



# SECTION 523 TECHNICAL ASSISTANCE GRANT APPLICATION HANDBOOK

September 2025

*PROVIDED BY REGIONAL T&MA CONTRACTORS*  
*SECTION 523 MUTUAL SELF-HELP PROGRAM*

## DISCLAIMER

A handbook for grantees of the United States Department of Agriculture (USDA) Section 523 Self-Help Housing Program developed jointly by the Self-Help Housing Technical and Management Assistance (T&MA) Contractors:

- *Florida Non-Profit Housing, Inc. (FNPH)*
- *LIFT Community Action Agency, Inc. (LIFTCAA)*
- *NeighborGood Partners*
- *Rural Community Assistance Corporation (RCAC)*

Funded by: *United States Department of Agriculture, Rural Development*

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<a href="http://www.fnph.org">www.fnph.org</a>	<a href="http://www.liftca.org">www.liftca.org</a>
<b>Region III</b>	<b>Region IV</b>
NeighborGood Partners	Rural Community Assistance Corporation
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<a href="http://www.neighborgoodpartners.org">www.neighborgoodpartners.org</a>	<a href="http://www.rcac.org">www.rcac.org</a>

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## INTRODUCTION

### THE SELF-HELP HOUSING PROGRAM

Self-help housing is just as it sounds, participants working to build or repair their own homes. This program is a direct application of the barn raising traditions of pioneering rural Americans. The Self-Help Program began as the Mutual Self-Help Housing method, where participants, working in groups, supply the necessary labor to build their homes, having qualified for mortgage financing to purchase land, building materials, and some subcontracted work on the more technical items. The program authority also allows for two additional methods of home repair (owner-occupied and acquisition rehab).

Regardless of the method selected, the participants must be low or very low income. At least 40% of the total participants served should be in the very low-income category. The remaining participants must be in the low-income category (see income map for details: <https://www.rd.usda.gov/sites/default/files/RD-DirectLimitMap.pdf>).

**Mutual Self-Help Method:** With the assistance of skilled staff, a group of generally 4 to 10 households is formed. The regulation requires a minimum of 4 households; we encourage a group of at least 5 households as this makes for a better program. The participants typically select lots, house plans, and apply for individual mortgage loans. While participants await loan approval, the group studies the responsibilities of homeownership, construction techniques, tool usage, safety, homeowner's insurance, taxes, home maintenance, and money management. This time is known as the pre-construction stage.

Once the mortgage loans are closed, the group begins to build under the guidance of a skilled construction supervisor. The participants must complete a minimum of 65% of the construction labor tasks; usually the more technical work such as electrical, plumbing and HVAC is subcontracted out. The construction stage typically lasts from 8 to 12 months, depending on the size of the group and other factors. Participants work during their spare time (evenings, weekends, and days off) so as not to interfere with the regular household employment.

### SELF-HELP REHAB METHOD OPTIONS:

**Acquisition Rehabilitation:** With the assistance of skilled staff, an applicant repairs a home that they purchase. The participant applies for a loan and/or grant and once qualified, they enter into a contract to purchase a property. The property is inspected, and a scope of work is developed. This information is submitted to Rural Development for approval. Once the loan is approved and closed, the participant, under the guidance of a skilled construction supervisor, completes selected tasks from the scope of work. Usually, more technical work such as electrical, plumbing and HVAC is subcontracted out.

**Owner-Occupied Rehabilitation:** With the assistance of skilled staff, an applicant repairs a home that they already own and reside in. The participant applies to be in the program and then they may need to apply for a loan and/or grant. Once qualified, they provide proof of ownership and residency. The property is inspected, and a scope of work is developed. This information is submitted to Rural Development for approval. The participant, under the guidance of a skilled construction supervisor, completes selected tasks from the scope of work. Usually, more technical work such as electrical, plumbing and HVAC is subcontracted out.

## RURAL DEVELOPMENT

Rural Development is an Agency of USDA. The Rural Development mission is to help rural Americans improve the quality of their lives. Rural Development helps rural communities meet their basic needs by building water and wastewater systems; financing decent, safe, sanitary, and affordable housing; supporting electric power and rural businesses, including cooperatives, and supporting economic and community development with information and technical assistance.

Rural Development has been providing funds for the Self-Help Housing Program since the late 1960s. They provide Section 523 Self-Help Housing Technical Assistance grants to eligible entities to start and implement the program. Rural Development thoroughly reviews the self-help application before a grant is awarded and will continue to monitor and provide oversight in the areas of construction and administration, through quarterly meetings, construction inspections, and participant accounts throughout the term of the grant.

In most cases Rural Development provides another important ingredient to the self-help program; construction to permanent financing at favorable interest rates in the form of a Single-Family Housing Direct Home Loan (Section 502). They are independent of private or conventional lending institutions, and the financing is directly between Rural Development and the borrower. Each applicant must qualify and obtain a loan individually from Rural Development. Rural Development's function as a lender is significant because private credit institutions in rural areas are relatively few in number, smaller, and often impose more rigid terms which can be a barrier to homeownership.

## RURAL DEVELOPMENT OFFICES

Rural Development operates from three levels: national, state, area /local. The Rural Housing Service Administrator in the National Office and the State Directors are politically appointed – all others are federal civil service employees.

### **Rural Development National Office**

The Rural Development National Office is responsible for developing policy, interacts with Congress for legislation, managing program funding, and much more. They also obligate and monitor all Section 523 self-help grants, maintain reports and statistics on operating self-help organizations and project needs for funding. At the national level, USDA has a separate Appeals Division that hears appeals on actions unresolved at the state level.

### **Rural Development State Office**

Section 502 home loan funds are allocated on a state-by-state basis and obligated at the State Office level. Each state receives 502 funds based on a formula allocation calculated by the National Office. A Funding Unnumbered Letter is released annually specifying the fiscal year allocations for each housing program, set-asides, and state allocations, etc. Staff members who are key to the operation of a self-help program located in the State Offices are the:

- Rural Development State Director – Has the authority to sign grant agreements.
- Rural Housing Program Director – Typically oversees the self-help program.
- Rural Development Housing Specialist – Reviews and approves the 502 direct loans and 504 grant/loans, also approves building sites, and completes environmental reviews.

### **Rural Development Area/Local Offices**

In most states grant monitoring has been retained at the State Office level with the Single-

Family Housing Program Director, but in some cases, it has been assigned to the Area/Local Office. In any case, the Rural Development grant manager is responsible for ensuring that the grant is operated effectively and in accordance with the regulations. At this level of Rural Development, the Loan Specialist is typically responsible for making the Section 502 home loans to participating applicants of each self-help group. They will be responsible for monitoring the 502 loans and will also be the co-signer on the participant's Supervised Bank Accounts and will process the construction draws. They are also the personnel who will convert the loans once the local jurisdiction has completed the final inspection and issued a Certificate of Occupancy.

## RURAL DEVELOPMENT SECTION 502 SINGLE FAMILY DIRECT HOME LOAN

Most applicants that participate in the self-help housing program use Rural Development's Section 502 home loan program to finance their homes. Section 502 loans are only available for homes in eligible rural areas as defined by USDA

(<https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=sfpd>). In order to qualify for a Section 502 loan, prospective self-help applicants must meet Rural Development income eligibility requirements as low-income or very low-income (see the income map for details:

<https://www.rd.usda.gov/sites/default/files/RD-DirectLimitMap.pdf>). They must be credit-worthy, have repayment ability for the loan requested, and be unable to secure a mortgage from other sources. The income limits, developed in consultation with the U.S. Department of Housing and Urban Development, are subject to local variation and are published annually. Current information on income limits and eligibility requirements for Section 502 loans is available at RD local offices or online (links above).

The repayment period for the Section 502 loan is either 33 or 38 years, and the interest rate is between 1% and the current market rate. The actual rate of interest the borrower pays depends on the borrower's income, as does the loan term. If a borrower is eligible to pay less interest than the market rate, the borrower then receives a subsidy called "payment assistance." The amount of payment assistance a borrower receives is determined by the loan amount, loan period, and the household income. The payment is either determined based on 24% of their monthly income or the loan at a 1% interest rate, whichever is the higher of the two, but can never be higher than the loan at full note rate. The assistance makes up the difference between the full loan interest rate and the interest rate the participant pays. A portion of this subsidy must be repaid at time-of-sale or loan payoff based on equity, time, etc. This process is called subsidy recapture.

Some other benefits of a 502 loan are that there is no requirement for a down payment, closing costs can be included in the loan (up to the appraised value with authorized exceptions to include the tax service fee, homeownership education fee, appraisal fee, and any required contribution to an escrow account for taxes and insurance (excluding the first-year insurance premium)) and there is no requirement for private mortgage insurance. Rural Development can offer a moratorium on loan payments for up to two years if a borrower's income decreases by at least 20% by no fault of their own.

During construction, Section 502 funds are advanced from the Rural Development finance office in St. Louis and disbursed by the local offices to the self-help grantee. Grantees prepare the drawdowns and checks for each participant's account as needed to purchase materials for different phases of construction. This funding can be used for either new construction, acquisition rehab and in certain circumstances, owner-occupied.

## RURAL DEVELOPMENT SECTION 504 SINGLE FAMILY HOUSING REPAIR LOAN & GRANT

Also known as the Section 504 Home Repair program, this provides loans to very-low-income homeowners to repair, improve or modernize their homes or grants to elderly (62 or older) very-low-income homeowners to remove health and safety hazards or remodel a dwelling to make them accessible to a household member with a disability. The maximum loan is \$40,000 and the maximum grant amount is \$10,000. This funding could be used with the owner-occupied rehab program, or other funding could be sought.

## THE 523 SELF-HELP HOUSING TECHNICAL ASSISTANCE GRANT

For organizations to operate a self-help housing program, Rural Development provides technical assistance (TA) grants. The TA grant is for a period of up to two years, and is available to nonprofit organizations, federally recognized Tribes, and units of state or local government. The amount of grant funds an organization can receive is based primarily upon how many houses they build or repair in a grant period. For new construction programs, an organization can receive up to 15% of the average cost of a similar new home in their area, for every home they are planning to build. Check with your Contractor for other methods of determining grant amounts for repair programs.

Allowable uses of Section 523 technical assistance grant funds include:

- Recruit eligible households to participate in the self-help program.
- Hold training meetings with participants on the self-help process and homeownership topics such as mortgages, insurances, taxes, and maintenance.
- Assist participants to obtain and develop building sites; obtain or create Rural Development-approved house plans and help participants select theirs.
- Help participants bid and select building supplies and subcontractors; train participants in construction techniques and provide construction supervision.
- Supervise participant Section 502 loan accounting, including:
  - Totaling invoices and itemizing payments to suppliers and subcontractors.
  - Maintaining records of deposits and withdrawals.
  - Preparing checks (accompanied with invoices and statements).

Disallowed activities using Section 523 Technical Assistance grant funds are:

- The use of any TA funds to pay staff to provide labor on the houses.
- Purchasing any real estate or building materials for participating families.
- Paying any debts, expenses or costs which should be the responsibility of the participating families.
- Any lobbying activities as prohibited in 2 CFR 200 subpart F.

## REGULATIONS

The main regulation that governs the Self-Help Housing Program, RD Instruction 1944-I, can be downloaded from the following web-link: <https://www.rd.usda.gov/files/1944i.pdf>. Additionally, USDA Rural Development provides an overview and guidance for the Self-Help Housing Program in the [USDA RD Handbook 3550 Appendix 13](#). Appendix 13 guidance includes an overview of the following:

- Overview of Self-Help Housing
- Application Processing Priority
- Self-Help Loan Application Packaging
- Environmental Reviews
- Appraisals



- Loan Approval and Closing
- Selecting a Contractor
- Construction Documents
- Sub-Contracts
- Administering Construction Funds
- Self-Help Inspections
- Post Closing Leveraged Loans/Grants
- Participant Withdrawal
- Construction Closeout
- Self-Help Take-out Loans
- Other Loan Financing
- Rural Eligibility Reviews

## THE T&MA CONTRACTORS

Rural Development contracts with four Technical and Management Assistance (T&MA) Contractors to assist operating and potential self-help housing grantees. This assistance ranges from staff and board training, grant management, and development of applications to 502 loan program and processing training, newsletters, and conferences, among other services. These services are provided at no cost to the grantee.

The four contractors are:

- Florida Non-Profit Housing – covering Region I, the Southeast, including the states of AL, FL, GA, MS, NC, SC, TN, Puerto Rico, and the Virgin Islands.
- LIFT CAA fka Little Dixie CAA – covering Region II, the South-Central US, including the states of AR, KS, LA, MO, ND, NE, NM, OK, SD, TX, and WY.
- NeighborGood Partners fka NCALL – covering Region III, the Northeast and Midwest, including the states of CT, DE, IA, IL, IN, KY, MA, MD, ME, MI, MN, NH, NJ, NY, OH, PA, RI, VA, VT, WI, and WV.
- Rural Community Assistance Corporation (RCAC) – covering Region IV, the Western US, including the states of AK, AZ, CA, CO, HI, ID, MT, NV, OR, UT, WA, and the Western Pacific.

## SELF-HELP TRAINING HANDBOOKS

The T&MA Contractors have produced a variety of training materials for the purpose of assisting grantees and training grantee staff. The following is a list of the available self-help handbooks. Please contact your T&MA Contractor for a copy or for more information.

- Accounting for Individual Borrower 502 Loan Accounts Handbook
- Acquisition and Owner-Occupied Rehab Handbook
- Board of Directors Governance Guide
- Construction Supervisor Handbook
- Custodial Accounting for Mutual Self-Help
- Feasibility Handbook
- Financial Management Handbook for Federally Funded Organizations
- Group Coordinator Handbook

- Orientation Handbook
- Orientation for Grantees PowerPoint
- Pre-Construction Meeting Handbook
- Program Director Handbook
- Section 523 Self-Help Housing Application Training PowerPoint
- Section 523 Technical Assistance Grant Application Handbook
- Self-Help 502 Loans Guidebook
- SHARES Handbook

## Application Submittal Information

### RURAL DEVELOPMENT

RD has several office levels. Most grantees will end up working with three levels of RD offices: State Office, Area Office, and Local Offices. It is the State Office that will submit your Section 523 Grant Application to the National Office for approval. (All applications are submitted to the National Office for review and approval. State Offices may approve grants less than \$300,000, some documents still may be selected for review by the National Office.) The Area Office is typically your primary contact with regards to the 523 grant and application. This office is responsible for ensuring the grant is effectively managed and operated according to regulations. The Local Office is responsible for processing Section 502 loans. Your organization will be working closely with the local office on behalf of the participating families.

RD also expects your agency to operate within their regulations and carry out the responsibilities of the Grant Agreement. Some of these responsibilities are recruiting low and very low-income families and families from substandard housing, building the number of houses proposed, building the houses in a timely manner, keeping program cost within the required limit, making sure that the families meet the labor contribution requirements (65% for mutual self-help) and setting up an acceptable accounting system.

It cannot be overemphasized how important your working relationship is with RD. This relationship will be critical to the success of your program.

### PREPARING A SUCCESSFUL TA GRANT APPLICATION

An application, whether it be for new construction, rehab, or a combination of the two, must include all the Tabs listed in the RD Application Checklist. Information for completing either type of application is included in this handbook. Most items required are the same, however, a select few are different. It is important to note that occasionally some of the forms used as part of the application are updated. You can obtain the most updated versions from your T&MA contractor. The application needs to prove that the area has a need for the program, the organization has the capacity to administer the program and that the organization is ready to start building once the grant agreement is executed. Most importantly, approved participants are ready to close their loans and staff are prepared to operate the program.

The rough time frame to complete the application should be about three to four months but it may take considerably longer depending on the availability of applicants and buildable land.

