



5. Evidence of Lot Availability

- Evidence of lot availability for remaining groups is required
- Lists of available lots, maps and prices are required
- Include a narrative summarizing what land is available, whether site development is required, timeframe for completion
- For rehab, include list of potential homes



6. House Plans, Specs, Detailed Cost Estimates

- Certified house plans are required for EVERY model that will be built during the grant period
- Specifications are required for every model and for every family in the first group
- Detailed cost estimates are required

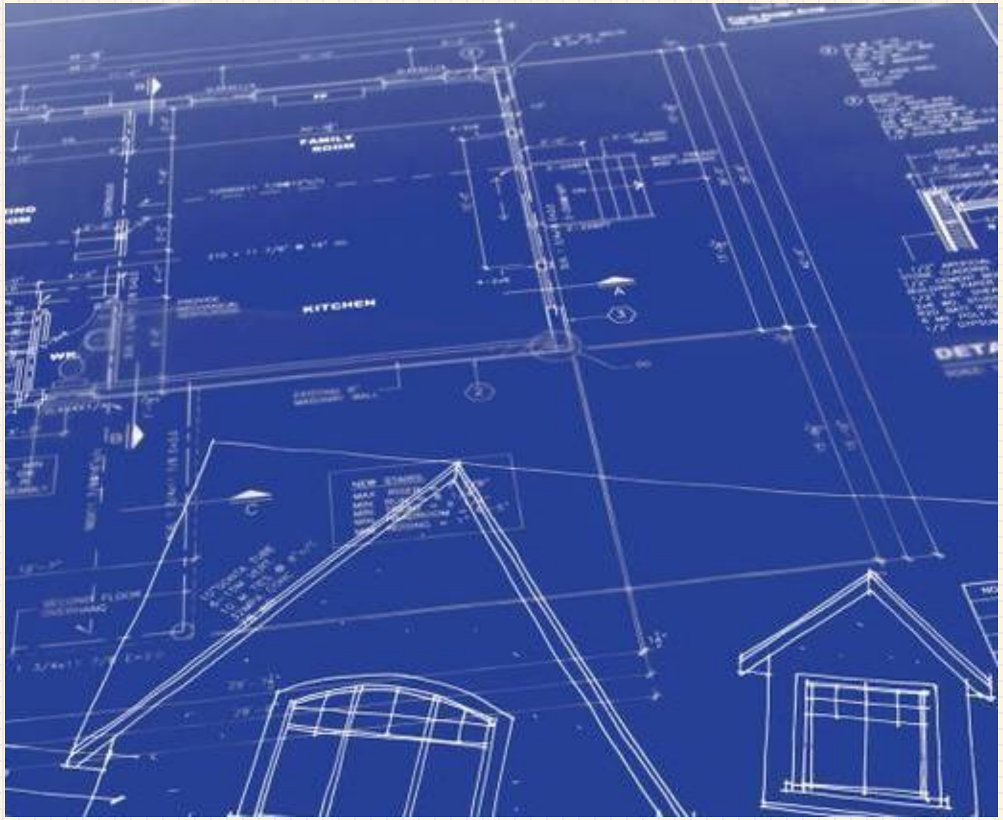
For rehab, describe the process of:

- Obtaining home inspections
- Creating a work order
- Cost estimating
- Scope of work selection
- Subcontractor selection process

House Plans

- **Certified house plans are required for EVERY model that will be built during the grant period.**

  A complete set consists of plans and blueprints which have been certified by an architect or engineer licensed in your state.



Blueprints need to include the following views with mechanicals noted:

- Foundation plan
- Floor plan
- Cross section
- Front and rear elevations
- Right and left side elevations

Include a statement of the square footage of livable space for each plan

Standardize Plans *BP

- Limit selections to three basic plans
  - Plans can have varying living areas and varying number of rooms
  - Cost estimate and use of materials will remain the same
  - Construction Supervisor and participants will become familiar with plans
- Try to standardize the cabinet and kitchen arrangement
- House plans should be prepared in advance of the formation of the first group of participants
- Only one set needs to be certified original, the rest can be copies

***BP** Choose plans based on what is in demand by surveying the target area and participants' affordability!!

Developing Specifications

Form RD 1924-2
(Rev. 7-99)

UNITED STATES DEPARTMENT OF AGRICULTURE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-FEDERAL HOUSING ADMINISTRATION
U.S. DEPARTMENT OF VETERANS AFFAIRS

FORM APPROVED
OMB NO. 0575-0042
Exp. Date: 08/31/2024

☐ **Proposed Construction**

☐ **Under Construction**

DESCRIPTION OF MATERIALS

No. ____________ (To be inserted by Agency)

Property address ____________ *City* ____________ *State* ____________

Mortgagor or Sponsor ____________ (Name) ____________ (Address)

Contractor or Builder ____________ (Name) ____________ (Address)

INSTRUCTIONS

1. For additional information on how this form is to be submitted, number of copies, etc., see the instructions applicable to the FHA Application for Mortgage Insurance, VA Request for Determination of Reasonable Value or other, as the case may be.

2. Describe all materials and equipment to be used, whether or not shown on the drawings, by marking an X in each appropriate check-box and entering the information called for in each space. If space is inadequate enter "See misc," and describe under item 27 or on an attached sheet- THE USE OF PAINT CONTAINING MORE THAN THE PERCENT OF LEAD BY WEIGHT PERMITTED BYLAW IS PROHIBITED.

3. Work not specifically described or shown will not be considered unless required, then the minimum acceptable will be assumed. Work exceeding minimum requirements cannot be considered unless specifically described.

4. Include no alternates, "or equal" phrases, or contradictory items. (Consideration of a request for acceptance of substitute materials or equipment is not thereby precluded.)

5. Include signatures required at the end of this form.

6. The construction shall be completed in compliance with the related drawings and specifications, as amended during processing. The specifications include this Description of Materials and the applicable building code.

1. EXCAVATION:
Bearing soil, type ____________

2. FOUNDATIONS:
Footings: concrete mix ____________ ; strength psi ____________ Reinforcing ____________
Foundation wall: material ____________ Reinforcing ____________
Interior foundation wall: material ____________ Party foundation wall ____________
Columns: material and sizes ____________ Piers: material and reinforcing ____________
Girders: material and sizes ____________ Sills: material ____________
Basement entrance areaway ____________ Window areaways ____________
Waterproofing ____________ Footing drains ____________
Termite protection ____________
Basementless space: ground cover ____________ ; insulation ____________ ; foundation vents ____________
Special foundations ____________
Additional information ____________

3. CHIMNEYS:
Material ____________ Prefabricated *(make and size)* ____________
Flue lining: material ____________ Heater flue size ____________ Fireplace flue size ____________
Vents *(material and size)*: gas or oil heater ____________ ; water heater ____________

- After selecting house plans, develop a specification sheet
- If an architect is providing the plans, ask them for the spec sheet
- Use Form RD 1924-2, “Description of Materials”
- One spec sheet should be used for each participant in the first group or at least for each house plan

The "Description of Materials" Form 1924-2 is required
https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1924-2.PDF

Each set of plans must also have a plan certification
https://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1924-25.PDF

Contact your T&MA Contractor or RD if you need assistance

Material identification should be detailed

Attach additional sheets if necessary and manufacturer's specification sheets for equipment and/or special materials

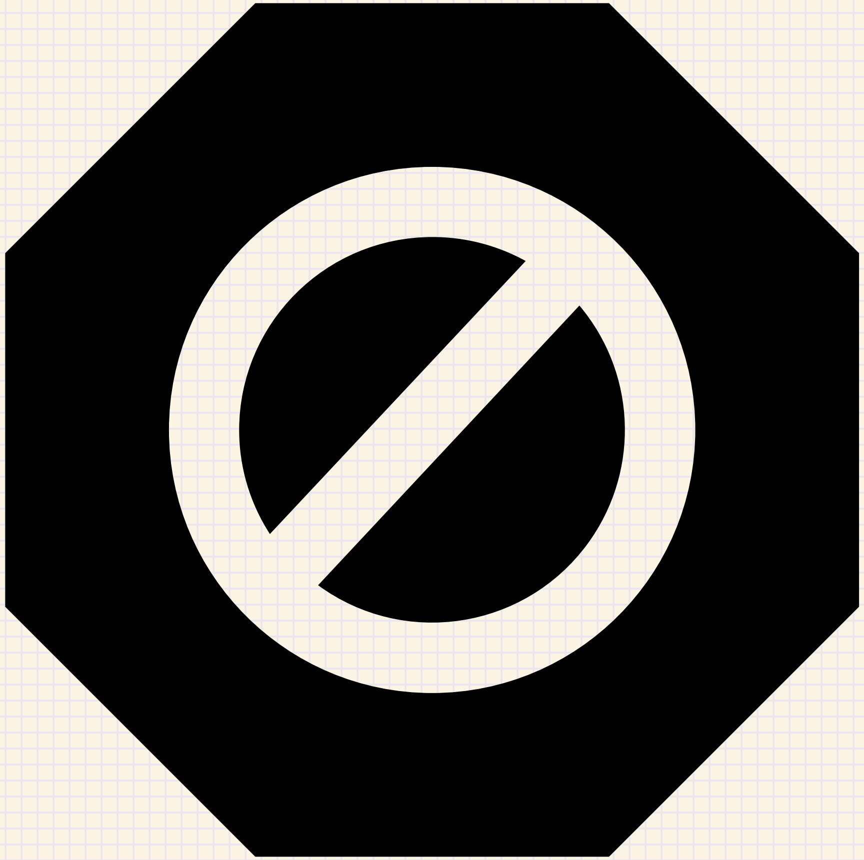
The design must meet RD’s requirements which include:

- ☑ Must follow local and state building codes
- ☑ At a minimum, the home needs to meet RD’s Thermal Performance Standards (1924-A, Exhibit D)
- ☑ RD’s Area Loan Limit
- ☑ No smaller than 400 sq ft (exceptions can be made based on tiny home communities)
- ☑ No income producing facilities

- **Inspect every spec sheet for accuracy and completeness**
- **If questions arise, the plans and specs submitted will be used by RD**
- **Use the Guide for Inspection of Construction of Dwellings and Buildings**
- **Construction supervisor responsible for completing the specs submitted in each loan application**
- **The State and the RD State Architect must approve the plans and specifications**

Cost Estimates

- One of an agency’s primary responsibilities is to accurately estimate the cost of each participant’s home *before* it is built
- These cost estimates must be accurate, they eventually become the participant’s 502 mortgage
- Avoid estimates that are unrealistically low
- Cost estimates can include up to a 5% contingency for unforeseen costs, but try not to underestimate costs



***BP If there is a significant gap between the time of actual construction and when the cost estimates were obtained, update the figures to reflect current market prices.**

Construction Materials Cost Estimate

To create a material list (take-off), the Construction Supervisor must:

- ✓ Review the drawings of a single house plan
- ✓ Record the materials that are called for in the drawings

Once the take-off is completed, you should have a full listing of all materials (quantity and quality) required

After obtaining the material bids, visit the supplier

Meet the salesperson

Discuss delivery format, return policy, service area and inquire about credit accounts for the participants

Look for discounts for bulk purchases or get a guarantee on prices in advance

Subcontractor Bids

After obtaining subcontractor bids:

- ✓ Interview the potential subcontractors
- ✓ Ask for and check client references
- ✓ View their past jobs
- ✓ Determine their integrity and timeliness
- ✓ Get a copy of their license and insurance coverage – check the expiration date of both
- ✓ Provide a list of potential subcontractors to RD for the DNP portal check

Include the participants in this process, they will be signing the contracts

Advise the participants, explain benefits and drawbacks concerning the subcontractors

Prepare a construction contract (sample in handbook) and attach the subcontractor bids

Participants and subcontractors sign the construction contract

Rural Development’s contract is preferred

If construction contracts other than RD’s are to be used, get RD approval

Land and other variable costs

In addition to direct costs, soft costs need to be determined

Soft costs include:

Land

Fees (permits, surveys, closing costs, etc.)