This handbook not only covers the items required for the application, but helpful tips on getting them accomplished. Your T&MA Contractor is also available to review each item and provide valuable insight in completing the required documents. Your contractor will be reviewing your final application and providing a recommendation to RD upon submission.

For existing grantees, grant applications should be submitted to RD no less than six months prior to the end of your current grant period. The federal fiscal year end (FYE) also needs to be taken into consideration when submitting your application. It is recommended to begin work on the application well ahead of your anticipated start date. Plan the timing of the submission with your T&MA Contractor.

### SUBMITTING YOUR TA GRANT APPLICATION

RD is encouraging all applications to be submitted electronically. This practice may become a requirement in the future. There is not a particular link to use to do this. You will be emailing your

application to your T&MA Contractor first for review. When the T&MA Contractor believes the application to be complete, they will then submit it to Rural Development.

Since grant applications may be too large to send as an email attachment even if compressed into a .zip file, the best method is to use a cloud storage account like Google Drive, Microsoft OneDrive, or Dropbox. With a cloud storage account, you can upload your grant application, share it, and collaborate there with your T&MA Contractor during the application preparation and review process. Your grant application folder in your cloud storage account is accessible by anyone you decide to share it with, and whoever you share it with does not need to have an account to access it.

If you don't already subscribe to a cloud storage solution, Microsoft Office 365 (OneDrive) and Dropbox are available at reduced rates for nonprofits. Google offers free Google for Nonprofits accounts that provide Google Workspace which includes Google Drive. Talk to your contractor for more information on how they want you to submit the application.

## SYSTEM FOR AWARD MANAGEMENT (SAM)

USDA issued Administrative Notices (AN) that affect all self-help housing grantees (and all other USDA grantees nationwide). Rural Development AN 4893 clarifies who to screen for debarment and suspension in the System for Award management (SAM) Exclusion database as per Rural Development (RD) Instruction 1940-M. Governmentwide Debarment and Suspension (Non-Procurement) and Requirements for the Drug-Free Workplace Act. AN Notice 23-4893 addresses the requirements for System For Award management (SAM) registration by participants of all programs, including loans, grants, subsidies, cooperative agreements and guarantees.

So, what does this mean for you? All grantees now need to be registered in SAM. The information in this government database has to be complete and accurate prior to submitting a grant application. So, make sure your organization is registered in SAM and that all the information is up to date.

Also, all applications will need to include the organization's UEI (Unique Entity Identifier) on any application per 2CFR, Parts 25 and 200 Grants and Agreements, and the Office of Management and Budget (OMB) guidance as they pertain to the SAM system policies impacting RD programs. The UEI number has taken the place of the DUNS (Data Universal Numbering System) number as of April 2022. GSA and Dun and Bradstreet are working together to ensure continuity of services during the transition to UEI, also known as the SAM Number.

SAM registrants must complete Office of Management and Budget (OMB) directed representations and certifications in SAM.gov. These representations and certifications will replace certifications previously collected in the application.

USDA RD staff will verify the registration status utilizing the Do Not Pay (DNP) Portal when completing DNP screening. At a minimum, RD staff must validate and document an active SAM registration status prior to having a complete application and obligation. Each program provides the definitions of "complete application" and obligation stages. File documentation is required and readily available from the DNP Portal. RD staff are to print the evidence of the SAM registration from the DNP Portal and place in the case file, electronic or hard copy as applicable.

Below is Exhibit G. This Self-Help Application Checklist serves as a guide for completing the Section 523 Self-Help Technical Assistance Application and also as a form used to review completed applications.

## Self-Help Application Processing Checklist

RD Instruction 1944-I  
Exhibit G  
Page 1  
Effective Date: 05/23/2025

### Exhibit G 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)  <i>Rehabilitation-Property address(es) (if identified), anticipated loan amount(s) and source(s) of funding</i>	1944.410(e)(1)	
(3)	Proof that the participants in the first group have qualified for assistance (RD HB LTR 16)  <i>Rehabilitation-Proof that approximately 10% of the participants have qualified for assistance</i>	1944.410(e)(2)	
(4)	Lot options for first group  <i>Not applicable for rehab</i>	1944.410(e)(3)	
(5)	Evidence of lot availability for remaining groups  <i>Rehabilitation-A list of potential homes for sale/available could be included for acquisition rehab</i>	1944.410(e)(3)	
(6)	House plans, specifications and detailed cost estimates  <i>Rehabilitation-describe home inspection and contractor selection processes; and include sample workorder list, cost estimating, and how cost savings will be calculated</i>	1944.410(e)(4)	

Tab Position	Description of Documents	Form/ Instruction Number	Comments
(7)	Staffing needs and hiring schedule	1944.410(e)(5)	
(8)	Authorized representative of applicant	1944.410(e)(6)	
(9)	Budget Information –Non-Construction Programs	Form SF-424A & Budget Narrative 1944.410(e)(7)	
(10)	Indirect or direct cost policy and proposed indirect cost rate	1944.410(e)(8)	
(11)	Monthly activities schedule	1944.410(e)(10)	
(12)	Personnel practices and procedures	1944.410(e)(9)	
(13)	Authorizing resolution	1944.411(d)	
(14)	Assurance Agreement	Form RD 400-4 1944.411(d)	
(15)	Fidelity Bond Coverage	1944.411(e)	
(16)	Evidence of interest-bearing checking account and a statement of interest repayment (as applicable)	1944.411(g)	
(17)	Group Agreement including Exhibit B-2 of 1944-I  <i>Rehabilitation-Participation Agreement including Exhibit M-2 of 1944-I</i>	1944.411(h)	

Tab Position	Description of Documents	Form/ Instruction Number	Comments
(18)	Request for Obligation of Funds (Must be signed by the applicant and State Director/Designee if \$300,000 or less; TOA code is a required field to be filled out before submission of the document (082- General Reserve 741- Persistent Poverty)	Form RD 1940-I 1944.412	
(19)	Self-Help Technical Assistance Grant Agreement	Exhibit A of 1944-I 1944.412	
(20)	Certification Regarding Lobbying	Exhibit A-1 of RD Inst. 1940-Q and §1940.810	
(21)	Statement of Compliance with 2 CFR 200 Part 400 & 416 if a State or Local government; or Part 400 & 415 if a non-profit	1944.411(c)	
(22)	Rural Developments Review and Recommendation including SAM & DNP Portal Verifications (Note: DNP is checked at submission and again prior to grant agreement execution)	1944.410(b) 1940-M §1940.606(b)	
(23)	T&MA Contractor's Review and Recommendation	Required Under National Contract	
(24)	National Office Review- Letter of Conditions (LOC) and Obligation (National Office will sign Form RD 1940-1 when the request is greater than \$300,000)	1944.415(a) and (c)	
(25)	Narrative Statement (a) Amount of request;(b) Areas served; (c) Number of houses proposed;(d) Housing conditions of low-income families;(e) Need for self-help housing; and (f) Evidence of Community Support Rehabilitation-in addition to the above (g) Rehab policies and procedures; (h) Min/Max of proposed project size per home; and (i) relocation policy, if any	1944.410(a) (4)	

Tab Position	Description of Documents	Form/ Instruction Number	Comments
(26)	Current Financial Statements for Applicant and any Sponsor	1944.410(a) (3)	
(27)	Outreach Plan for very low- Income	1944.410(a) (5)	
(28)	Determination of TA Grant Amount	1944.407	
(29)	Intergovernmental Review Submittal (as available)	1944.409	
(30)	Compliance Review (Pre-award) must be completed by Rural Development	Form RD 400-8 RD Inst. 1901-E, §1901.204(a) & §1901.204 (c)(3)	
(31)	OGC Review (if necessary)	§1944.410(b) (2)	
(32)	Previous Experience	§1944.410(a) (1)	
(33)	Organizational Documents <ul style="list-style-type: none"> <li>• Reference to State Law</li> <li>• Certified copies of Articles of Incorporation and Bylaws, or other evidence of corporate existence</li> <li>• Certificate of incorporation for other than public bodies</li> <li>• Evidence of Good Standing from the State</li> <li>• Names and addresses of Board of Directors, officers and members (plus principal business of any member that is an organization)</li> <li>• Evidence of nonprofit status</li> </ul>	§1944.410(a) (2) §1944.404(d) (1-4)	



### **Application Processing Overview**

- Applicants and existing Self-Help grantees applying for a new grant should submit their applications electronically with encryption/password protected or in hard copy containing the above applicable items to the Technical and Management Assistance (T&MA) Contractor for review at least six months prior to the proposed grant start date.
- The T&MA Contractor will make a recommendation and submit the package to the State Office when it is ready for Agency review, and at least three months prior to the proposed start date. Within thirty (30) days of receipt of the application, the Rural Development designated official will review the application for completeness, accuracy and conformance to program policy and regulations.
- The designated official should then make a recommendation, upload documents to the Electronic Customer File (ECF) system, and forward along with a copy of the grantee's package to the State Director. The State Office will issue a Letter of Conditions to the Grantee subject to: (1) review of the application package by the National Office (requests over \$300,000) and (2) subject to submission of any additional items not included with the application.
- State Offices must then submit the applications/requests to the National Office within 30 days of their receipt (via an email to SFHDDIRECTPROGRAM@usda.gov that states the pertinent documents can be found in ECF).
- Within 30 days, National Office will review the full application docket for approval of a request exceeding \$300,000. If approved, within 5 business days the National Office will execute RD Form 1940-1, obligate funds in the appropriate system, and issue a letter of approval/conditions to the State. The executed Form 1940-1, obligation verification, and letter of approval/conditions will be uploaded to the ECF case file.

## Grant Closing

- I. Upon receipt of grant approval/funding notification sent from the National Office, the State will notify the grantee of any condition that must be met by issuing the template letter found in Exhibit L.
- II. Once all conditions are met, the State should provide the completed Exhibit A, Grant Agreement, for grantee execution. Once received the State should sign Exhibit A along with the grantee and provide them with a copy of the executed grant agreement and Form RD 1940-
- III. Once the grant agreement is fully executed then the grant is considered closed, and the grantee may charge the grant for cost associated with the program as described in their budget.

(05-23-25) PN 641

RD Instruction 1944-I

Exhibit G

Page 6

Effective Date: 05/23/2025

## Obligation Monitoring

Obligation monitoring must be executed as described in §1944.417. The quarterly Exhibit B or equivalent must be saved in the recipient's case file via ECF. These reports will be used to provide a status on the semi-annual Unliquidated Obligation Certification report.

oOo

## TAB 1 – APPLICATION FOR FEDERAL ASSISTANCE – SF424

The information in this section can be referenced in RD Instruction 1944-I, 1944.410(a). Included are a blank SF 424 and instructions, as well as a completed SF 424. The link to access the form is <https://www.rd.usda.gov/sites/default/files/SFHD-MSHH-SF424-AppforFederalAssistance.pdf>

This form will be the first document reviewed as part of your application. The completed information in this form will be repeated in other sections of the Application. Be sure to complete the entire form. Several of the items most often completed incorrectly and the correct way to complete them include:

*Item 10. Name of Federal Agency:*

*USDA/Rural Housing Service*

*Item 11. The CFDA number is 10-420. The Title is USDA, RD Section 523 Self-Help Housing Program*

*Item 14. Areas Affected by Project (Cities, Counties, States, etc.):*

*Sebring, Highlands County, FL.*

*Item 15 – Descriptive Title of Applicant's Project:*

*Operate a Section 523 Mutual Self-Help Housing Program to assist 15 low and very-low income families build houses over a two-year period using the self-help method.*

## 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:

## d. Address:

\* Street1:

Street2:

\* City:

County/Parish:

\* State:

Province:

\* Country:

USA: UNITED STATES

\* Zip / Postal Code:

## e. Organizational Unit:

Department Name:

Division Name:

## f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

\* First Name:

Middle Name:

\* Last Name:

Suffix:

Title:

Organizational Affiliation:

\* Telephone Number:

Fax Number:

\* Email:

## Application for Federal Assistance SF-424

\* 9. Type of Applicant 1: Select Applicant Type:

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

\* 10. Name of Federal Agency:

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

\* 12. Funding Opportunity Number:

\* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

\* 15. Descriptive Title of Applicant's Project:

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

<b>Application for Federal Assistance SF-424</b>	
<b>16. Congressional Districts Of:</b>	
* a. Applicant <input style="width: 100px;" type="text"/>	* b. Program/Project <input style="width: 100px;" type="text"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input style="width: 200px;" type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
<b>17. Proposed Project:</b>	
* a. Start Date: <input style="width: 100px;" type="text"/>	* b. End Date: <input style="width: 100px;" type="text"/>
<b>18. Estimated Funding (\$):</b>	
* a. Federal	<input style="width: 150px;" type="text"/>
* b. Applicant	<input style="width: 150px;" type="text"/>
* c. State	<input style="width: 150px;" type="text"/>
* d. Local	<input style="width: 150px;" type="text"/>
* e. Other	<input style="width: 150px;" type="text"/>
* f. Program Income	<input style="width: 150px;" type="text"/>
* g. TOTAL	<input style="width: 150px;" type="text"/>
<b>* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?</b>	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input style="width: 100px;" type="text"/> .	
<input type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input type="checkbox"/> c. Program is not covered by E.O. 12372.	
<b>* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)</b>	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
If "Yes", provide explanation and attach	
<input style="width: 200px;" type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
<b>21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)</b>	
<input type="checkbox"/> <b>** I AGREE</b>	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
<b>Authorized Representative:</b>	
Prefix: <input style="width: 100px;" type="text"/>	* First Name: <input style="width: 150px;" type="text"/>
Middle Name: <input style="width: 150px;" type="text"/>	
* Last Name: <input style="width: 150px;" type="text"/>	
Suffix: <input style="width: 100px;" type="text"/>	
* Title: <input style="width: 150px;" type="text"/>	
* Telephone Number: <input style="width: 100px;" type="text"/>	Fax Number: <input style="width: 100px;" type="text"/>
* Email: <input style="width: 150px;" type="text"/>	
* Signature of Authorized Representative: <input style="width: 150px;" type="text"/>	* Date Signed: <input style="width: 100px;" type="text"/>

## Grants.gov Form Instructions

Form Identifiers	Information
Agency Owner	Grants.gov
Form Name	Application for Federal Assistance (SF-424) V4.0
OMB Number	4040-0004
OMB Expiration Date	11/30/2025

## Form Field Instructions

Field Number	Field Name	Required or Optional	Information
1.	Type of Submission:	Required	<p>Select one type of submission in accordance with agency instructions.</p> <ul style="list-style-type: none"> <li>• Pre-application</li> <li>• Application</li> <li>• Changed/Corrected Application - Check if this submission is to change or correct a previously submitted application. Unless requested by the agency, applicants may not use this form to submit changes after the closing date.</li> </ul>

Field Number	Field Name	Required or Optional	Information
2.	Type of Application	Required	<p>Select one type of application in accordance with agency instructions.</p> <ul style="list-style-type: none"> <li>• New - An application that is being submitted to an agency for the first time.</li> <li>• Continuation - An extension for an additional funding/budget period for a project with a projected completion date. This can include renewals.</li> <li>• Revision - Any change in the federal government's financial obligation or contingent liability from an existing obligation. If a revision, enter the appropriate letter(s). More than one may be selected.</li> </ul> <p> A: Increase Award  B: Decrease Award  C: Increase Duration  D: Decrease Duration  E: Other (specify)  AC: Increase Award, Increase Duration  AD: Increase Award, Decrease Duration  BC: Decrease Award, Increase Duration  BD: Decrease Award, Decrease Duration </p>
3.	Date Received:	Required	Enter date if form is submitted through other means as instructed by the Federal agency. The date received is completed electronically if submitted via Grants.gov.
4.	Applicant Identifier:		Enter the entity identifier assigned by the Federal agency, if any, or the applicant's control number if applicable.
5a.	Federal Entity Identifier:		Enter the number assigned to your organization by the federal agency, if any.



Field Number	Field Name	Required or Optional	Information
5b.	Federal Award Identifier:		For new applications, leave blank. For a continuation or revision to an existing award, enter the previously assigned federal award identifier number. If a changed/corrected application, enter the federal identifier in accordance with agency instructions.
6.	Date Received by State:		Leave this field blank. This date will be assigned by the state, if applicable
7.	State Application Identifier:		Leave this field blank. This identifier will be assigned by the state, if applicable.
8.	Applicant Information:		Enter the following in accordance with agency instructions.
	a. Legal Name:	Required	Enter the legal name of the applicant that will undertake the assistance activity. This is the organization that has registered with the System for Award Management (SAM). Information on registering with SAM may be obtained by visiting SAM.gov.
	b. Employer/Taxpayer Number (EIN/TIN):	Required	Enter the employer or taxpayer identification number (EIN or TIN) as assigned by the Internal Revenue Service. If your organization is not in the US, enter 44-4444444.
	c. UEI:	Required	Enter the organization's UEI received from SAM. The UEI is a unique 12 character organization identifier. Information on registering with System for Award Management (SAM.gov) may be obtained by visiting the Grants.gov website.
	d. Address:	Required	Enter address: Street 1 (required); City (required); County/Parish, State (required if country is US); Province; Country (required); 9-digit ZIP/Postal Code (required if country is US). If +4 does not exist for the address, enter "0000".
	e. Organizational Unit		Enter the name of the primary organizational unit, department, or division that will undertake the assistance activity.

Field Number	Field Name	Required or Optional	Information
	f. Name and contact information of person to be contacted on matters involving this application	Required	Enter the first and last name (required); prefix, middle name, suffix, and title. Enter organizational affiliation if affiliated with an organization other than that in 7.a. Telephone number and email (required); fax number.

Field Number	Field Name	Required or Optional	Information
9.	Type of Applicant: Select Applicant Type	Required	<p>Select a minimum of one applicant type or select up to three applicant types in accordance with agency instructions. If “Other” is selected, then specify Other Type of Applicant in text box.</p> <p> A: State Government  B: County Government  C: City or Township Government  D: Special District Government  E: Regional Organization  F: U.S. Territory or Possession  G: Independent School District  H: Public/State Controlled Institution of Higher Education  I: Indian/Native American Tribal Government (Federally Recognized)  J: Indian/Native American Tribal Government (Other than Federally Recognized)  K: Indian/Native American Tribally Designated Organization  L: Public/Indian Housing Authority  M: Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)  N: Nonprofit without 501C3 IRS Status (Other than Institution of Higher Education)  O: Private Institution of Higher Education  P: Individual  Q: For-Profit Organization (Other than Small Business)  R: Small Business  S: Hispanic-serving Institution  T: Historically Black Colleges and Universities (HBCUs)  U: Tribally Controlled Colleges and Universities (TCCUs)  V: Alaska Native and Native Hawaiian Serving Institutions  W: Non-domestic (non-US) Entity  X: Other (specify) </p>
10.	Name of Federal Agency:	Required	Enter the name of the federal agency from which assistance is being requested with this application. This information is pre-populated if submitting through Grants.gov.

Field Number	Field Name	Required or Optional	Information
11.	Assistance Listing Number/Title	Required	Enter the Assistance Listing number and title of the program under which assistance is requested, as found in the program announcement, if applicable. This information is pre-populated if using Grants.gov.
12.	Funding Opportunity Number/Title	Required	Enter the Funding Opportunity Number and title of the opportunity under which assistance is requested as found in the program announcement. This information is pre-populated if using Grants.gov.
13.	Competition Identification Number/Title:		Enter the competition identification number and title of the competition under which assistance is requested, if applicable. These fields are pre-populated by Grants.gov if provided by the federal agency.
14.	Areas Affected By Project:		This data element is intended for use only by programs for which the area(s) affected are likely to be different from the place(s) of performance reported on the SF-424 Project/Performance Site Location(s) Form. Add attachment to enter additional areas, if needed.
15.	Descriptive Title of Applicant's Project:	Required	Enter a brief descriptive title of the project. Supporting documents may be attached if specified in agency instructions.


Field Number	Field Name	Required or Optional	Information
16.	Congressional Districts	Required	16a. Enter the applicant's congressional district. 16b. Enter the primary district affected by the program or project. Enter in the following format: 2 character state abbreviation – 3 characters district number, e.g., CA-005 for California 5 <sup>th</sup> district, CA-012 for California 12 <sup>th</sup> district, NC-103 for North Carolina's 103 <sup>rd</sup> district. If all congressional districts in a state are affected, enter "all" for the district number, e.g., MD-all for all congressional districts in Maryland. If nationwide, i.e., all districts within all states are affected, enter US-all. If the program/project is outside the US, enter 00.000. This optional data element is intended for use only by programs for which the area(s) affected are likely to be different than place(s) of performance reported on the SF-424 Project/Performance Site Location(s) form. Attach an additional list of program/project congressional districts, if needed.
17.	Proposed Project Start and End Dates:	Required	Enter the proposed start date and end date of the project.
18.	Estimated Funding:	Required	Enter the amount requested, or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines, as applicable.
19.	Is Application Subject to Review by State Under Executive Order	Required	Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. Select the appropriate box. If "A." is selected, enter the date the application was submitted to the State.

Field Number	Field Name	Required or Optional	Information
20.	Is the Applicant Delinquent on any Federal Debt?	Required	Select the appropriate box. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of federal debt include; but may not be limited to: delinquent audit disallowances, loans, and taxes. If yes, include an explanation in an attachment.
21.	Authorized Representative:	Required	To be signed and dated by the authorized representative of the applicant organization. Enter the first and last name (required); prefix, middle name, and suffix. Enter title, telephone number, fax number, and email. Fax number is not required. A copy of the governing body's authorization for you to sign this application as the official representative must be on file in the applicant's office. (Certain federal agencies may require that this authorization be submitted as part of the application.) If the application is submitted via Grants.gov, the signature of the authorized representative and the date signed are completed upon submission.

Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision
		<b>* If Revision, select appropriate letter(s):</b> <input type="text"/> <b>* Other (Specify):</b> <input type="text"/>
<b>* 3. Date Received:</b> <input type="text"/>		<b>4. Applicant Identifier:</b> <input type="text"/>
<b>5a. Federal Entity Identifier:</b> <input type="text"/>		<b>5b. Federal Award Identifier:</b> <input type="text"/>
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> <input type="text"/>		<b>7. State Application Identifier:</b> <input type="text"/>
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> <input type="text" value="Self-Help Housing, Inc."/>		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> <input type="text" value="12-3456789"/>		<b>* c. UEI:</b> <input type="text" value="ABC12D3E45F6"/>
<b>d. Address:</b>		
<b>* Street1:</b> <input type="text" value="123 Main Street"/> <b>Street2:</b> <input type="text"/> <b>* City:</b> <input type="text" value="Anytown"/> <b>County/Parish:</b> <input type="text" value="My County"/> <b>* State:</b> <input type="text" value="FL: Florida"/> <b>Province:</b> <input type="text"/> <b>* Country:</b> <input type="text" value="USA: UNITED STATES"/> <b>* Zip / Postal Code:</b> <input type="text" value="33870-1987"/>		
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> <input type="text"/>		<b>Division Name:</b> <input type="text"/>
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> <input type="text" value="Mr."/> <b>* First Name:</b> <input type="text" value="John"/> <b>Middle Name:</b> <input type="text"/> <b>* Last Name:</b> <input type="text" value="Smith"/> <b>Suffix:</b> <input type="text"/> <b>Title:</b> <input type="text" value="Executive Director"/> <b>Organizational Affiliation:</b> <input type="text"/> <b>* Telephone Number:</b> <input type="text" value="123-456-7890"/> <b>Fax Number:</b> <input type="text" value="123-456-7891"/> <b>* Email:</b> <input type="text" value="jsmith@gmail.com"/>		

Application for Federal Assistance SF-424
<p><b>* 9. Type of Applicant 1: Select Applicant Type:</b></p> <p>M: Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)</p> <p>Type of Applicant 2: Select Applicant Type:</p> <p>Type of Applicant 3: Select Applicant Type:</p> <p>* Other (specify):</p>
<p><b>* 10. Name of Federal Agency:</b></p> <p>USDA/Rural Housing Service</p>
<p><b>11. Catalog of Federal Domestic Assistance Number:</b></p> <p>10-420</p> <p>CFDA Title:</p> <p>Rural Self-Help Housing Technical Assistance</p>
<p><b>* 12. Funding Opportunity Number:</b></p> <p></p> <p>* Title:</p> <p></p>
<p><b>13. Competition Identification Number:</b></p> <p></p> <p>Title:</p> <p></p>
<p><b>14. Areas Affected by Project (Cities, Counties, States, etc.):</b></p> <p>Anytown, My County, Florida</p> <p>Add Attachment Delete Attachment View Attachment</p>
<p><b>* 15. Descriptive Title of Applicant's Project:</b></p> <p>Section 523 Self-Help Technical Assistance Grant from USDA/RHS to construct 12 single family homes using the self-help method over a 2 year period.</p>
<p>Attach supporting documents as specified in agency instructions.</p> <p>Add Attachments Delete Attachments View Attachments</p>



<b>Application for Federal Assistance SF-424</b>	
<b>16. Congressional Districts Of:</b>	
* a. Applicant: <input type="text" value="1st"/>	* b. Program/Project: <input type="text" value="1st"/>
Attach an additional list of Program/Project Congressional Districts if needed.	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
<b>17. Proposed Project:</b>	
* a. Start Date: <input type="text" value="03/01/2025"/>	* b. End Date: <input type="text" value="02/28/2027"/>
<b>18. Estimated Funding (\$):</b>	
* a. Federal	<input type="text" value="400,000.00"/>
* b. Applicant	<input type="text"/>
* c. State	<input type="text"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="400,000.00"/>
<b>* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?</b>	
<input type="checkbox"/> a. This application was made available to the State under the Executive Order 12372 Process for review on <input type="text"/> .	
<input checked="" type="checkbox"/> b. Program is subject to E.O. 12372 but has not been selected by the State for review.	
<input type="checkbox"/> c. Program is not covered by E.O. 12372.	
<b>* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)</b>	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes", provide explanation and attach	
<input type="text"/>	<input type="button" value="Add Attachment"/> <input type="button" value="Delete Attachment"/> <input type="button" value="View Attachment"/>
<b>21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)</b>	
<input checked="" type="checkbox"/> ** I AGREE	
** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
<b>Authorized Representative:</b>	
Prefix: <input type="text" value="Mr."/>	* First Name: <input type="text" value="John"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Smith"/>	
Suffix: <input type="text"/>	
* Title: <input type="text" value="Executive Director"/>	
* Telephone Number: <input type="text" value="123-456-7890"/>	Fax Number: <input type="text" value="123-456-7891"/>
* Email: <input type="text" value="jsmith@gmail.com"/>	
* Signature of Authorized Representative: 	* Date Signed: <input type="text" value="02/27/2025"/>

## TAB 2 – WAITING LIST OF PARTICIPANTS

Information on families that have been personally contacted and are interested in participating in the self-help housing program is required in the application. Their names, as well as addresses, telephone number, number of persons in their household, and the total annual income are required. It is also helpful if a contact date is included.

It is also helpful to include demographic information for the families on the waiting list. Loan packagers should make a ‘best guess’ determination if the information is not furnished by the applicant.

Given that it is difficult to qualify participants for the program even if they are interested, it is recommended to include at least three times as many potential participants as would be needed to complete the grant.

A sample waiting list follows.

### S A M P L E

#### WAITING LIST OF FAMILIES CONTACTED AND INTERESTED IN PARTICIPATING IN THE SELF-HELP HOUSING PROGRAM

If the Self-Help Housing Program comes to this area, I am interested in participating. I have been explained the program and understand the 65% labor requirement.

	Name	Address	Telephone Number	Number of Persons in Household	Total Household Annual Income	Race	Ethnicity	Sex
1	Mary and Kane Li	123 America Street, Anywhere, FL 33852	863-385-1234	4	\$28,000	Asian	Not Hispanic or Latino	F/M
2	Joseph P. Alberts	4123 Unitas Avenue, Apt 444 Anywhere, FL 33852	863-214-4321	6	\$33,000	White	Not Hispanic or Latino	M
3	Alberta Victoria Ruiz	6732 Florida Avenue Anywhere, FL 33852	863-386-3241	3	\$25,000	Black	Latino	F

## TAB 3 – PROOF THAT THE PARTICIPANTS IN THE FIRST GROUP HAVE QUALIFIED FOR ASSISTANCE

In addition to the list of names and information of potential participants, proof is required that the first group of participants has been qualified or determined “eligible” by the local RD office (or other funding source, if applicable). Such proof will be HB Letter 16-A or 16-B from RD.

In order to be determined eligible, the full mortgage loan application must be processed and reviewed by RD. Once the applicant’s eligibility has been verified, the RD Loan Originator uses verified information to determine the amount of payment subsidy and the maximum loan amount the applicant will be able to receive. Based on this information, the Loan Originator will issue an eligibility letter to the participant. In addition to the letters of eligibility, it is recommended to include a narrative cover page in this section. This narrative should include the number of families in the first group, a list of the family names, their total building cost amount, their total 502 loan amount, and any other loans or grants that will be used for that participant.

If the RD loan does not cover the complete building cost, including land cost, please add a narrative indicating how the gap is being covered. This may be paid for with local or state grants, first time home buyer awards, or second loans. If additional liens are placed on the mortgage, be certain that the RD local office is aware of the additional loans. This will affect the debt-to-income ratios. If these additional funds are being used, please provide proof that these funds have been secured.

For Rehab, the application requires proof that approximately 10% of the participants have qualified for assistance.

A blank sample HB Letter 16A is included. This is the Eligibility Letter for Self-Help Applicants; it is used for both new construction and acquisition repair as proof of eligibility. If the applicant is going to do owner-occupied rehab, Rural Development personnel would use HB Letter 16B, which is also included.

REFERENCE: Field Office Handbook Chapter 4

SUBJECT: Eligibility of Self-Help Applicants- New Construction or Acquisition Rehabilitation

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---

Date: [ insert today's date ]

[ insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.) ]

[ insert applicant(s) street/post office address ]

[ insert city, state, and zip code ]

Dear [ insert applicant last name(s) (Mr., Mrs., Ms.) ]:

You have been determined eligible for Rural Housing Service (RHS) financing for {INSERT- CONSTRUCTION, OR ACQUISITION REHABILITATION} of a modest single family home under the Self-Help program. Eligibility is based on income and financial information that is verified within 180 days of loan approval and closing. Loan approval and closing are subject to the continued eligibility of the applicant and the availability of loan funds. Changes in your financial status (income and expenses) must be reported to RHS, and may affect your eligibility and the amount of loan for which you qualify. RHS has determined that you qualify for a Self-Help loan up to the amount of \$ in \_\_\_\_\_ County, based on a down payment of \$ \_\_\_\_\_, estimated annual real estate taxes of \$ \_\_\_\_\_ and insurance of \$ \_\_\_\_\_.

Funding Source	Funding Amount	Term (Yrs.)	Interest Rate
1. RHS			
2.			
3.			
4.			
TOTAL FUNDING AMOUNT:			

- The RHS interest rate noted above is the full note rate in effect as of the date of this notification.
- The RHS interest rate is not locked in and is subject to change on the 1st of each month until locked at the lower rate in effect at the time of the loan approval (as evidenced by issuance of Form RD 3550-7, Funding Commitment and Notification of Loan Closing), or closing.
- You may be eligible for a subsidy that reduces the interest rate charged against the RHS loan. This payment subsidy is not a grant and is subject to recapture.