Site improvements (grading, fences, driveways)

Landscaping

Contingency funds (up to 5%)

Preparing House Designs

A General Flow of Events

I. **Research Building Standards**

- Determine local building codes
- Determine acceptable RD design

II. **Select House Designs**

*BP Have the house designs approved by RD as early as possible to ensure they meet RD standards

III. **Get Plans Certified**

IV. Estimate Costs for Each House Design

- Prepare material take-offs
- Determine which construction jobs to subcontract
- Issue request for bids, evaluate bids, select suppliers and subcontractors

V. Involve Individual Families

- Each family selects their lot and house plan

VI. Prepare House Documents for 502 Dockets

(for each household)

- Detailed house plans and specs
- Plot plan
- Water/waste disposal system (if applicable)
- Cost estimate

VII. Send Docket to RD for Approval

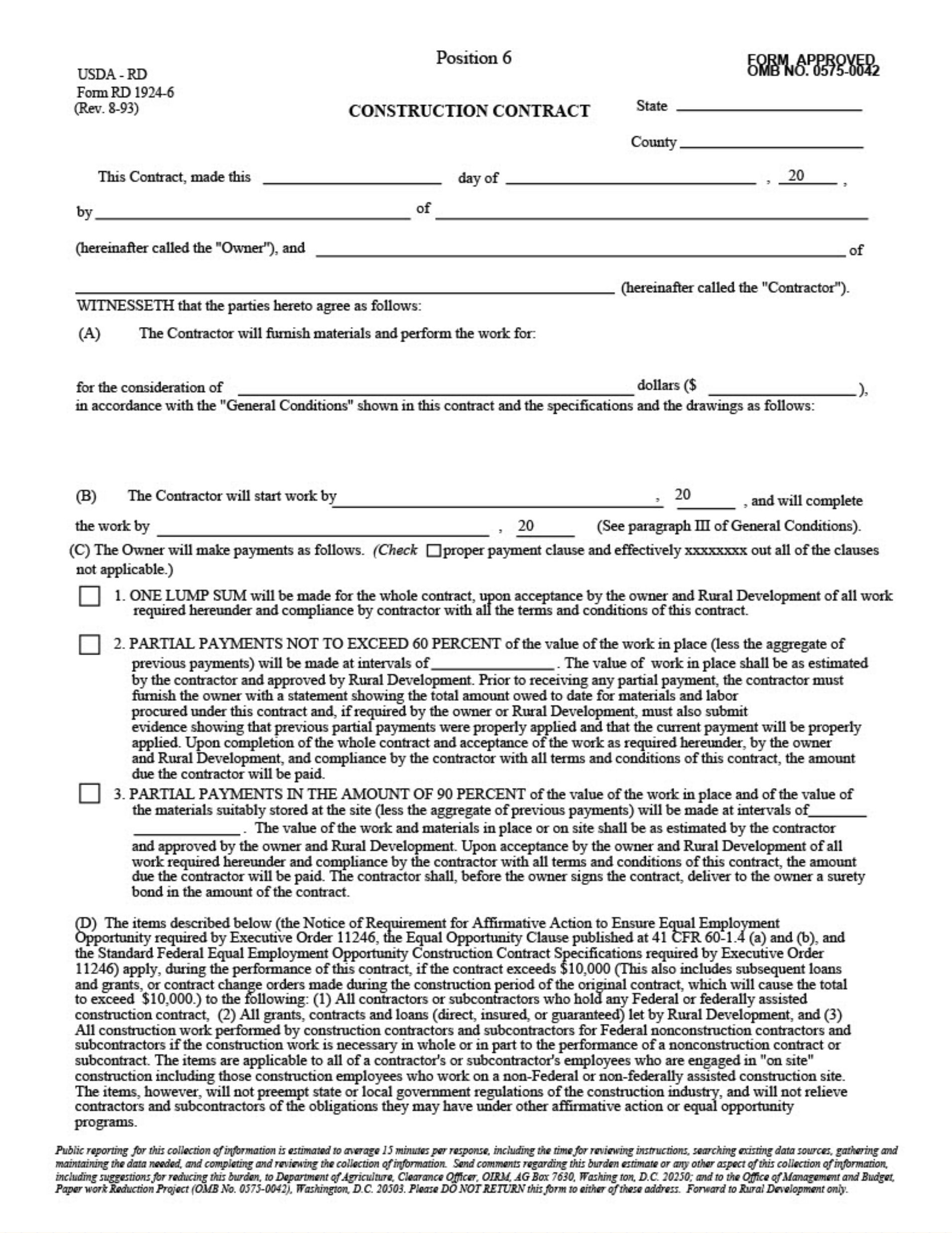
VIII. Send House Documents to Local Officials

- Obtain building permit

IX. Construction

Construction Contract

- See Guide for sample of the RD Construction Contract, Form RD 1924-6
- Other contracts can be used with approval from RD



USDA - RD
Form RD 1924-6
(Rev. 8-93)

Position 6

FORM APPROVED
OMB NO. 0575-0042

CONSTRUCTION CONTRACT

State ____________

County ____________

This Contract, made this ____________ day of ____________ , 20____ ,

by ____________ of ____________

(hereinafter called the "Owner"), and ____________ of

____________ (hereinafter called the "Contractor").

WITNESSETH that the parties hereto agree as follows:

(A) The Contractor will furnish materials and perform the work for:

for the consideration of ____________ dollars ($ ____________),
in accordance with the "General Conditions" shown in this contract and the specifications and the drawings as follows:

(B) The Contractor will start work by ____________ , 20____ , and will complete the work by ____________ , 20____ (See paragraph III of General Conditions).

(C) The Owner will make payments as follows. *(Check* ☐proper payment clause and effectively xxxxxxxx out all of the clauses not applicable.)

☐ 1. ONE LUMP SUM will be made for the whole contract, upon acceptance by the owner and Rural Development of all work required hereunder and compliance by contractor with all the terms and conditions of this contract.

☐ 2. PARTIAL PAYMENTS NOT TO EXCEED 60 PERCENT of the value of the work in place (less the aggregate of previous payments) will be made at intervals of ____________. The value of work in place shall be as estimated by the contractor and approved by Rural Development. Prior to receiving any partial payment, the contractor must furnish the owner with a statement showing the total amount owed to date for materials and labor procured under this contract and, if required by the owner or Rural Development, must also submit evidence showing that previous partial payments were properly applied and that the current payment will be properly applied. Upon completion of the whole contract and acceptance of the work as required hereunder, by the owner and Rural Development, and compliance by the contractor with all terms and conditions of this contract, the amount due the contractor will be paid.

☐ 3. PARTIAL PAYMENTS IN THE AMOUNT OF 90 PERCENT of the value of the work in place and of the value of the materials suitably stored at the site (less the aggregate of previous payments) will be made at intervals of ____________. The value of the work and materials in place or on site shall be as estimated by the contractor and approved by the owner and Rural Development. Upon acceptance by the owner and Rural Development of all work required hereunder and compliance by the contractor with all terms and conditions of this contract, the amount due the contractor will be paid. The contractor shall, before the owner signs the contract, deliver to the owner a surety bond in the amount of the contract.

(D) The items described below (the Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity required by Executive Order 11246, the Equal Opportunity Clause published at 41 CFR 60-1.4 (a) and (b), and the Standard Federal Equal Employment Opportunity Construction Contract Specifications required by Executive Order 11246) apply, during the performance of this contract, if the contract exceeds $10,000 (This also includes subsequent loans and grants, or contract change orders made during the construction period of the original contract, which will cause the total to exceed $10,000.) to the following: (1) All contractors or subcontractors who hold any Federal or federally assisted construction contract, (2) All grants, contracts and loans (direct, insured, or guaranteed) let by Rural Development, and (3) All construction work performed by construction contractors and subcontractors for Federal nonconstruction contractors and subcontractors if the construction work is necessary in whole or in part to the performance of a nonconstruction contract or subcontract. The items are applicable to all of a contractor's or subcontractor's employees who are engaged in "on site" construction including those construction employees who work on a non-Federal or non-federally assisted construction site. The items, however, will not preempt state or local government regulations of the construction industry, and will not relieve contractors and subcontractors of the obligations they may have under other affirmative action or equal opportunity programs.

Public reporting for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, AG Box 7630, Washing ton, D.C. 20250; and to the Office of Management and Budget, Paper work Reduction Project (OMB No. 0575-0042), Washington, D.C. 20503. Please DO NOT RETURN this form to either of these address. Forward to Rural Development only.

Guideline for Purchase of Bidding Supplies/Soliciting Subcontractors

- **A guideline will need to be established**
- **Organizations may use their own procurement policies and procedures**
- They must meet the ***minimum*** standards for OMB requirements

See Application Handbook for Samples

- ✓ Cost estimate summary
- ✓ Construction task matrix
- ✓ Self-help family time sheets

7. Staffing Needs and Hiring Schedule

A self-help organization needs:

- A good program
- A sound budget
- A committed Board of Directors
- Qualified and motivated staff!

Staffing / Personnel

The regulations require:

- Proposed hiring schedule
- Availability of prospective employees
- Job descriptions
- Resumes of employees
- Board’s signed statement that authorizes the Executive Director to hire the necessary staff

Hiring Schedule

A hiring schedule should be included in the application

Include all positions that will be paid out of self-help housing grant funds

*BP See Application Handbook for a sample

Hiring Schedule Should Indicate:

Which positions are filled

The anticipated hiring date of the remaining positions

Which positions will be full-time? Part-time?

What percentage of their time will be charged to the self-help program

Availability of Prospective Employees

To prove the existence of potential candidates, include a resume and letter of commitment from the candidate

If waiting until grant approval, include a description of how needed staff will be located and a brief report on available personnel in the area

- **Identifying the availability of personnel in the area will require:**
  - ✓the number of applications received for the job advertised
  - ✓a narrative describing the expected hiring process
- **Rural Development needs to be notified for approval *prior* to hiring changes occurring**

Job Descriptions

- **Job descriptions for each position paid for with grant funds are required**
- **Samples in Handbook**
- **Typical staff positions:**
  - Executive / Project Director
  - Group Coordinator
  - Construction Supervisor
  - Secretary / Bookkeeper

Resumes

Resumes are required for each position paid for with grant funds

Make sure they are updated to include their current position

Board Signed Statement

A resolution from the Board is required

It should authorize the Executive Director to hire or employ the necessary staff

8. Authorized Representative of Applicant

Provide the name, address and official position of the applicant's representative that is authorized to act for the applicant and work with Rural Development

A copy of the authorizing resolution should be included here

9. Budget Information – Non-Construction

Requirements:

- 424-A
- Detailed Budget
- Detailed Budget Narrative

424-A

- Budget must be on form SF-424A, “Budget Information (Non-Construction Programs)
- Complete it using the example in the Application Handbook
- Look online for the most recent version

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		$	$	$	$	$ 0.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total
	(1)	(2)	(3)	(4)	(5)
a. Personnel	$	$	$	$	$ 0.00
b. Fringe Benefits					0.00
c. Travel					0.00
d. Equipment					0.00
e. Supplies					0.00
f. Contractual					0.00
g. Construction					0.00
h. Other					0.00
i. Total Direct Charges *(sum of 6a-6h)*	0.00	0.00	0.00	0.00	0.00
j. Indirect Charges					0.00
k. TOTALS *(sum of 6i and 6j)*	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
7. Program Income	$	$	$	$	$ 0.00

Authorized for Local Reproduction

Previous Edition Usable

Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102

Detailed budget

- Include a ***detailed*** budget
- See sample worksheet in Application Handbook
- Remember to include funds for National Rural Self-Help Housing Association (NRSHHA) dues

Detailed budget narrative

- Include a ***detailed*** budget narrative
- See sample in Application Handbook

*BP Do a *realistic* budget before determining your TA grant amount to see if your budget is truly realistic and falls within RD’s guidelines

The TA Grant amount depends on organization’s experience and capacity

Maximum amount for any grant period will be limited to a certain TA cost per house

Authorized expenses:

Personnel salaries

Reasonable office expenses and supplies

Employment benefit costs

Purchase or lease of power tools

Insurance

Reasonable fees for training

Consultant and legal fees

Annual audits

Prohibited use of funds:

Paying for labor on the houses

Purchasing real estate or building materials for the families

Paying any debts, expenses or costs to the participants

Any lobbying activities prohibited in 2CFR 200 Subpart F

Any costs or debts incurred prior to the start date of the grant

10. Indirect or Direct Cost

TRANSMITTAL LETTER

RESPONSE

PROPOSAL

An approved direct or indirect cost policy must be submitted

- Document the indirect cost rate, if the organization already has one
- If single funded and using direct cost, the budget narrative approved by the Board will be the direct cost policy

If a new indirect policy is needed:

- Prepare proposal for submission to the Department of the Interior (DOI) for approval and include proposal in application
- DOI will not review proposal until grant is approved
- You could also elect to use the 10% de minimus rate

11. Monthly Activities Schedule

A finalized monthly activity schedule is necessary.