Subject to completion of homeownership education - Yes    No    ☐

This eligibility expires on {INSERT DATE 180 DAYS FROM ISSUANCE}, at which time this application must be reviewed with the self-help grantee for potential withdrawal.

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(01-23-03) SPECIAL PN  
Revised (05-05-25) PN 640

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

The Fair Housing Act prohibits discrimination in real estate related transactions, or in the terms or conditions of such a transaction, because of race, color, religion, sex, disability, familial status, or national origin. The federal agency that is responsible for enforcing this law is the U. S. Department of Housing and Urban Development. If a person believes that they have been discriminated against in violation of this law, they should contact the U. S. Department of Housing and Urban Development, Washington, D.C. 20410 or call (800) 669-9777.

Sincerely,

[ insert name of Loan Approval Official ]

[ insert title of Loan Approval Official ]

REFERENCE: Field Office Handbook Chapter 4

SUBJECT: Eligibility of Self-Help Applicants-Owner Occupant Rehabilitation

---

Date: [ insert today's date ]

[ insert applicant(s) first/mi/last name(s) (Mr., Mrs., Ms.) ] [ insert applicant(s) street/post office address ]  
[ insert city, state, and zip code ]

Dear [ insert applicant last name(s) (Mr., Mrs., Ms.) ]:

You have been determined eligible for Rural Housing Service (RHS) financing for owner occupant rehabilitation of a modest single family home under the Self-Help program. Eligibility is based on income and financial information that is verified within {INSERT 120 OR 180 AS APPLICABLE} days of approval and closing. {INSERT LOAN, LOAN GRANT COMBO, OR GRANT} approval and closing are subject to the continued eligibility of the applicant and the availability of funds.

Changes in your financial status (income and expenses) must be reported to RHS, and may affect your eligibility and the amount for which you qualify. RHS has determined that you qualify for a Self-Help {INSERT LOAN, LOAN GRANT COMBO, OR GRANT} in \_\_\_\_\_ County, up to the amount of \$ \_\_\_\_\_ loan and \$ \_\_\_\_\_ grant.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Trade Commission. If a person believes he or she was denied assistance in violation of this law, they should contact the Federal Trade Commission, Washington, D.C. 20580.

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Sincerely,

[ insert name of Loan Approval

Official ] [ insert title of Loan

Approval Official ]

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(01-23-03) SPECIAL PN  
Revised (02-09-24) PN 606

## TAB 4 – LOT OPTIONS FOR THE FIRST GROUP

For a New Construction application, it is required that you have control of and availability of land.

You must have evidence of control of eligible lots for the first group. This evidence would be either a purchase agreement (or a copy of the deed if owned) or option agreements for all of the land that is needed for the first group of participants. A group must consist of a minimum of four families.

Attached is a blank Option to Purchase, as well as the link, [RD3550-34.PDF \(usda.gov\)](#). This is an optional form, and other formats can be acceptable.

Controlling land in a timely manner is critical to ongoing activity for your self-help program. It's critical because so many other activities depend upon it, the primary one being construction. The situation you don't want to experience is one in which approved families are anxious to get started, full-time staff is onboard, and subcontractors are scheduled but no land.

The process of controlling land is often complicated by the need for interim financing. Interim financing is often a must in areas where land is costly and scarce. In such areas, many grantees must financially secure land well ahead of the time when a participant's 502 loan money is secured. You can take control of the land either by purchasing it or by entering into an option agreement. Caution!! Section 523 grant funds cannot be used either to option or purchase land. RD Instruction 1944-I, Exhibit F provides information about the Section 523 Site Loan program. The program is a viable option available to grantees for assistance in obtaining land.

Before RD approves the use of a site, the lot has to meet certain requirements. The most important aspect to RD is that the site is in an eligible rural area. This is defined as being in open country and communities up to a population of 10,000 if it is rural in character, or cities between 10,000 and 20,000 populations outside MSAs that lack mortgage credit for low- and moderate-income households. Or it can be an area classified as rural prior to 1990 within an MSA with a population of less than 35,000.

For more information on rural areas, including definition, exceptions, review criteria, and current property eligibility sites refer to Rural Area Designation: HB-1-3550, Chapter 5 Property Requirements.

RD also requires Environmental Reviews (ER) for housing projects prior to approving financial assistance. The ER must be done in accordance with the National Environmental Policy Act (NEPA), a law that supports efforts to stimulate the health and welfare of humankind while safeguarding their environment.

The level of review depends on the type of project. NEPA's three classes of action include:

- Categorical Exclusion—for projects with less than five homes that do not have any impact on environmental resources. The review, Form RD 1940-22, is completed by Rural Development staff.
- Environmental Assessment—for projects that have a higher potential for impact on the environment (subdivisions). The State Historic Preservation Officer (SHPO) should be notified of the proposed project. RD may request information from the grantee in order for RD to complete Form RD 1940-20,

- Environmental Impact Statement (EIS) - for projects or proposals that will have a significant impact on the quality of the environment. Not applicable to most housing projects.

It is the responsibility of the grantee to provide the necessary information to Rural Development to determine what type of review is required and to complete their review. Rural Development can guide you through the process. Detailed requirements can be located in RD Instruction 1970.

For a Rehab application, this section is not applicable. RD will complete an environmental review if their funding is used for the project.



UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT

OPTION TO PURCHASE REAL PROPERTY

1. In consideration of the sum of \$\_\_\_\_\_ Earnest Money in hand paid, the undersigned (hereinafter called the "Seller"), who covenants to be the owner thereof, hereby, for the Seller and the Seller's heirs, executors, administrators, successors and assigns, offers and agrees to sell and convey to

\_\_\_\_\_  
(Buyer's Name, Address, Telephone Number)

(hereinafter called the "Buyer"), and hereby grants to the said Buyer the exclusive and irrevocable option and right to purchase, under the conditions hereinafter provided, the following-described property, located in

\_\_\_\_\_ County, State of \_\_\_\_\_ : Physical Address \_\_\_\_\_

(See attachment for full legal description)

The title to said property is to be conveyed free and clear of all encumbrances except for the following reservations, exceptions and leases, and no others: (See attachment for a full statement of all reservations and exceptions.)

2. The option is given to enable the Buyer to obtain a loan made by the United States of America, acting through the Rural Housing Service, hereinafter called the "Government," for the purchase of said property. It is agreed that the Buyer's efforts to obtain a loan constitute a part of the consideration for this option and any down payment will be refunded if the loan cannot be processed by the Government or insured because of defects in the title or other land now owned by, or being purchased by, the buyer.

3. The total purchase price for said property is \$\_\_\_\_\_ ; said amount ☐ includes ☐ excludes the dollar amount mentioned in paragraph 1.

4. The Seller agrees to pay all normal selling expenses for the above-mentioned county. ☐ Except for the following as agreed upon by both parties. (Attach list of closing costs to be paid by each party.)

5. Upon Buyer's exercise of the option, the Seller further agrees to convey said property to the Buyer by general warranty deed (except where the law provides otherwise for conveyances by trustees, officers of courts, etc.) in the form, manner and at the time required by the Government conveying to the Buyer a valid, unencumbered, indefeasible fee-simple title to said property meeting all requirements of the Government.

6. ☐ Taxes and other general and special assessments of whatsoever nature for the year in which the closing of the transaction takes place shall be prorated as of the date of the closing of the transaction and paid by the seller. If the closing of the transaction shall occur before the tax rate is fixed, the apportionment of taxes shall be on the basis of the tax rate for the next preceding year applied to the latest assessed valuation. ☐ Any different tax agreement is attached.

7. This option may be exercised by the Buyer at any time while the offer herein shall remain in force, by mailing, telegraphing or delivering in person a written notice of acceptance of the offer herein to the Seller(s). The offer herein shall remain irrevocable for a period of \_\_\_\_\_ months from the date hereof and shall remain in force thereafter until one (1) year from the date hereof unless earlier terminated by the Seller. The Seller may terminate this offer at any time after the \_\_\_\_\_ months irrevocable period provided herein by giving to the Buyer ten (10) days written notice of intention to terminate at the address of the Buyer. Acceptance of this option by the Buyer within ten (10) days after the Buyer receives such notice shall constitute a valid acceptance of the option. Possession of described property will be at Loan Closing. Closing will be scheduled to occur within 30 days of Buyer's exercise of this option unless the parties otherwise mutually agree in writing.

8. Loss or damage to the property by fire or from an act of God shall be at the risk of the Seller until the deed to the Buyer has been recorded, and in the event that such loss or damage occurs, the Buyer may, without liability, refuse to accept conveyance of title, or may elect to accept conveyance of title, in which case there shall be an equitable adjustment of the purchase price.

9. ☐ The Seller agrees to furnish at Seller's expense (unless other agreements were made in the attachment to paragraph 4), to the Buyer a certificate from a reliable firm certifying that the following described building(s) covered by this option (a) is now free of infestation by wood destroying pests and organisms, and (b) either is now free of unrepaired damage from wood destroying pests and organisms or has suffered unrepaired damage from such cause which is specifically described in the certificate during the option period.

*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 0575-0172. The time required to complete this information collection is estimated to average 5 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.*

RD 3550-34 (03-04)

10. The Seller agrees to furnish, at the Seller's expense, (unless other agreements were made in the attachment to paragraph 4) to the Buyer evidence from the Health Department or an approved reliable and competent source that the waste disposal system for the dwelling is functioning properly, and the water supply for domestic use meets State Health Department requirements.

11. ☐ Other (see attached)

#### LEAD-BASED PAINT INSPECTION/RISK ASSESSMENT

- ☐ Buyer has received the form "Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards."
- ☐ Buyer has been informed that the property was constructed after Jan 1, 1978, and **should not contain** lead-based paint or lead-based \_\_\_\_\_ paint hazard; or
- ☐ Buyer has been informed that the property was constructed before 1978, and **may contain** lead-based paint.
- ☐ Buyer has received a copy of the pamphlet "Protect Your Family From Lead in Your Home."
- ☐ Buyer has been advised of their rights regarding lead-based paint inspections and risk assessments, and
- ☐ Buyer **has waived** opportunity to have an inspection and/or risk assessment to check for the presence of lead-based paint or a lead-based paint hazard; or
- ☐ Buyer **would like** a lead-based paint inspection and/or lead-based paint risk assessment. The contract will be contingent on the results of the lead-based paint inspection and/or lead-based paint risk assessment.
- ☐ Contingency will terminate 10 days after this contract is accepted unless buyer or selling agent deliver written contract addendum listing deficiencies and corrections needed.
- ☐ Seller shall indicate in writing within 10 days of delivery of an addendum whether they will correct the condition(s) or make a counter offer.
- ☐ If the seller will not make corrections or makes a counter offer, the buyer shall have 3 days to respond or remove the contingency. The buyer may remove a contingency at any time without cause.

**IF THIS OFFER IS NOT ACCEPTED BY THE SELLER(S), THE EARNEST MONEY WILL BE RETURNED TO THE BUYER(S). THIS IS A LEGAL AND BINDING CONTRACT.**

We, the undersigned, have read the Informational Disclosure and Acknowledgment form and completed the blanks to the best of our knowledge.

\_\_\_\_\_  
(Seller's printed name and telephone number)

\_\_\_\_\_  
(Seller's printed name and telephone number)

\_\_\_\_\_  
(Seller's Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Seller's Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Buyer's Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Buyer's Signature)

\_\_\_\_\_  
Date

## TAB 5 – EVIDENCE OF LOT AVAILABILITY FOR THE REMAINING GROUPS

Include evidence that there are lots available for the remaining families. This may include lists of residential lots and developable land for sale in the area. Maps as well as estimated cost of developing the lots should be included. It is imperative you continue working to locate suitable building sites throughout the duration of the grant.

It is recommended to include a narrative summarizing what is available. Include information on whether site development is required and the length of time and the amount of money that this will take.

For a Rehab application, you must prove that there are homes in the area that need rehabbing and are affordable and appropriate for the program. Include a listing of potential program homes for sale or owner-occupied properties identified in the service area. This can be obtained using various sources to include the Multiple Listing Service (MLS).

## TAB 6 – HOUSE PLANS, SPECIFICATIONS AND DETAILED COST ESTIMATES

House plans, specifications and detailed cost estimates need to be included in the application. Specific criteria that is described in the next several pages will need to be listed.

When submitting a Rehab application, different information needs to be included. You will need to describe how the home inspection is to be completed, scope of work, cost estimating, cost savings and subcontractor selection process will be completed and documented. This should be done in narrative form, including policies when appropriate. Samples of the above are included later in this section.

## **Tab 6a – House Plans**

House plans are required for every model that will be built during the grant period. A complete set of house plans consists of the plans and blueprints, including a foundation plan, floor plan, cross section, front and rear elevations, and right and left side elevations; specifications, which include a Description of Materials- Form 1924-2 and detailed cost estimates. Each set of plans must also have a Plan Certification, Form RD 1924-25. Included are the Description of Materials and the link, [RD1924-2.PDF \(usda.gov\)](#), as well as a Plan Certification and the link, [PLAN CERTIFICATION \(usda.gov\)](#) and a sample Cost Estimate.

### **Codes and Standards**

Local and state building codes set the minimum for acceptable material and construction standards for structural integrity, plumbing, heating, electrical installation, windows and ventilation, and safety issues. You do need to research building codes for each group due to the fact that each community has their own unique house design regulations, building codes do change, and the setback requirements can differ from site to site.

As well as conforming to state and local building codes, you must follow RDs standards. These standards require adherence to their thermal performance standards (1924-A, Exhibit D) and the dwelling must be affordable to the family and contain no income producing facilities.

### **Obtaining House Plans**

There are several ways to obtain house plans. You can visit a local building supplier, check out a house plan book, and talk to Rural Development, your T&MA Contractor, or other self-help housing providers. You can select plans from any source, as long as RD approves them.

### **Cost of obtaining plans and what plans to obtain**

Another item to take into consideration is the cost of obtaining the house plans. All options should be carefully considered to determine which is the best cost/value option. Grantees may purchase a master set of plans. It is possible for the applicant to purchase plans at their expense. At the very minimum, blueprints should be made up of 5 pages: the first page being a foundation plan, then floor plan; cross section; front and rear elevations and left and right-side elevations. Other pages may consist of electrical, plumbing and mechanical plans, energy calculations, site plan and specifications. The more information you have on your plans the easier it will be to get them approved.

### **Standardize Plans**

When obtaining house plans, self-help organizations should standardize the plans as much as possible. Grantees need to review the house plans periodically. This will assist in keeping the homes affordable and meeting the needs of the service area. For example, the cabinet and kitchen arrangement in the houses can be standardized, as can the size and arrangement of the bathroom. The purpose of standardization is two-fold: 1.) The cost estimate and use of materials in the houses will remain the same and 2.) The construction supervisor and participant families will become familiar with the plans during construction. It is not recommended to offer families a large variety of plans to choose from. It is better to limit the plans offered to a reasonable number. For example, it is recommended that self-help grantees provide a limited selection of basic plans in order to simplify the management required to operate a successful program. These basic plans should be of varying living areas and varying number of bedrooms, depending on the sizes that the grantee finds most in demand based on a survey of the target area.

## **Tab 6b – Developing Specifications**

After deciding on a particular set of house plans, the next item is to develop a specification sheet. Form 424-2, “Description of Materials” should be used when recording specifications.