Monthly activities schedules allow for:

- Setting specific goals
- Identifying time targets
- Identifying persons responsible for tasks
- Letting everyone know what he/she is supposed to do and whether or not they are on target
- Identifying potential problems and opportunities
- Improving decision-making process
- Focusing on grant activities to results

***BP When planning, estimate a time range instead of a specific date, this keeps your schedule more realistic**

The four most significant time elements are:

- Duration of each step
- Earliest time each step may be started
- Latest time each step may be started
- Latest time each step may be completed

- It takes everyone’s commitment to implement the self-help project
- The activity schedule should not be created and forgotten
- Use it to stay on track
- Adjust if necessary
- See Application Handbook for samples

The included schedule must contain:

- The number of groups
- The number in each group
- Starting and ending dates for recruitment, loan processing and construction
- Must have months indicated

12. Personnel Practices and Procedures

- **A copy of the most recent personnel policies is required**
  Must be in compliance with federal, state and local laws that affect employees
- **Personnel forms also need to be included in the application and should include:**
  ✓ Time Sheets
  ✓ Travel Advance Requests
  ✓ Mileage Forms
  ✓ Leave Requests
  ✓ Employment application

13. Authorizing Resolution

A resolution must be adopted by the Board of Directors (or other governing body):

Authorizing one or more specified persons to act on organization's behalf. It must state that they are able to:

- ✓ Sign the Grant Agreement, 1944-I, Exhibit A
- ✓ Sign Form RD 400-4 "Assurance Agreement"
- ✓ Work with RD on the self-help program
- ✓ Must include person's name, title, address

Sample in Application Handbook

14. Assurance Agreement

- RD Form 400-4
- Commits your organization to carry out the provisions of Title VI of the Civil Rights Act of 1964
- Include a signed copy of this form
- Sample form in **Application** Handbook

Position 3

USDA
Form RD 400-4
(Rev. 3-97)

ASSURANCE AGREEMENT
(Under Title VI, Civil Rights Act of 1964)

FORM APPROVED
OMB No. 0575-0018

The ______________________________
(name of recipient)

____
(address)

("Recipient" herein) hereby assures the U. S. Department of Agriculture that Recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, or the Farm Service Agency, (hereafter known as the "Agency") regulations promulgated thereunder, 7 C.F.R. § 1901.202. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 14.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

1. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
2. Recipient shall:
   (a) Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
   (b) Permit access by authorized employees of the Agency or the U.S. Department of Agriculture during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
   (c) Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the Agency or the U. S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
3. The obligations of this agreement shall continue:
   (a) As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the Recipient retains ownership or possession of the property, whichever is longer.
   (b) As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
   (c) As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
4. Upon any breach or violation this agreement the Government may, at its option:
   (a) Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
   (b) Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

In witness whereof, ______________________________ on this
(name of recipient)

date has caused this agreement to be executed by its duly authorized officers and its seal affixed hereto, or, if a natural person, has hereunto executed this agreement.

____
Recipient

(SEAL)

____
Date

Attest: ______________________________
Title

____
Title

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0018. The time required to complete this information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

15. Fidelity Bond Coverage

- Provide evidence of adequate fidelity bond coverage/ employee dishonesty insurance
- *BP Amount of the coverage should be at least equal to the amount of funds and property the organization will have at anytime
- All staff who have authority to make purchases, execute contracts or sign checks should be covered
- Read 2CFR200, deals with “Bonding and Insurance”
    - Determine how it applies to you
    - Review it with a lawyer and accountant
- Complete form RD 440-24 “Position Fidelity Schedule Bond Declarations” to demonstrate compliance

16. Evidence of Interest-Bearing Checking Account and Statement of Repayment of Interest

- **Submit a copy of the account agreement of your two-signature interest-bearing checking account**
- **Include a signed statement saying that the organization will return, on a quarterly basis, any interest earned in excess of $500 per year**
    - If the grantee is a public body, interest in excess of $100 must be repaid.
- **Reference 1944.411(g) for a waiver if necessary**

17. Group/Participation Agreement (including Exhibit B-2)

- Include a copy of your agreement *(Samples in Handbook)*
- It must include Exhibit B-2, indicating the breakdown of construction *(for new construction)*
- *BP Each member of the group must read the document or have the document read to him/her, thoroughly understand it, and sign it
- *BP The enforcement of the membership agreement is key to the success of the program
- For Rehab, include how hours will be tracked and how cost savings will be calculated

18. Request for Obligation of Funds Form RD

- **Include this completed form, RD 1940-1**
- **At item 45, on the back, have the authorized representative sign and date the form**
- **See Application Handbook for sample**

USDA
Form RD 1940-1
(Rev. 06-10)

REQUEST FOR OBLIGATION OF FUNDS

FORM APPROVED
OMB No. 0570-0062
Exp. Date: 8/31/2024
OMB No. 0570-0067
Exp. Date: 11/30/2024

INSTRUCTIONS-TYPE IN CAPITALIZED ELITE TYPE IN SPACES MARKED ( )
Complete Items 1 through 29 and applicable Items 30 through 34. See FMI.

1. CASE NUMBER
ST CO BORROWER ID

LOAN NUMBER

FISCAL YEAR

2. BORROWER NAME

3. NUMBER NAME FIELDS
(1, 2, or 3 from Item 2)

4. STATE NAME

5. COUNTY NAME

GENERAL BORROWER/LOAN INFORMATION

6. RACE/ETHNIC CLASSIFICATION
1 - WHITE
2 - BLACK
3 - AI/AN
4 - HISPANIC
5 - A/PI

7. TYPE OF APPLICANT
1 - INDIVIDUAL
2 - PARTNERSHIP
3 - CORPORATION
4 - PUBLIC BODY
5 - ASSOC. OF FARMERS
6 - ORG. OF FARMERS
7 - NONPROFIT-SECULAR
8 - NONPROFIT-FAITH BASED
9 - INDIAN TRIBE
10-PUBLIC COLLEGE/UNIVERSITY
11-OTHER

8. COLLATERAL CODE
1- REAL ESTATE SECURED
2-REAL ESTATE AND CHATTEL
3 - NOTE ONLY OR CHATTEL ONLY
4 - MACHINERY ONLY
5 - LIVESTOCK ONLY
6 - CROPS ONLY
7 - SECURED BY BONDS
8 - RLF ACCT

9. EMPLOYEE RELATIONSHIP CODE
1 - EMPLOYEE
2 - MEMBER OF FAMILY
3 - CLOSE RELATIVE
4 - ASSOC.

10. SEX CODE
1 - MALE
2 -FEMALE
3 - FAMILY UNIT
4 - ORGAN. MALE OWNED
5 - ORGAN FEMALE OWNED
6 - PUBLIC BODY

11. MARITAL STATUS
1 - MARRIED
2 - SEPARATED
3 - UNMARRIED (INCLUDES WIDOWED/DIVORCED)

12. VETERAN CODE
1 -YES
2 -NO

13. CREDIT REPORT
1 -YES
2 -NO

14. DIRECT PAYMENT
(See FMI)

15. TYPE OF PAYMENT
1 - MONTHLY
2 - ANNUALLY
3 - SEMI-ANNUALLY
4 - QUARTERLY

16. FEE INSPECTION
1 -YES
2 - NO

17. COMMUNITY SIZE
1 - 10 000 OR LESS
2 - OVER 10,000
(FOR SFH AND HPG ONLY)

18. USE OF FUNDS CODE
(See FMI)

COMPLETE FOR OBLIGATION OF FUNDS

19. TYPE OF ASSISTANCE
(See FMI)

20. PURPOSE CODE

21. SOURCE OF FUNDS

22. TYPE OF ACTION
1 -OBLIGATION ONLY
2 - OBLIGATION/CHECK REQUEST
3 - CORRECTION OF OBLIGATION

23. TYPE OF SUBMISSION
1 - INITIAL
2 -SUBSEQUENT

24. AMOUNT OF LOAN

25. AMOUNT OF GRANT

26. AMOUNT OF IMMEDIATE ADVANCE

27. DATE OF APPROVAL
MO DAY YR

28. INTEREST RATE
%

29. REPAYMENT TERMS

19. Self-Help TA Grant Agreement

Grant Agreement is 1944-I Exhibit A

Sign, but don’t date copy of the agreement

Critical to read and understand agreement

20. Certification Regarding Lobbying

Include a signed and dated RD 1940-Q, Exhibit A-1

See Handbook for form

RD Instruction 1940-Q
Exhibit A-1

CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

____________________ (name) ____________________ (date)

____________________ (title)

oOo

21. Statement of Compliance

- **Include a statement that the organization complies with the requirements of the appropriate 2 CFR 200, 400 & 415** **(or 2CFR 200, 400 & 416 if a state or local government)**
- **Know what you are agreeing to - 2 CFR 200 establishes uniform requirements for administration of grants**
- **Authorized rep must sign and date it**
- **Usually on agency letterhead**
- **See sample letter in Application Handbook**

Part 400 says that USDA adopts 2 CFR 200 Parts A-F in accordance with grant regulations, so that the entire contents of the "Uniform Guidance" is what governs the grant management

This deals with having uniform administrative requirements, cost principles and audit requirements

PART 400 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Authority: 31 U.S.C. 503.

Source: 79 FR 75982, Dec. 19, 2014, unless otherwise noted.

§ 400.1 What does this part do?

This part adopts the OMB guidance in subparts A through F of 2 CFR part 200, as supplemented by this part, as USDA policies and procedures for uniform administrative requirements, cost principles, and audit requirements for Federal awards. It thereby gives regulatory effect for the USDA to the OMB guidance, as supplemented by this part.

§ 400.2 Conflict of interest.

(a) Each USDA awarding agency must establish conflict of interest policies for its Federal awards.

(b) Non-Federal entities must disclose in writing any potential conflicts of interest to the USDA awarding agency or pass-through entity.

(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees in the selection, award and administration of Federal awards. No employee, officer or agent may participate in the selection, award, or administration of a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a non-Federal entity considered for a Federal award. The non-Federal entity may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of the relationships with a parent company, affiliate, or subsidiary organization, is unable or appears to be unable to be impartial in conducting a Federal award action involving a related organization.

ECFR CONTENT

Part 415 (or 416 for State/Local Govt) is specific to Dept of Agriculture (vs. all federal funding rules outlined in Uniform Guidance) for General Administrative Regulations

Part 415 then breaks down further into the subparts

- **A-Application for Federal Assistance**
  - **Assuring competition in awarding (or in subawards)**
- **B-Miscellaneous**
  - **Audiovisuals/Publications will clearly identify USDA support**
- **C-Intergovernmental Review – Dept of Agriculture**
  - **Intention of fostering intergovernmental partnership between federal (interagency), state, and local programs**
  - **Describes processing and comment periods**
  - **Seeks simplification, efficiency**

22. RD Area Managers' Recommendation

Hold a section for this to be added later by RD

23. T&MA Contractor's Review and Recommendation

Hold a section for this to be added later by RD

Required under National Office Contract

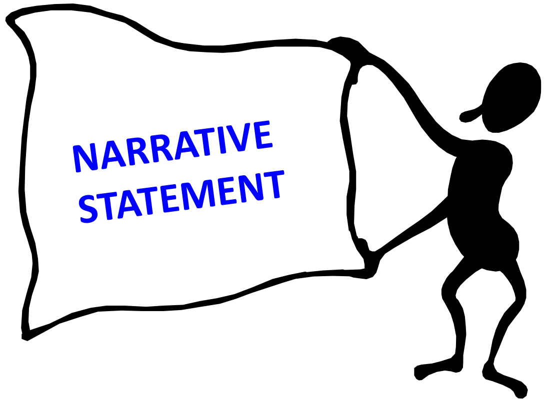
24. National Office Review

Hold a section for this to be added later by RD

25. Narrative Statement

The narrative statement should begin with a short paragraph that summarizes:

- Number of homes proposed
- Area to be served
- How much grant funds are being requested
- What time period is planned (usually 24 months but can be less)



A description of the area to be served is needed

*BP Include maps, population and housing statistics

*BP Collect current data, include only what supports the need

Sources: U.S. Census, State Housing Finance Authority, local government housing plan, area housing authorities, area Board of Realtors

Include housing conditions and why families need self-help housing

*BP Analyze your data for comprehension. What does it show? Growth? Substandard housing? Income qualifications? Vacant rentals? Cost of housing?

A need occurs when very low and low-income families want their own homes but adequate, affordable housing is not available to them!