If an architect is providing the blueprints, always ask if a specification sheet will be included. If the sheet isn’t automatically included, explain the importance of the specification sheet in getting RD’s approval. Usually there will be no additional cost for this service. If you need help with the specifications, contact your T&MA contractor. The material identification shall be in sufficient detail to fully describe the material, size, grade and, when applicable, manufacturer’s model or identification numbers. When necessary, additional sheets must be attached as well as manufacturers’ specification sheets for equipment and/or special materials, such as aluminum or vinyl siding or carpeting. Keep in mind the design must meet the following requirements in order to be eligible for Section 502 financing: RD’s guidelines regarding affordability and no income-producing facilities. These instructions will be very helpful when filling out the specifications to ensure that each homeowner gets materials of the quality required by RD and that conform to any state or local building codes.

All specification sheets should be carefully inspected before being submitted to ensure everything indicated in the house plans is reflected in the specifications. An individual family must also check each set to make sure they reflect any changes. When inspections are performed, they will refer to the plans and specs submitted in the loan application. If any questions arise concerning the construction of the house, the plans and specifications that were submitted to RD will provide the final criteria.

Obtaining house plans and specifications is no different from anything else. The more information you have, the easier the final outcome will be. RD must concur with the plans and specs.

## **Tab 6c – Cost Estimates**

One of your primary responsibilities is to accurately estimate the cost of each family's home before it is built. These cost estimates must be accurate, as they eventually become a family's 502 mortgage, so avoid making estimates that are unrealistically low or high. Generally, cost estimates should range from 2%-3% over the actual cost of the house when it's built, but never under. Handbook 3550, 5.23, A. states, "The development budget may include an amount for contingencies not to exceed five percent of the construction cost for unusual and unforeseen circumstances beyond the contractor's or borrower's control." If you underestimate the cost of construction, you may force the family to seek a second, "subsequent," mortgage loan to pay the increased cost of building their house. If the costs are overestimated, the family might not get all the deserved "sweat equity" in their house, by having an original mortgage amount that is larger than needed. For both reasons, it is important that the cost of the homes is assessed accurately. If there is a significant time period between the time of actual construction and the time the cost estimates were obtained, you update the figures so that they reflect current market prices.

Generally, there are four types of costs: construction materials, subcontracted labor, land, and other variable costs (soft costs).

### **Construction Materials**

To determine the quantity and quality of construction materials required by a house plan, a materials take-off is required. To do a take-off, the Construction Supervisor must sit down with the drawings of a single house plan and carefully record the materials that are called for in the drawings. At the end of a take-off session, you should have a full listing of all the materials (quantity and quality) required for a single house plan.

To get the best price on materials for the families, it is a good idea to get bids on the materials. Before doing this, you must describe the project in detail, including the material to be used and quantity. Outline the time frame in which you anticipate needing certain materials; then set a date for the bidding deadline. After obtaining the material bids visit the center or lumberyard to meet with the salesperson. Discuss the delivery format, return policy, service area and inquire about credit accounts for the families. After doing this you should be able to select the place from where you are going to get your materials.

Some lumber yards, such as Lowe's, Home Depot, etc., may also be able to give discounts for bulk purchases or guarantee a lumber price in advance. These can also be a valuable resource in helping with cost estimates.

### **Subcontractors**

You must next decide which of the construction activities will be subcontracted. Generally, these are the activities that cannot be performed by the families, such as licensed HVAC, electrical work and plumbing. Use Exhibit B-2 of 1944-I, the family construction tasks must equal at least 65% of construction activities. Keep in mind, only the cost estimates are needed in the application.

To now determine what the subcontractors' charges will be, you must request bids. This does not have to be a formal bidding process, but it does help if you have already established a procedure for choosing a subcontractor. In the bid request describe the project, the materials and/or work to be done, outline the requirements and the anticipated timeframes, make the plans and specs available to them, and set a date for the bidding deadline. After obtaining bids, interview the potential subcontractors. Ask for client references, view their past jobs, inquire about their insurance coverage, question them to determine their integrity and timeliness.

After receiving all of the necessary information and making the decision, it is a good idea to include the families at this stage. They will be the ones to sign contracts with the subcontractors, so they need to feel some responsibility in making the decision. Your organization, however, should advise them based on your review.

### **Land and Other Variable Costs**

In addition to construction materials and subcontracting, you must also decide what other costs will be covered by the 502 loan. Below are listed several general construction costs.

1. Land
2. Fees and overhead: Fees can include such items as building permits, closing costs, accident insurance, surveys, and water and sewer connections. Overhead items are those costs that are not specific to a single site, such as power poles, temporary power, portable toilets, and trash pickup.
3. Appliance and equipment: This should include such items as a range stove, kitchen fan, exhaust fan, etc.
4. Site improvements: Includes grading, fences (where permitted) and driveways.
5. Landscaping includes top soil, seeding and shrubs.
6. Contingency funds: In spite of your best planning, problems and unavoidable delays may occur during the program. You need to prepare for this by including some type of contingency item in the cost estimate.

### **Plan Certification**

The plans, specifications, calculations, and any modifications should be certified by the design professional on Form RD 1924-25, Plan Certification, to ensure that the appropriate codes and standards are met.



## PLAN CERTIFICATION

(Property Name/Applicants Name and Case Number)	
(Property Address)	(City)
(County)	(State)

BUILDING TYPE: ☐ Single Family ☐ Multi-Family  
PLANS: ☐ Original ☐ Modifications

I, \_\_\_\_\_ being a \_\_\_\_\_  
(type or print) (licensed architect, engineer, or authorized building official, etc.)  
in the State of \_\_\_\_\_, hereby certify that I have reviewed:

- ☐ the plans and specifications dated \_\_\_\_\_ prepared by \_\_\_\_\_  
(name of firm or individual)  
for the above property
- ☐ the thermal performance plans, specifications and calculations dated \_\_\_\_\_  
prepared by \_\_\_\_\_ for the above property  
(name of firm or individual)
- ☐ the seismic design (plans and specifications) dated \_\_\_\_\_ prepared by \_\_\_\_\_  
\_\_\_\_\_ for the above property  
(name of firm or individual)
- ☐ modifications listed below, that have been clearly indicated on the drawings and specifications  
dated \_\_\_\_\_ prepared by \_\_\_\_\_ and certified by \_\_\_\_\_  
(name of firm or individual)  
\_\_\_\_\_ and related to the above property  
(name of firm or individual)

### MODIFICATIONS

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According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not 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 0575-0042 and 0575-0189, which expires 03/31/2026. The time required to complete this information collection is estimated to average 10 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 information. All responses to this collection of information are voluntary. Any questions on this burden can be sent to [ICRMTRRequests@usda.gov](mailto:ICRMTRRequests@usda.gov).

Based upon this review, to the best of my/our knowledge, information, and belief, these documents comply with the:

\_\_\_\_\_ and  
(name and edition of the applicable development standard)

\_\_\_\_\_  
(name and edition of the applicable energy standards/requirements in accordance with RD Instruction 1924-A, Exhibit D)

designated as the applicable Rural Development or Farm Service Agency development standards for this project.

I understand the purpose of this certification is to induce United States Government to finance the construction of the above project and plan. I further understand that false certification constitutes a violation of 18 U.S.C. Section 1001 punishable by fine and/or imprisonment and, in addition, may result in debarment from participating in future government programs.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Type or print name)

\_\_\_\_\_  
(Professional Registration No.)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Expiration Date if applicable)

\_\_\_\_\_  
(Area Code + Telephone Number)

☐ **Proposed Construction**

## DESCRIPTION OF MATERIALS

No. \_\_\_\_\_

☐ **Under Construction**

(To be inserted by Agency)

Property address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_

Mortgagor or Sponsor \_\_\_\_\_  
(Name) (Address)

Contractor or Builder \_\_\_\_\_  
(Name) (Address)

### INSTRUCTIONS

- 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.
- 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 BY LAW IS PROHIBITED.
- 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.

- EXCAVATION:**  
Bearing soil, type \_\_\_\_\_
- 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 \_\_\_\_\_

- 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 \_\_\_\_\_  
Additional information: \_\_\_\_\_

- FIREPLACES:**  
Type: ☐ solid fuel; ☐ gas-burning; ☐ circulator (make and size) \_\_\_\_\_ Ash dump and clean-out \_\_\_\_\_  
Fireplace: Facing \_\_\_\_\_; lining \_\_\_\_\_; hearth \_\_\_\_\_; mantel \_\_\_\_\_  
Additional information: \_\_\_\_\_

- EXTERIOR WALLS:**  
Wood frame: wood grade, and species \_\_\_\_\_ ☐ Corner bracing. Building paper or felt \_\_\_\_\_  
sheathing \_\_\_\_\_; thickness \_\_\_\_\_; width \_\_\_\_\_ ☐ solid; ☐ space \_\_\_\_\_ O.C.; ☐ diagonal; \_\_\_\_\_  
Siding \_\_\_\_\_; grade \_\_\_\_\_; type \_\_\_\_\_; size \_\_\_\_\_; exposure \_\_\_\_\_; fastening \_\_\_\_\_  
Shingles \_\_\_\_\_; grade \_\_\_\_\_; type \_\_\_\_\_; size \_\_\_\_\_; exposure \_\_\_\_\_; fastening \_\_\_\_\_  
Stucco \_\_\_\_\_; thickness \_\_\_\_\_; Lath \_\_\_\_\_, weight \_\_\_\_\_ lb.  
Masonry veneer \_\_\_\_\_ Sills \_\_\_\_\_ Lintels \_\_\_\_\_ Base flashing \_\_\_\_\_  
Masonry: ☐ solid ☐ faced ☐ stuccoed; total wall thickness \_\_\_\_\_; facing thickness \_\_\_\_\_; facing material \_\_\_\_\_  
Backup material \_\_\_\_\_; thickness \_\_\_\_\_; bonding \_\_\_\_\_  
Door sills \_\_\_\_\_ Window sills \_\_\_\_\_ Lintels \_\_\_\_\_ Base flashing \_\_\_\_\_  
Interior surfaces: dampproofing, \_\_\_\_\_ coats of \_\_\_\_\_; furring \_\_\_\_\_  
Additional information: \_\_\_\_\_  
Exterior painting: material \_\_\_\_\_; number of coats \_\_\_\_\_  
Gable wall construction: ☐ same as main walls; ☐ other construction \_\_\_\_\_

- FLOOR FRAMING:**  
Joists: wood, grade, and species \_\_\_\_\_; other \_\_\_\_\_; bridging \_\_\_\_\_; anchors \_\_\_\_\_  
Concrete slab: ☐ basement floor; ☐ first floor; ☐ ground supported; ☐ self-supporting; mix \_\_\_\_\_; thickness \_\_\_\_\_  
reinforcing \_\_\_\_\_; insulation \_\_\_\_\_; membrane \_\_\_\_\_  
Fill under slab: material \_\_\_\_\_; thickness \_\_\_\_\_; Additional information: \_\_\_\_\_

- SUBFLOORING:** (Describe underflooring for special floors under item 21.)  
Material: grade and species \_\_\_\_\_, size \_\_\_\_\_, type \_\_\_\_\_  
Laid: ☐ first floor; ☐ second floor ☐ attic \_\_\_\_\_ sq. ft.; ☐ diagonal; ☐ right angles. Additional information: \_\_\_\_\_

- FINISH FLOORING:** (Wood only. Describe other finish flooring under item 21.)

LOCATION	ROOMS	GRADE	SPECIES	THICK- NESS	WIDTH	BLDG.PAPER	FINISH
First floor							
Second floor							
Attic floor							
Additional information-							

According to the Paperwork Reduction Act of 1995, no agency may not conduct or sponsor, and a person is not 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 0575-0042 and 0575-0189, which expires 03/31/2026. The time required to complete this information collection 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 information. All responses to this collection of information are voluntary. Any questions on this burden can be sent to [ICR2MTRRequests@oanda.gov](mailto:ICR2MTRRequests@oanda.gov).

**9. PARTITION FRAMING:**

Studs: wood, grade, and species \_\_\_\_\_ size and spacing \_\_\_\_\_ Other \_\_\_\_\_

Additional information: \_\_\_\_\_

**10. CEILING FRAMING:**

Joists: wood, grade, and species \_\_\_\_\_ Other \_\_\_\_\_ Bridging \_\_\_\_\_

Additional information: \_\_\_\_\_

**11. ROOF FRAMING:**

Rafters: wood, grade, and species \_\_\_\_\_ Roof trusses (see detail): grade and species \_\_\_\_\_

Additional information: \_\_\_\_\_

**12. ROOFING:**Sheathing: wood, grade, and species \_\_\_\_\_ ☐ solid ☐ spaced \_\_\_\_\_ o.c.

Roofing \_\_\_\_\_; grade \_\_\_\_\_; size \_\_\_\_\_; type \_\_\_\_\_

Underlay \_\_\_\_\_; weight or thickness \_\_\_\_\_; size \_\_\_\_\_; fastening \_\_\_\_\_

Built-up roofing \_\_\_\_\_; number of plies \_\_\_\_\_; surface material \_\_\_\_\_

Flashing: material \_\_\_\_\_; gage or weight \_\_\_\_\_ ☐ gravel stops; ☐ snow guards

Additional information: \_\_\_\_\_

**13. GUTTERS AND DOWNSPOUTS:**

Gutters: material \_\_\_\_\_; gage or weight \_\_\_\_\_; size \_\_\_\_\_; shape \_\_\_\_\_

Downspouts: material \_\_\_\_\_; gage or weight \_\_\_\_\_; size \_\_\_\_\_; shape \_\_\_\_\_; number \_\_\_\_\_

Downspouts connected to: ☐ Storm sewer; ☐ sanitary sewer; ☐ dry-well; ☐ Splash blocks: material and size \_\_\_\_\_

Additional information: \_\_\_\_\_

**14. LATH AND PLASTER:**Lath ☐ walls, ☐ ceilings: material \_\_\_\_\_; weight or thickness \_\_\_\_\_ Plaster: coats \_\_\_\_\_; finish \_\_\_\_\_Dry-wall ☐ walls, ☐ ceilings: material \_\_\_\_\_; thickness \_\_\_\_\_; finish \_\_\_\_\_

Joint treatment \_\_\_\_\_

**15. DECORATING: (Paint, wallpaper, etc.)**

ROOMS	WALL FINISH MATERIAL AND APPLICATION	CEILING FINISH MATERIAL AND APPLICATION
Kitchen		
Bath		
Other		

Additional information: \_\_\_\_\_

**16. INTERIOR DOORS AND TRIM:**

Doors: type \_\_\_\_\_; material \_\_\_\_\_; thickness \_\_\_\_\_

Door trim: type \_\_\_\_\_; material \_\_\_\_\_ Base: type \_\_\_\_\_; material \_\_\_\_\_; size \_\_\_\_\_

Finish: doors \_\_\_\_\_; trim \_\_\_\_\_

Other trim (item, Type and location) \_\_\_\_\_

Additional information: \_\_\_\_\_

**17. WINDOWS:**

Windows: type \_\_\_\_\_; make \_\_\_\_\_; material \_\_\_\_\_; sash thickness \_\_\_\_\_

Glass: grade \_\_\_\_\_ ☐ sash weights; ☐ balances, type \_\_\_\_\_; head flashing \_\_\_\_\_

Trim: type \_\_\_\_\_; material \_\_\_\_\_ Paint \_\_\_\_\_; number coats \_\_\_\_\_

Weatherstripping: type \_\_\_\_\_; material \_\_\_\_\_ Storm sash, number \_\_\_\_\_

Screens: ☐ full; ☐ half-, type \_\_\_\_\_; number \_\_\_\_\_; screen cloth material \_\_\_\_\_

Basement windows: type \_\_\_\_\_; material \_\_\_\_\_; screens, number \_\_\_\_\_; Storm sash, number \_\_\_\_\_