*BP **Prove affordability!**

- Estimate the cost of the self-help homes to the participants
- Give estimate of monthly principle, interest, taxes, insurance (PITI) payments and total debt ratios
- Compare this figure to the cost of homes in the area

- **Provide evidence of low-income families willing to contribute labor**

  This information was included earlier in the application, refer the reviewer to the correct section

Evidence of community support is required

- Include letters of support from local officials, individuals and community organizations

  *BP Develop and distribute brochures or fact sheets. Develop a relationship with the media. Know the benefits and drawbacks of the program. You will be asked!

Benefits of community support:

- Help organization with leveraging additional dollars for incorporation and start up
- Provide needed political support from town and county governments
- Help create a positive self-help housing image

Sources of Community Support

- Those in need of improved housing
- Town and county governments
- Churches/religious groups
- Civic organizations
- Social service agencies
- Other nonprofits
- General public
- Business/industry sectors
- Media

For a Rehab Grant

- Include policies and procedures for the program
- Minimum / Maximum rehab cost per home
- Relocation policy, if any

26. Current Financial Statements

- A financial statement is required and should be prepared by an accountant (or by the sponsor’s accountant), and must be no more than 12 months old
- Must be dated and signed by the Executive Director or Board President
- Needs to show the specific nature of assets and liabilities
- The most recent audit is also required
- If using a sponsor, the same type of financial statement is required of them

27. Outreach Plan for Very Low Income

A plan is required of how you propose to reach the very low income families

- It is important to reach families that are living in housing that is deteriorated, dilapidate, overcrowded or lacking in adequate plumbing
- VLI- <u>*Minimum*</u> of 40% of total families building in program should be VLI
- Develop a marketing strategy that will reach and recruit the families needed for your program

28. HUD Fair Housing Marketing Plan 935.2B

Affirmative Fair Housing Marketing Plan
HUD Form 935.2b, required

- Follow instructions
- Use accurate information
- Marketing plan designed to attract those "**least likely to apply**"
- Special outreach for those groups required
- Plan approved and monitored by Rural Development
- See Form in Application Handbook

29. Determination of TA Grant Amount
(for new construction)

- Amount of grant depends on experience and capability of applicant
- Must be justified based on the number of participants assisted
- Three methods for determining grant (four including rehab)

Method A: **The Equivalent Value of Modest Housing (EVMH) x 15% x Number of Homes Proposed = Maximum TA Budget**

$__________ x .15 x ______ = $_______________

Example:

EVMH = $200,000 x .15 = $30,000 (TA per home) x 12 homes = $360,000 (amount of grant request)

RD Letter for EVMH

- Include a letter from RD identifying the equivalent value of comparable contractor-built 502 homes, less than 12 months
- Include total square feet and total living area
- Should include the actual or projected cost of an acceptable site and site development

Method B: EVMH – Average mortgage - $1,000 = Maximum TA cost per house (This can only be used by experienced grantees or those who know what their mortgages will be.)

Example: $150,000-$120,000-$1,000=$29,000

Method C: Amount established by the State Director to accomplish a particular goal

*BP Use worksheet in Application Handbook to calculate maximum per unit TA amount

Determination of TA Grant Amount (for rehab)

- Rehab is determined by a negotiated amount
- RD made a goal of having the TA cost be less than or equal to the cost savings of the participants
- There are 3 ways to determine cost savings
- Include examples of all three
- See Application Handbook for examples

1. **Contractor Cost Savings**

   Compares contractor bids or estimating software costs to participant work

2. **Appraised Value**

   Compares the improved cost of the home to the appraised value

3. **Hourly Rate of Labor Contribution**

   Establishes an hourly rate for the job and multiplies the number of hours the participant will work

Method of TA Cost Calculation

- Include the calculation of how the total grant amount was calculated
- Indicate which allowable method was used
- See sample calculations in Handbook

30. Intergovernmental Review Submittal

- **This section needs to contain proof that the application was submitted to the appropriate state official for review**
- **Not all states have this requirement**
- **Google SPOC (State Single Point of Contact) list for state contacts (list for 2020 in Application Handbook)**
- **If required, send the SF-424 and SF-424A along with a narrative – the whole application is not needed**

31. Civil Rights Impact Analysis Certification, Form RD 2006-38

- Form RD 2006-38   2006-P, 2006.754(b)
- Rural Development will complete this form
- Hold a spot for this in the application

32. Compliance Review (pre-award)

- Hold a section for this to be added later by RD
- RD may request that the grantee complete Section 1, Statistical Information
- Demographic information for interested applicants and participants should be kept to provide to RD
- Sample form in Application Handbook

33. OGC Review (if necessary)

- If necessary, RD may send organizational documents for OGC for their review
- Hold a section for this to be added later by RD

34. Previous Experience

RD requires that the organization have the financial, legal, and administrative capacity to carry out the responsibilities of the grant.

A narrative statement about the organization's previous experience and capacity to carry out the Grant Agreement is required. It may include:

- Summaries of previous and current RD funded programs
- Summaries of previous and current other programs
- Description of current capabilities (management, admin, staffing, financial, etc.)
- Experience or capability of relevant staff and Board members
- Objectives of the organization

One must be "Production of affordable housing"

35. Organizational Papers

- **A copy of the provisions of state law under which the corporation was organized, or an accurate reference to the provision(s) organized under**
- **Articles of Incorporation (certified, signed and dated)**
- **Bylaws (certified, signed and dated)**
- **Board list (5+, names, addresses, titles)**
  - For smaller orgs, less than 5 staff members, boards of 3 OK
- **Certificate of Incorporation**
- **501(c)(3) certificate**
- **Evidence of Good Standing from Secretary of State**
- **If another organization is a member of your organization – its name, address and principal business**
- **If not formally organized, submit proposed documents**

Putting the Application Together

- Use the Rural Development Checklist for order and format
- Include a Table of Contents and tab the sections
- *BP Check every page for completeness, signatures and dates
- *BP Send the application to your T&MA Contractor first for a draft review
- Submit electronically, we will send it to the designated Rural Development office
- *BP See Application Handbook for links to forms

F. Developing a Self-Help Housing Program / Know the Program

Developing a Self-Help Housing Program

- *BP Be realistic. Go into the process with your eyes open
- *BP Know that this is a lengthy process
- *BP Recognize the commitment of staff and board time
- *BP Be aware that housing is a political animal and requires community support
- *BP Don’t expect overnight success
- *BP Set realistic expectations

- *BP **Be committed and serious about developing a self-help program**
  - ✓ Housing will need to be a priority for you
  - ✓ Accountabilities are high
  - ✓ Strive to meet time frames set
  - ✓ Recognize fiscal responsibilities and advantages of self-help housing for your organization

- *BP **Other ingredients to develop a successful self-help housing program include:**
  - ✓ Obtain all applicable housing regulations
  - ✓ Subscribe to or request housing publications such as HAC News, NRHC Legislative Update, RD’s GovDelivery
  - ✓ Have access to federal and state registers
  - ✓ Join the mailing list of your state housing finance agency

- ✓ Build a housing resource library
- ✓ Join your state housing coalitions
- ✓ Join local and state chapters of housing groups
- ✓ Know your local housing market
- ✓ Provide proper orientations and training of the program for board and staff
- ✓ Visit another self-help housing organization

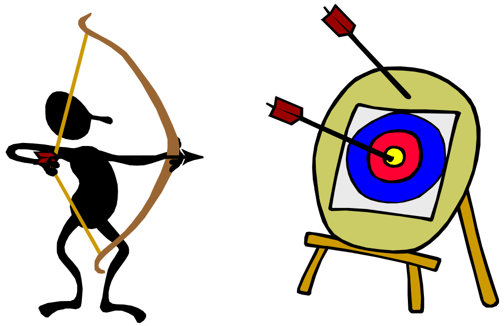
Program Decisions

*BP **Determine the number of homes to build**

- ✓ Be very realistic!
- ✓ Consider availability of suitable building sites
- ✓ Consider need for housing in your selected area
- ✓ Consider number of persons eligible to participate

*BP **Determine ways in which to reach very-low income**

- Know your target market
- This will help you determine methods of outreach, time needed, manpower necessary and cost
- There is more on recruitment later in the training



*BP **Determine staff needs and size**

Should correlate with number of homes to be built

Traditionally for a small Self-Help organization, staff consists of 3-4 positions. Areas of responsibility include:

- ☞Executive Director/Project Director
- ☞Group Coordinator/Loan Packager
- ☞Secretary/Bookkeeper
- ☞Construction Supervisor

Know the Program

- *BP RD instructions provide policy, guidance, and basis for the program operations. Be familiar with them.
- Use the internet as needed to look up regulations and information, https://www.rd.usda.gov/page/regulations-and-guidance
- *BP Know 1944-I!
- Please refer to the **Application Handbook** for a list of other regulations to become familiar with

*BP You can print out the 1944-I and HB-1 3550 but these instructions change often, so we encourage the use of the internet

F. Grant Closing and Drawdowns

Request for Advance or Reimbursement, Form SF-270

- Form completed monthly and submitted to RD along with a working budget
- Used to notify RD of the grant funds used during the previous month, the unspent funds on hand, and the projected need for the next month
- Written justification should be forwarded if amount exceeds the projected need for the next 30 days
- Must be in the correct RD office 15 days prior to the beginning of the month
- Payment is usually handled electronically, sign paperwork to make this happen

- Rural Development can establish an electronic transfer for the funds
- They will need the routing and account numbers
- The first grant draw can be for the month in which the grant was closed, the following month and can include funds for tool and equipment purchases

Fair Housing

Introduction

- The right to fair housing is set by law
- Training in this area is crucial
- Affects every staff person in the self-help program
- Right to fair housing enforced by formal complaint process, litigation, testing and monitoring
- Lack of knowledge is not an acceptable excuse

The Fair Housing Act

- **Prohibits discrimination because of:**
  - Race or color
  - National origin
  - Religion
  - Sex
  - Familial status
  - Handicap / Disability
- **Covers most housing - definitely housing that is federally financed**
- **Law effects sale and mortgage**

Other Applicable Laws

Know that housing laws exist and must be enforced. Such laws include:

- Title VI of the Civil Rights Act of 1964
- Section 504 of the Rehabilitation Act of 1973
- Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act
- Section 109 of the Housing and Community Development Act of 1974
- Title VIII, Title VI
- Record keeping requirements: racial & ethnic data ((1901.202(g))

Helpful Websites: HUD: http://www.hud.gov

USDA: http://www.rurdev.usda.gov

Fair Housing Marketing

Affirmative Far Housing Marketing Plan

- HUD Form 935.2b, required for self-help program
- Follow instructions
- Use accurate information
- Marketing plan designed to attract those “least likely to apply”
- Special outreach for those groups required
- Plan approved and monitored by Rural Development

Fair Housing Advertising

To comply with Fair Housing Act, the following requirements must be met:

- No discriminatory or limiting words or phrases allowed
- No selective use of media and models which can lead to discriminatory results
- Use fair housing policies and practices
- All advertising for real estate must contain the equal housing opportunity logotype, statement or slogan

Equal Housing Opportunity Logotype -

Equal Housing Opportunity Slogan

“Equal Housing Opportunity”

Equal Housing Opportunity Statement

“We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support affirmative fair housing advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status, or national origin.”

Participant Selection and the Membership Agreement

- *BP **Two ways to ensure that all fair housing laws are being followed**
  - Consistency
  - Documentation
- **A person with a disability cannot be denied the right to participate in the Mutual Self-Help Housing Program**
- **RD and grantees are to make reasonable accommodations which allow someone with a disability to participate**

"Participating family" definition allows substitute labor with prior approval by State Director

In reward or corrective action, participants should be treated equally

*BP Follow rules in Membership Agreement, always

Identifying and Solving Potential Fair Housing Problems

Contact Rural Development or HUD immediately

Use mediation and all available resources

Understand the complaint process

- Complaints must be filed within one year
- Either HUD or RD may investigate
- Try to reach a conciliation agreement
- If agreement breached, further legal action taken

Additional Resources

Various fair housing training materials exist

HUD’s Fair Housing Information Clearinghouse has brochures, videos, PSAs, posters

Rural Development can also provide materials and training

Stay in Compliance

*BP Review the Affirmative Fair Housing Marketing Plan every quarter to ensure compliance

Enforce Fair Housing Advertising requirements

Display Fair Housing Posters as required by RD

Questions should be addressed to State Civil Right's Coordinator

The End