Special windows \_\_\_\_\_

Additional information: \_\_\_\_\_

**18. ENTRANCES AND EXTERIOR DETAIL:**

Main entrance door: material \_\_\_\_\_; width \_\_\_\_\_; thickness \_\_\_\_\_ Frame: material \_\_\_\_\_; thickness \_\_\_\_\_

Other entrance doors: material \_\_\_\_\_; width \_\_\_\_\_; thickness \_\_\_\_\_ Frame: material \_\_\_\_\_; thickness \_\_\_\_\_

Head flashing \_\_\_\_\_ Weatherstripping: type \_\_\_\_\_; saddles \_\_\_\_\_

Screen doors: thickness \_\_\_\_\_; number \_\_\_\_\_; screen cloth material \_\_\_\_\_ Storm doors: thickness \_\_\_\_\_; number \_\_\_\_\_

Combination storm and screen doors: thickness \_\_\_\_\_; number \_\_\_\_\_; screen cloth material \_\_\_\_\_

Shutters: ☐ hinged; ☐ fixed. Railings \_\_\_\_\_; Attic louvers \_\_\_\_\_

Exterior millwork: grade and species \_\_\_\_\_ Paint \_\_\_\_\_; number coats \_\_\_\_\_

Additional information: \_\_\_\_\_

**19. CABINETS AND INTERIOR DETAIL:**

Kitchen cabinets, wall units: material \_\_\_\_\_; lineal feet of shelves \_\_\_\_\_; shelf width \_\_\_\_\_

Base units: material \_\_\_\_\_; counter top \_\_\_\_\_; edging \_\_\_\_\_

Back and end splash \_\_\_\_\_ Finish of cabinets \_\_\_\_\_; number coats \_\_\_\_\_

Medicine cabinets: make \_\_\_\_\_; model \_\_\_\_\_

Other cabinets and built-in furniture \_\_\_\_\_

Additional information: \_\_\_\_\_

**20. STAIRS:**

STAIR	TREADS		RISERS		STRINGS		HANDRAIL		BALUSTERS	
	Material	Thickness	Material	Thickness	Material	Thickness	Material	Thickness	Material	Thickness
Basement										
Main										
Attic										

Disappearing: make and model number \_\_\_\_\_

Additional information: \_\_\_\_\_

**21. SPECIAL FLOORS AND WAINSCOT: (Describe carpet as listed in Certified Products Directory.)**

Location		Material, Color, Border, Sizes, Gage, Etc.	Threshold Material	Wall Base Material	Underfloor Material
Floors	Kitchen				
	Bath				
Wainscot	Location	Material, Color, Border, Sizes, Gage, Etc.	Height	Height Over Tub	Height in Showers (From Floor)
	Bath				

Bathroom accessories: ☐ Recessed; material \_\_\_\_\_; number \_\_\_\_\_; ☐ Attached; material \_\_\_\_\_; number \_\_\_\_\_

Additional information: \_\_\_\_\_

**22. PLUMBING**

Fixture	Number	Location	Make	Mfr's Fixture Identification No.	Size	Color
Sink						
Lavatory						
Water closet						
Bathtub						
Shower over tub						
Stall shower						
Laundry trays						

A ☐ Curtain rod A ☐ Door ☐ Shower pan; material \_\_\_\_\_

Water supply: ☐ public; ☐ community system; ☐ individual (private) system.\*

**Sewage disposal** ☐ public; ☐ community system; ☐ individual (private) system.\*

\* Show and describe individual system in complete detail in separate drawings and specifications according to requirements.

House drain (inside): ☐ cast iron; ☐ tile; ☐ other \_\_\_\_\_ House sewer (outside): ☐ cast iron; ☐ tile; ☐ other \_\_\_\_\_

Water piping: ☐ galvanized steel; ☐ copper tubing; ☐ other \_\_\_\_\_ Still cocks, number \_\_\_\_\_

Domestic water heater: type \_\_\_\_\_; make and model \_\_\_\_\_; heating capacity \_\_\_\_\_

\_\_\_\_\_ gph. 100' rise. Storage tank; material \_\_\_\_\_; capacity \_\_\_\_\_ gallons.

Gas service: ☐ utility company; ☐ liq. pet. gas; ☐ other \_\_\_\_\_ Gas piping: ☐ cooking; ☐ house heating.

Footing drains connected to ☐ storm sewer; ☐ sanitary sewer; ☐ dry well. Sump pump; make and model \_\_\_\_\_

\_\_\_\_\_; capacity \_\_\_\_\_; discharges into \_\_\_\_\_

**23. HEATING**

☐ Hot water. ☐ Steam. ☐ Vapor. ☐ One-pipe system. ☐ Two-pipe system.

☐ Radiators. ☐ Convectors. ☐ Baseboard radiation. Make and model \_\_\_\_\_

Radiant panel: ☐ floor; ☐ wall; ☐ ceiling. Panel coil; material \_\_\_\_\_

☐ Circulator. ☐ Return pump. Make and model \_\_\_\_\_; capacity \_\_\_\_\_ gpm.

Boiler: make and model \_\_\_\_\_ Output \_\_\_\_\_ Btuh.; net rating \_\_\_\_\_ Btuh.

Additional information: \_\_\_\_\_

Warm air: ☐ Gravity. ☐ Forced. Type of system \_\_\_\_\_

Duct material: supply \_\_\_\_\_ return \_\_\_\_\_ Insulation \_\_\_\_\_; thickness \_\_\_\_\_ ☐ Outside air intake.

Furnace: make and model \_\_\_\_\_ Input \_\_\_\_\_ Btuh.; output \_\_\_\_\_ Btuh.

Additional information: \_\_\_\_\_

☐ Space heater; ☐ floor furnace; ☐ wall heater. Input \_\_\_\_\_ Btuh.; output \_\_\_\_\_ Btuh.; number units \_\_\_\_\_

Make, model \_\_\_\_\_ Additional information: \_\_\_\_\_

Controls: make and types \_\_\_\_\_

Additional information: \_\_\_\_\_

Fuel: ☐ Coal; ☐ oil; ☐ gas; ☐ liq. pet. gas; ☐ electric; ☐ other \_\_\_\_\_; storage capacity \_\_\_\_\_

Additional information: \_\_\_\_\_

Firing equipment furnished separately: ☐ Gas burner, conversion type. ☐ Stoker; hopper feed ☐ bin feed ☐

Oil burner: ☐ pressure atomizing; ☐ vaporizing \_\_\_\_\_

Make and model \_\_\_\_\_ Control \_\_\_\_\_

Additional information: \_\_\_\_\_

Electric heating system: type \_\_\_\_\_ Input \_\_\_\_\_ watts; @ \_\_\_\_\_ volts; output \_\_\_\_\_ Btuh.

Additional information: \_\_\_\_\_

Ventilating equipment: attic fan, make and model \_\_\_\_\_, capacity \_\_\_\_\_ cfm.

Kitchen exhaust fan, make and model \_\_\_\_\_

Other heating, ventilating, or cooling equipment \_\_\_\_\_

**24. ELECTRIC WIRING:**

Service: ☐ overhead; ☐ underground. Panel: ☐ fuse box; ☐ circuit-breaker; make \_\_\_\_\_ AMP's \_\_\_\_\_ No. circuits \_\_\_\_\_

Wiring: ☐ conduit; ☐ armored cable; ☐ nonmetallic cable; ☐ knob and tube; ☐ other \_\_\_\_\_

Special outlets: ☐ range; ☐ water heater; ☐ other \_\_\_\_\_

☐ Doorbell. ☐ Chimes. Push-button locations. \_\_\_\_\_ Additional information: \_\_\_\_\_

**25. LIGHTING FIXTURES:**

Total number of fixtures \_\_\_\_\_ Total allowance for fixtures, typical installations, \$ \_\_\_\_\_

Nontypical installation \_\_\_\_\_

Additional information: \_\_\_\_\_

26. INSULATION:			
Location	Thickness	Material, Type, and Method of Installation	Vapor Barrier
Roof _____			
Ceiling _____			
Wall _____			
Floor _____			

27. **MISCELLANEOUS:** (Describe any main dwelling materials, equipment, or construction items not shown elsewhere; or use to provide additional information where the space provided was inadequate. Always reference by item number to correspond to numbering used on this form.)

**HARDWARE:** (make, material, and finish.)

**SPECIAL EQUIPMENT:** (State material or make, model and quantity. Include only equipment and appliances which are acceptable by local law, custom and applicable FHA standards. Do not include items which, by established custom, are supplied by occupant and removed when he vacates premises or chattels prohibited by law from becoming realty.)

**PORCHES:**

**TERRACES:**

**GARAGES:**

**WALKS AND DRIVEWAYS:**

Driveway: width \_\_\_\_\_; base material \_\_\_\_\_; thickness \_\_\_\_\_; surfacing material \_\_\_\_\_; thickness \_\_\_\_\_  
 Front walk: width \_\_\_\_\_; material \_\_\_\_\_; thickness \_\_\_\_\_; Service walk: width \_\_\_\_\_; material \_\_\_\_\_; thickness \_\_\_\_\_  
 Steps: material \_\_\_\_\_; treads \_\_\_\_\_; risers \_\_\_\_\_; Check walls \_\_\_\_\_

**OTHER ONSITE IMPROVEMENTS:**

(Specify all exterior onsite improvements not described elsewhere, including items such as unusual grading, drainage structures, retaining walls, fence, railings, and accessory structures.)

**LANDSCAPING, PLANTING, AND FINISH GRADING:**

Topsoil \_\_\_\_\_" thick; ☐ front yard; ☐ side yards; ☐ rear yard to \_\_\_\_\_ feet behind main building.  
 Lawns (seeded, sodded, sprigged): ☐ front yard \_\_\_\_\_; ☐ side yards \_\_\_\_\_; ☐ rear yard \_\_\_\_\_  
 Planting: ☐ as specified and shown on drawings; ☐ as follows:  
 \_\_\_\_\_ Shade trees, deciduous, \_\_\_\_\_" caliper. \_\_\_\_\_ Evergreen trees \_\_\_\_\_, to \_\_\_\_\_', B & B.  
 \_\_\_\_\_ Low flowering trees, deciduous, \_\_\_\_\_, to \_\_\_\_\_' \_\_\_\_\_ Evergreen shrubs \_\_\_\_\_ to \_\_\_\_\_', B & B.  
 \_\_\_\_\_ High-growing shrubs, deciduous, \_\_\_\_\_, to \_\_\_\_\_' \_\_\_\_\_ Vines, 2-years  
 \_\_\_\_\_ Medium-growing shrubs, deciduous, \_\_\_\_\_, to \_\_\_\_\_'  
 \_\_\_\_\_ Low-growing shrubs, deciduous, \_\_\_\_\_, to \_\_\_\_\_'

IDENTIFICATION. This exhibit shall be identified by the signature of the builder, or sponsor, and/or the proposed mortgagor if the latter is known at the time of application.

Date \_\_\_\_\_ Signature \_\_\_\_\_  
 Signature \_\_\_\_\_

## COST ESTIMATE SUMMARY

STREET ADDRESS	Job No.
1. Land	0
2. Closing Costs & Fees	0
3. Site Preparation	0
4. Foundation	0
5. Rough Carpentry & Lumber	0
6. Exterior Doors & Windows	0
7. Exterior Trim & Cornice	0
8. Roofing & Sheet Metal	0
9. Rough Hardware	0
10. Masonry	0
11. Insulation	0
12. Drywall and/or Lath & Plaster	0
13. Interior Trim & Millwork	0
14. Floors	0
15. Miscellaneous Metal	0
16. Mirrors	0
17. Ceramic Tile	0
18. Finish Hardware	0
19. Appliances & Equipment	0
20. Painting & Decoration	0
21. Heating	0
22. Electrical Work	0
23. Plumbing	0
24. Driveway, Walks, Patios, Fences & Site Improvements	0
25. Miscellaneous Labor & Materials	0
26. Landscaping	0
	<b>GRAND</b>
	<b>TOTAL</b> <u>0</u>

## COST ESTIMATE

<b>1</b>	<b>Land</b>	<i>Total \$</i>	<div style="border-bottom: 1px solid black; display: inline-block; width: 100px; margin-right: 10px;"></div> 0
<b>2</b>	<b>Closing Costs &amp; Fees</b>		
	Loan Closing		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Checks		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Accident Insurance/Liability		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Survey		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Building Permit		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Temporary Power		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Water Connection		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Tool Rental		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
		<i>Total \$</i>	<div style="border-bottom: 1px solid black; display: inline-block; width: 100px; margin-right: 10px;"></div> 0
<b>3</b>	<b>Site Preparation</b>		
	Grading		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Tree Removal		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Grubbing		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Fill & Compaction		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Demolition		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
		<i>Total \$</i>	<div style="border-bottom: 1px solid black; display: inline-block; width: 100px; margin-right: 10px;"></div> 0
<b>4</b>	<b>Foundation</b>		
	Materials & Labor for Batter Bds.		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Materials for Forms		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Equipment Rental		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Dirt to Haul in & Compact		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Washed Gravel		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Fine Grade for Dirt		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Fine Grade for Gravel		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Visqueen or Other W.P.		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Soil Treatment		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	All Reinforcing Steel		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	All Welded Wire Mesh		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	All Anchor & Bolts		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Tie Wire		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Stirrups		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	Bolts & Anchor		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>
	All Concrete		<div style="border-bottom: 1px solid black; display: inline-block; width: 100px;"></div>



Cement for Finishing

Total \$ 0

**5 Rough Carpentry**

Pres. Treated Sole Plates

Studs

Plates-Purlings-Headers

Ceiling Joists-Rafters-Trusses

Wall Sheathing

Roof Deck-Felt to Black-in & Wrap Wind & Doors

Ram-Set Gun & Supplies

Braces & Blocking

30# Felt Flashing

Beams

Wall Ties

Total \$ 0

**6 Exterior Doors & Windows**

All Windows

All Exterior Door & Jambs

Total \$ 0

**7 Exterior Trim & Cornice**

All 3/4 Fin. for Cornice

All Plywood for Soffit or Aluminum Soffit Contract

Plywood or other Porch & C Port ceilings

All Cornice Moulds

Lintel Blocks

Beam Casings

Special Millwork

Shutters

Batten Strips

Shingle Strips

Total \$ 0

**8 Roofing & Sheetmetal**

Asphalt Shingles

Built -Up Roofs

Valley Metal

Roof Jacks

Vents for Fans-H.W. Htr., Etc.

Eave Flashing

Step Flashing

Gravel Guard

Base Flashing

Chimney Flashing

Crickets

Gable & Roof louvers

Side Wall Flashing

Total \$ \_\_\_\_\_ 0

**9 Rough Hardware**

Flitch Plates

Rough nails

Finish Nails

Plumbing Plates

Lintels (other than masonry)

Beams

Total \$ \_\_\_\_\_ 0

**10 Masonry**

Brick & labor

Mortar Mix

Masonry Sand

Ornamental Tile Blk.

Concrete BLK.

Dura-Wall

Mixing Machine

Small Tools

Total \$ \_\_\_\_\_ 0

**11 Insulation**

Wall Insulation

Ceiling Insulation

Total \$ \_\_\_\_\_ 0

**12 Drywall and/or Lath & Plaster**

Sheetrock & Fin.

Corner Beads

Tape

Joint System

Sanding	_____
Lath-Plaster & Labor	_____
<i>Total \$</i>	<u>0</u>

**13 Interior Trim & Millwork**

Interior Doors	_____
Window Trim	_____
Door Trim	_____
Cove Moulds	_____
Shoe Moulds	_____
Closet Cleats & Shelves	_____
Linen Cabinets	_____
Paneling	_____
Kitchen Cabinets	_____
Vanities	_____
Wall Cab. Other than Kit	_____
Built- Ins	_____
Special Trim	_____
Mantle	_____
Beams - Beam Casings	_____
Base	_____
Scotia	_____
Special Moulds	_____
Wainscots	_____
<i>Total \$</i>	<u>0</u>

**14 Floors**

Vinyl Tile	_____
Tile Cement	_____
<i>Total \$</i>	<u>0</u>

**15 Miscellaneous Metal**

Thresholds	_____
Weather Strip Units	_____
Canopies	_____
Door Grills	_____
Burglar Bars	_____
Metal Med. Cabinets	_____
Door Grills	_____
Dryer Vents	_____

	Metal Bath Accessories		
		Total \$	0
<b>16</b>	<b>Mirrors</b>		
	Bath Mirrors		
		Total \$	0
<b>17</b>	<b>Ceramic Tile</b>		
	All Bath Tile-Walls		
	Tile Window Sills		
	Tile Bath Accessories		
		Total \$	0
<b>18</b>	<b>Finish Hardware</b>		
	Exterior Doors & Locks		
	Interior Doors & Locks		
	Door Bumpers		
	Hinges		
	Door Hardware		
	Brackets		
	Closet Rods & Hangers		
		Total \$	0
<b>19</b>	<b>Appliance &amp; Equipment</b>		
	Range		
	Vent Hood		
	Kit. Fan		
	Bath Fans		
	Refrigerator		
	Exhaust Fan		
		Total \$	0
<b>20</b>	<b>Painting &amp; Decoration</b>		
	Paint		
	Special materials - Pans, Brushes, Etc.		
		Total \$	0
<b>21</b>	<b>Heating</b>		
	Sub Contract		
		Total \$	0

22	<b>Electric work</b>		
	Fixtures		_____
	Sub Contract Work		_____
		<i>Total \$</i>	_____0_____
23	<b>Plumbing</b>		
	Sub contract		_____
		<i>Total \$</i>	_____0_____
24	<b>Driveways, Walks, Fences &amp; Site Improvements</b>		
	Fences		_____
	Forms for Walks, Drives & patios		_____
	Conc..		_____
	Cement Finishing		_____
	Equipment Rental		_____
	Grading		_____
		<i>Total \$</i>	_____0_____
25	<b>Miscellaneous Labor &amp; Material</b>		
	All Items not covered by other Sections		_____
	Contingency		_____
		<i>Total \$</i>	_____0_____
26	<b>Landscaping</b>		
	Top Soil		_____
	Seeding, Sprigging or Sodding		_____
	Shrubs		_____
	Mulch		_____
	Other Items Pertaining to landscape		_____
		<i>Total \$</i>	_____0_____
		<b>Grand Total</b>	
		<b>\$</b>	=====0=====

## Home Inspection Process For Rehabilitation

For **Owner Occupied** rehab projects, Rural Development can accept an inspection from the grantee's qualified staff. Each state office will determine whether the grantee's staff have the knowledge and experience to conduct a thorough house inspection. Typically, Owner- Occupied projects will need to meet the State's decent, safe and sanitary requirements and local codes. Grantees who wish to do their own inspections should create an inspection checklist; they should also take pictures and measurements of items they will need to repair.

This does present certain liabilities to the grantee, especially if repairs are overlooked. This may open the door for possible legal recourse or the need for additional funding to make the repairs. The State may require a third-party inspection if they deem the grantee's staff unqualified.

For grantees administering **Acquisition Rehab** in which the participants are using Section 502 direct loans to purchase an existing dwelling, the applicant must engage the services of a State-licensed inspector to perform a whole house inspection. The inspector must provide a statement that the dwelling appears to meet the Agency's decent, safe, and sanitary standards with respect to: (1) termites and other pests (this may be separate from the whole house inspection); (2) plumbing, water and sewage; (3) heating and cooling; (4) electrical systems; and (5) structural soundness. The inspection report must be a comprehensive document that meets the minimum standards of the professional home inspector associations. When a State does not license inspectors, a qualified, independent, third-party inspector may perform the inspection and provide the necessary certifications.

**The following is an example of a rehab scope of work specification. This is just a sample of something you will create for each job. You need to include a sample write up for the application.**

1. Replace 20 existing wood sashed windows with Anderson Series 200 Low E Double Hung white vinyl exterior and pre-finished white interior, full TruScene insect screen, no grilles.
2. Remove and replace existing refrigerator and range; install water line for ice maker and install Whirlpool model# WRS321SDHZ 21 cu. ft. side by side stainless steel refrigerator. Replace all existing gas line, install Whirlpool model# WFG550S0HV 5.0 cu. ft. gas range stainless steel
3. Remove all existing flooring throughout home, repair or replace where needed deteriorated subfloor. Flash patch where needed and install new SurePly whitewood plywood 1/4"x4'x8'. Install Saratoga Hickory Coffee 7 mm Thick x 7-2/3 in. Wide x 50-5/8 in. laminate flooring.
4. Remove existing tile surround on tub/shower unit approx. 90 sq. ft. Replace with 1/2" cement backer board and install Lifeproof Linen Wood 6 in. x 24 in. Glazed Porcelain Floor and Wall Tile. Remove and replace existing 48" vanity and top. Install Glacier Bay Lancaster 49 in. W x 19 in. D Bath Vanity in Pearl Gray with Cultured Marble Vanity Top in White with White Sink with Moen Adler 4 in. Centerset 2-Handle Bathroom Faucet in Chrome.
5. Install Tiger Foam™ E-84 Fast Rise Formula – 600 Board Foot Spray Foam Insulation Kit on perimeter box sills.

6. Remove all wallpaper, prep all walls for primer and paint, prime all interior walls with Benjamin Moore ULTRA SPEC Prep Coat Hi-Build Interior Primer White, paint all walls with 2 coats of Benjamin Moore Ultra Spec 500 Interior Paint Satin Finish.
7. Replace 9'x7' exterior wall section that is deteriorated, install conventional 2"x4" studding. Repair wall board
8. Paint all exterior existing wood trim boards and doors with Benjamin Moore Aura Exterior Paint Semi-Gloss

Typical Scope of Work/Cost Estimates and Cost Savings						
Scope of Work	Materials	Labor	Total Cost	Subcontract or	Participant	Cost Savings
Replace 20 wood sashed windows	\$4,500.00	\$4,500.00	\$9,000.00		X	\$4,500.00
Remove and replace refrigerator and range	\$1,800.00	\$600.00	\$2,400.00		X	\$600.00
Remove existing flooring/repair or replace deteriorated subfloor and replace floor covering	\$5,000.00	\$5,000.00	\$10,000.00		X	\$5,000.00
Remodel bathroom	\$4,000.00	\$5,000.00	\$9,000.00	X		
Install Tiger Foam on perimeter of sill	\$250.00	\$500.00	\$750.00		X	\$500.00
Remove existing wall paper, prep/prime and paint interior walls	\$1,500.00	\$5,000.00	\$6,500.00		X	\$5,000.00
Remove and replace 9'x7' interior wall	\$800.00	\$1,500.00	\$2,300.00		X	\$1,500.00
Prep and repaint exterior of house	\$2,000.00	\$3,000.00	\$5,000.00		X	\$3,000.00
<b>Total</b>	<b>\$19,850.00</b>	<b>\$25,100.00</b>	<b>\$44,950.00</b>			<b>\$20,100.00</b>

## Selecting the Right Subcontractor

The grantee is responsible for obtaining bids and referrals from subcontractors on behalf of the participating families. In most cases the grantee will coordinate all the work involved in receiving the bids and referrals and then will relay the information to the participants to determine who is the lowest responsible bidder and if the bidder is credible. The grantee should not be confused as being a general contractor; their role is just as a coordinator, organizer, and advisor to the participants.

Before the bidding process can even start, the grantee or the participant must provide the subcontractors that are going to be bidding the job a complete copy of the blueprints and specifications and any other data involved in the subcontracted task. For competitive bidding to be a valid procedure, all competitors must bid under exactly the same conditions for an identical scope of work. There are no laws stating that certain contractors cannot perform specified work other than requiring them to have the proper license. So be very careful in qualifying a subcontractor by local directories.

Prior to obtaining bids from prospective subcontractors, the grantee should schedule interviews with them to discuss the self-help program and how it differs from conventional home building. The grantee should clearly outline the family participation in the construction process, families are required to do 65% of the labor tasks. The grantee should make the subcontractor aware that the timing between certain tasks will generally take longer than in typical market home building and that they will need to price accordingly. Some contractors will need to submit two proposals, one for rough in phase and one for final completion.

After examining the drawings and specifications, some subcontractors may want to visit the jobsite. When submitting a task for bid to subcontractors, always tell them the location, availability of electric, water, telephone, local ordinances, storage of equipment, delivery information, topography and drainage, etc. Give subcontractors access to all available information concerning the project. Always make sure that you give the subcontractor a firm date by which you need the bid. All too often subcontractors wait until the last minute before giving an estimate. Make sure the subcontractor is aware of the length of the project so they can guarantee pricing accordingly.

Make sure references are acquired from other jobs where similar work was performed. Once a subcontractor is selected, each Self-Help family must sign a construction contract (RD Form 1924-6 "Construction Contract) with each subcontractor. The contract should also list the grantee's requirements that the subcontractor must comply with and specify the conditions under which payment may be withheld or another contractor substituted.

The subcontractors' work should be inspected carefully. Errors or changes can be handled with little trouble and time if dealt with right away. Subcontractors are sometimes requested by owner/builders to grant extensions of the acceptance time. Subcontractors are generally willing to oblige, but sometimes in their eagerness to get the job they will agree to such an extension without giving the matter sufficient consideration. Such action means that the completion date of the project will be set back by a length of time equal to the extension of the acceptance period. Due to increased wage and material costs, a subcontractor may not be willing to extend the original acceptance period. When



increased costs are anticipated and the subcontractors do not wish to absorb them, they should quote the required additional amount in exchange for extending the acceptance period.

Problems with subcontractors usually evolve from lack of communication. Make sure that contracts and payment schedules have been clearly defined. If the subcontractor is not fulfilling the contract or the work is poor quality and all attempts to work things out have failed, then you have no choice but to release the subcontractor from the job. Hopefully having to terminate a subcontractor is the last resort, particularly since replacing them after work has begun can be even more difficult. Obtaining bids and choosing the right subcontractor can be quite an experience. Good preparation is the answer to a successful project.

## TAB 7 – STAFFING NEEDS AND HIRING SCHEDULE

### **Staffing Needs and Hiring Schedule**

Having a good program, a sound budget, and a committed Board is only part of the equation. Your self-help organization also needs qualified and motivated staff. If you are building a new program, you need to address several personnel issues. These issues include determining staffing needs, developing job descriptions, developing personnel policies, and recruiting staff.

You are required to describe your proposed hiring schedule and availability of prospective employees. You are also required to include complete job descriptions, and it is recommended to include resumes of the persons selected to fill each position for the grant.

A hiring schedule is required to be included in the application. This schedule should include all of the positions that you plan to pay out of the self-help housing grant funds. Indicate which of those positions have already been filled and the anticipated hiring dates of the remaining positions. Indicate whether these individuals will work full/part time or another percentage of time. Additionally, a signed resolution from the Board of Directors is required that authorizes the Executive Director to hire the necessary staff.

### **Availability of Prospective Employees**

In order to prove to RD that there are potential candidates whom you intend to hire, include their resumes if identified. If your organization decides to wait until the grant is approved before interviewing and choosing applicants, include a description of how to find staff needed and a brief report on available personnel in your area.

Note: RD regulations do not allow nepotism in the self-help housing program. If there are individuals that work for a grantee that are related, please disclose the nature of their relationship. According to 1944-I, Exhibit A, (p), there cannot be relatives in the same immediate household working in a line of command with each other.

### **Traditional Self-Help Staff Positions**

A typical small self-help organization traditionally employs the following staff:

- **Executive Director or Project Director:** This person has the responsibility of running and managing the self-help housing program.
- **Group Coordinator/Loan Packager:** This staff member is responsible for recruiting the families, screening them for the program, counseling and training them, helping them to fill out the required forms, etc.
- **Secretary/Bookkeeper:** This person has the important responsibility of record keeping for both the 523 grant funds and the family 502 loan accounts, in addition to other duties.
- **Construction Supervisor:** This staff person is responsible for coordinating the construction of homes. He/she trains the self-help families in housing construction; helps obtain supply and contractor bids; orders, receives, and inventories building materials; and performs other duties.

In initial staffing, you may want to use the traditional self-help positions; however, each organization has its own unique program goals and objectives. Tailor the tasks and skills of each position to your program. Make any changes to job descriptions before advertising for the position.

### **Developing Job Descriptions**

When you face the task of developing job descriptions, focus on the goals and objectives of the program, then determine the tasks and activities required to achieve those goals. Determine the length of time needed to complete each task and the skills required by each task. Then develop a list of staff positions

and the tasks to be completed by each position. At that point it is easier to make the decision on whether that position needs to be full-time, etc. After conducting a salary survey (if one is needed), set salary ranges for each position. You can develop an organizational chart clarifying the decision-making process.

The following is a list of major self-help tasks. This list can be used as a starting ground to help you decide who will be responsible for each task.

- Overall program oversight
- Supervision and coordination of personnel
- Management of day-to-day operations
- Locate land for the program
- Identify and secure funds for program operations
- Recruitment of families
- Assist with application and closing
- Coordinate and conduct preconstruction meetings
- Counsel families with budget or financial problems
- Recruitment presentations to the local community
- 502 loan accounting
- 523 grant accounting
- Approval and check authorization
- General office and clerical duties
- Preparation of quarterly, monthly and year end state and federal reports
- Maintain administrative records (leave, mileage, time, etc.)
- Obtaining or preparation of construction plans and spec.
- Obtaining and selecting bids
- Preparation of cost estimates
- Coordination of construction supplies and contractors
- Train, supervise, and coordinate the families through construction
- Conducting construction meetings
- Order building inspections
- Liaison with RD Offices

Sample job descriptions follow.

### **Executive Director / Program Director**

The Executive Director is directly responsible to the Board of Directors; but alternatively, a Program Director could be assigned oversight of the program.

#### **Duties and Responsibilities:**

- Implements and carries out the program as approved by the Board of Directors.
- Coordinates the staff activities to ensure that all personnel are used in an efficient manner and to establish work and hiring patterns to guarantee the best use of funds.
- Arranges or provides the training necessary for the staff's effective performance.
- Evaluates the work of the staff as outlined by job descriptions and program goals.
- Locates suitable building sites and develops property when and where required in conjunction with the participant and other self-help housing staff members.
- In conjunction with the participants, determines where and how to purchase quality construction materials at the most economical prices.

- In conjunction with the construction staff, determines which areas of construction to subcontract and ensures that the work that is subcontracted is done at the lowest prices.
- Develops a general set of house plans and cost estimates to allow for the construction of an economical and high-quality home that will comply with local building codes and RD minimum property standards.
- Keeps abreast of new developments in cost and timesaving techniques in the construction of self-help housing.
- Is thoroughly knowledgeable about RD's programs and policies and coordinates the staff's activities with RD.
- Keeps abreast of developments in federal, state, and local housing development programs.
- Prepares progress reports for funding sources and/or Board of Directors to assist them in planning or program expansion.
- Marketing your program to target populations, low and very-low-income families.

#### Qualifications

- Familiarity with all phases of construction of houses, from land acquisition through construction.
- Familiarity with the principles and techniques of group organization and development.
- Administrative ability and experience
- Ability to delegate authority and responsibility
- Understanding of low-income people and their needs.
- Ability to share ideas and explore solutions to problems with other program participants, Board, staff, and members of the community.
- Ability to choose among alternative courses of action and assume responsibility for the operation of the program undertaken.
- Basic understanding of program or program financing.

#### **Construction Supervisor**

The Construction Supervisor reports directly to and is usually supervised by the Executive Director/Program Director.

#### Duties and Responsibilities

- Trains and supervises groups of families in the construction of their homes using the mutual self-help construction method.
- Organizes work crews of families for maximum efficiency of manpower and materials.
- Teaches tool-safety, maintains safe working conditions, and obtains adequate tools for jobs to be performed.
- Prepares house plans, dwelling specifications, and cost estimates; secures subcontractors as required and monitors their work; orders and purchases construction materials.
- Maintains records as required.
- Keeps all aspects of construction in compliance with all applicable regulations, standards, and codes.
- Participates in all building inspections carried out by RD and local building inspectors.

#### Qualifications

- Experience as a professional builder or equivalent carpentry training.
- Ability to teach building skills to unskilled workers.
- Ability to work with people of varying socioeconomic levels.
- Willingness to work irregular hours as required.
- Housing construction experience in the program area, if available.

#### **Group Coordinator / Loan Packager**

The Group Coordinator reports directly to and is typically supervised by the Executive Director/Program Director.

#### **Duties and Responsibilities**

- Recruits participants for the Mutual Self-Help Housing Program.
- Helps families prepare 502 Rural Housing loan applications for submission to RD, including loan closing procedures. Typical duties include verifying employment and income and making preliminary determination of eligibility.
- Organizes associations of participant families for the purpose of home construction.
- Holds preconstruction meetings of participant families to provide them with information about the self-help concept and program and their responsibilities as homeowners.
- Counsels families on barriers to eligibility for participation and suggests steps they can take to remedy their financial situation.
- Acts as the primary liaison between the self-help organization and RD for matters pertaining to loan processing.
- Helps families during the construction phase to (1) encourage maximum family participation, (2) resolve individual family and group related problems, and (3) provide information on labor-saving and record keeping devices.
- Maintains records as required.

#### **Qualifications**

- High school diploma or equivalent.
- Ability to plan and deliver training to the participant families
- Ability to organize the families into working groups and encourage group participation / interaction.
- Ability to express ideas clearly and concisely.
- Good writing and verbal skills.
- Ability to work with minimum supervision.
- Ability to work with low-and moderate-income families.
- Willing to work flexible hours.

#### **Secretary / Bookkeeper**

The Secretary / Bookkeeper reports directly to and is supervised by the Executive Director.

#### **Duties and Responsibilities**

- Types correspondence, memoranda, forms, reports, and other materials as needed.
- Knowledge of 2 CFR 200 Uniform Administrative Requirements.
- Performs general receptionist duties such as answering the telephone and greeting visitors.
- Maintains adequate office supplies and property inventory (office and tool equipment).
- Maintains personnel records (e.g., time and attendance reports, annual leave, and sick leave records) and prepares staff payroll.
- Receives and pays accounts for (1) the self-help organization itself and (2) participating self-help families. Duties include verifying invoices, classifying expenditures, preparing payment vouchers, posting checks to cash disbursements journal, and balancing bank statements.
- Prepares financial reports as needed for the self-help organization and RD.

#### **Qualifications**

- High school diploma or equivalent with satisfactory completion of business courses.
- At least one, and preferably two, years of related clerical / bookkeeping experience.
- A minimum typing ability of 50 words per minute.
- Ability to operate various kinds of office equipment.

## **Salary Ranges and Fringe Benefits**

### **Salary Survey**

Salary surveys can be expensive but are valuable to assure equitable wage levels, to support the budget you are requesting (the largest percentage of the program budget will go toward staff), and to provide reasonable ability for staff recruitment.

In order to achieve a comparable reading of a salary survey, review the job description, not the individual or the title of a job. The person who is conducting this review should be competent and knowledgeable. In avoiding comparisons of titles, concentrate on duties and responsibilities that a job has. When comparing, recognize the important differences in the positions. For example, a Director who supervises one grant with four employees probably has different skills and areas of expertise than a Director of an organization that runs several grants and supervises 15 employees. The same could be said for a Bookkeeper of one set of double entry books as compared to a Bookkeeper with several sets of accounting records.

## TAB 8 – AUTHORIZED REPRESENTATIVE OF APPLICANT

Give the name, address and official position of your representative(s) authorized to act on behalf of the organization and to work with RD. The representative(s) can be the same representative(s) named in the resolution. A copy of the Board resolution authorizing the representative should be included here.

Example:

The following is the authorized representative for Self-Help Housing, Inc. They are authorized to act for us and work with RD.

John Doe, Executive Director  
Self-Help Housing, Inc.  
123 Main Street  
Anytown, Any State 12345  
Phone: 123-456-7890

## TAB 9 – BUDGET INFORMATION

The following items need to be included for the budget information:

1. Proposed two-year budget breakdown
2. Budget narrative
3. SF424A

In this section you will find a blank and completed Form SF 424-A - Budget Information - Non-Construction Programs followed by the instructions for its completion. Also included is a sample two-year budget, a sample budget narrative, and a budget worksheet. The budget worksheet will assist in developing your two-year budget.



## SAMPLE TWO YEAR BUDGET

### Projected Two Year Budget

	<u>12 Months</u>	<u>12 Month</u>	<u>24 Months</u>
<b><i>Salaries</i></b>			
Executive Director	\$29,900.00	\$31,395.00	\$61,295.00
Secretary/Bookkeeper	\$22,000.00	\$23,100.00	\$45,100.00
Construction Supervisor	\$26,000.00	\$27,300.00	\$53,300.00
Group Coordinator	<u>\$20,000.00</u>	<u>\$21,000.00</u>	<u>\$41,000.00</u>
<b><i>Total Salaries</i></b>	\$97,900.00	\$102,750.00	\$200,695.00
<b><i>Fringes</i></b>			
FICA & Medicare	\$7,489.00	\$7,860.00	\$15,349.00
Unemployment Comp.	\$1,400.00	\$1,400.00	\$2,800.00
Retirement	\$4,000.00	\$4,000.00	\$8,000.00
Workers Compensation	\$4,000.00	\$4,000.00	\$8,000.00
Health Insurance	<u>\$9,500.00</u>	<u>\$9,500.00</u>	<u>\$19,000.00</u>
<b><i>Total Fringes</i></b>	\$22,389.00	\$22,760.00	\$45,149.00
<b><i>Non-Personnel</i></b>			
Audit	\$3,000.00	\$3,000.00	\$6,000.00
Travel	\$4,000.00	\$4,000.00	\$10,000.00
Rent	\$4,200.00	\$4,200.00	\$8,400.00
Utilities	\$2,500.00	\$2,500.00	\$5,000.00
Insurance	\$1,000.00	\$1,000.00	\$2,000.00
Office Supplies	\$1,300.00	\$900.00	\$2,200.00
Marketing	\$1,000.00	\$1,000.00	\$2,000.00
Equipment Purchase			
Construction	\$1,000.00	\$500.00	\$1,500.00
Office	\$1,000.00	\$756.00	\$1,755.00
Equipment Lease/Rent	\$2,000.00	\$2,000.00	\$4,000.00
Equipment Maintenance	\$1,500.00	\$1,500.00	\$3,000.00
Telephone and Postage	<u>\$5,500.00</u>	<u>\$4,800.00</u>	<u>\$10,300.00</u>
<b><i>Total Operations</i></b>	<u>\$28,000.00</u>	<u>\$26,156.00</u>	<u>\$54,155.00</u>
<b><i>Total Operating Expenses</i></b>	<u>\$148,289.00</u>	<u>\$151,711.00</u>	<u>\$300,000.00</u>

# Sample Budget Narrative

## SALARIES:

Salary levels are comparable or less than similar positions in the surrounding service area. Self-Help Housing, Inc. plans to hire staff as outlined in the projected two-year budget. All staff positions will be full-time. The budget included shows funding for an increase of 5%, effective the second year of the grant, this may not always be possible.

## FRINGES:

FICA is based on a rate of 7.65 % of total salary.

Worker's Comp Insurance is based on 0.25% for clerical employees and 10.08% for construction employees.

Unemployment Compensation is based on the present rate of 1.83% for salaries.

Medical/health insurance for the four full-time employees is expected to cost a total of \$9,500 per year. We feel the full-time employees should be provided with health care benefits since they have very little long-term job security and no retirement benefits except social security.

## TRAVEL:

Our travel mileage reimbursement of .575 per mile for local travel does not exceed the approved government rate. This includes traveling from the agency office to the construction site, to RD, as well as other locations as needed. The approximate number of miles used per month is not planned to exceed 500.

The remainder of the line item will provide for our staff to attend some of the regional and area training conferences sponsored by our regional contractor, in addition to other relevant training. The amounts included are only estimates as no knowledge is available at this time regarding the number, length, or location of conferences.

## RENT:

Rental estimate is based on rates advertised in local newspapers and from discussions with local realtors for the minimum amount of office space needed. A modest office will be sought.

## SUPPLIES:

This item will allow for the purchase of miscellaneous office supplies and equipment such as paper, pens, pencils, ledger sheets, staplers, calculators and used desks, chairs, filing cabinets, etc.

## EQUIPMENT:

Equipment and tools - Will allow for the purchase of power saws, electric drills, saws, step ladders, wheelbarrows, staple guns, tape measures, etc. to be used by the participating families.

Non-expendable equipment and tools - we have established a cost per item of \$100 or more for non-expendable personal property. This item will allow for the purchase of two typewriters, one table saw, two extension ladders, scaffolding, one miter box saw and other items that may be needed.

## EQUIPMENT MAINTENANCE:

This item will allow for repairs of equipment, furniture and tools.

**EQUIPMENT LEASE/RENT:**

This item will allow for the lease of a copier for use in the office, as well as periodic rental of construction equipment, i.e., generator, heater.

**TELEPHONE/POSTAGE:**

This will allow for the installation of 4 telephone instruments on two lines and for necessary monthly and toll charges. Calls to many suppliers in this area, RD and the regional contractor are toll calls. This will also include the cost of internet access. The postage will be used for mailing agencies' and families' checks, reports etc.

**INSURANCE:**

This will allow for limited general liability insurance, which will include board liability and coverage on construction and office equipment. Costs are based on discussions with local agents. A Surety bond is also included in this item.

**MARKETING:**

This line item allows for design, printing, and distribution of marketing materials for recruiting families for the self-help program.

**AUDIT:**

As required, this will allow for a CPA's annual detailed audit of grant accounting records and family loan records. This cost is based on discussions with two local accountants and other grantees in the state.

# Budget Worksheet

	1st Year	2nd Year
<b>A. Personnel Salaries</b>		
Executive / Project Director	_____	_____
Group Coordinator / Loan Packager	_____	_____
Secretary / Bookkeeper	_____	_____
Construction Supervisor	_____	_____
Other: _____	_____	_____
Other: _____	_____	_____

**Note:** Consider a cost of living and / or merit increase for your employees.

**TOTAL Personnel per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Personnel** \_\_\_\_\_

<b>B. Fringe Benefits</b>		
Worker's Compensation	_____	_____
FICA / Social Security	_____	_____
Health Insurance	_____	_____
Unemployment Insurance	_____	_____
Other: _____	_____	_____

**TOTAL Fringe Benefits per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Fringe Benefits** \_\_\_\_\_

<b>C. Travel</b>		
Local Travel Reimbursement	_____	_____
Out of Town Travel	_____	_____
Costs to attend Self-Help Conference	_____	_____
Other	_____	_____

**Note:** Current government mileage rate is \$.70 per mile. (As of 2025)

**TOTAL Travel per year**      \$\_\_\_\_\_      \$\_\_\_\_\_

**TOTAL Travel** \_\_\_\_\_

<b>D. Equipment</b>		
Office Equipment		
Desks	_____	_____
Chairs	_____	_____
File Cabinets (locking)	_____	_____
Bookcases	_____	_____

Computer / Printer	_____	_____
Copy Machine	_____	_____
Other Office Equipment	_____	_____

**Note:** Purchase of office equipment is permissible when the grantee determines it to be more economical than renting.

<b>Subtotal Office Equipment per year</b>	<b>\$ _____</b>	<b>\$ _____</b>
---	-----------------	-----------------

<b>SUBTOTAL Office Equipment</b>	<b>_____</b>
----------------------------------	--------------

Power or Specialty Tools		
Power Saws	_____	_____
Electric Drills	_____	_____
Saber Saws	_____	_____
Ladders	_____	_____
Scaffolds	_____	_____
Others	_____	_____

**Note:** The participating families are expected to provide their own hand tools, such as hammers and hand saws.

<b>Subtotal Tools per year</b>	<b>\$ _____</b>	<b>\$ _____</b>
--------------------------------	-----------------	-----------------

<b>SUBTOTAL Tools</b>	<b>_____</b>
-----------------------	--------------

<b>TOTAL Equipment per year</b>	<b>\$ _____</b>	<b>\$ _____</b>
---------------------------------	-----------------	-----------------

<b>TOTAL Equipment</b>	<b>_____</b>
------------------------	--------------

**E. Supplies**

Letterhead and Envelopes	_____	_____
Pens and Pencils	_____	_____
Other Office Supplies	_____	_____

<b>TOTAL Supplies per year</b>	<b>\$ _____</b>	<b>\$ _____</b>
--------------------------------	-----------------	-----------------

<b>TOTAL Supplies</b>	<b>_____</b>
-----------------------	--------------

	<b>1st Year</b>	<b>2nd Year</b>
<b>F. Contractual</b>		

Auditing and / or Accounting	_____	_____
Legal Services	_____	_____
Sponsor Services	_____	_____
Architectural / Engineering	_____	_____

<b>TOTAL Contractual per year</b>	<b>\$ _____</b>	<b>\$ _____</b>
-----------------------------------	-----------------	-----------------

<b>TOTAL Contractual</b>	<b>_____</b>
--------------------------	--------------

G. Other Costs

Rent	_____	_____
Utilities		
Gas	_____	_____
Electric	_____	_____
Water	_____	_____
Other	_____	_____
Telephone / Internet		
Office Service	_____	_____
Cell Phone Service	_____	_____
Maintenance		
Janitorial Service	_____	_____
Repair Fund (if necessary)	_____	_____
Postage		
Postage	_____	_____
Annual Fee for Bulk Mail Permit	_____	_____
Bulk Mail Postage Estimate	_____	_____
Publications and Subscriptions		
Annual Subscription Fees	_____	_____
Books, Pamphlets, etc.	_____	_____
Printing, Copying, and Advertising	_____	_____
*National Self-Help Housing Association Annual Fee	_____	_____
Insurance		
Liability	_____	_____
Other	_____	_____
Staff / Board Training	_____	_____

**Note:** Traveling cost may include the cost of travel and per diem to attend in or out of state training. [19944-I, 1944.405(g)]

**TOTAL Other Costs per year**      \$ \_\_\_\_\_      \$ \_\_\_\_\_

**TOTAL Other Costs**      \_\_\_\_\_

H. Indirect Costs

**TOTAL Indirect Costs per year**      \$ \_\_\_\_\_      \$ \_\_\_\_\_

**TOTAL Indirect Costs**      \_\_\_\_\_

**TOTALS (Per Year)**      \$ \_\_\_\_\_      \$ \_\_\_\_\_

**TOTAL (Both Years)**      \$ \_\_\_\_\_

\*The National Rural Self-Help Housing Association is an organization made up of self-help housing grantees all across the nation that come together to unify their voice and their cause. There is an annual dues requirement to join the association. This cost is an allowable expense under the Section 523 Self-Help Housing Grant. These fees help to educate Congress for increased funding and improve laws to assist the cause of rural housing. Don't forget to add this expense into your budget.

## BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006  
Expiration Date: 02/28/2025

## 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. <div></div>	<div></div>	\$ <div></div>	\$ <div></div>	\$ <div></div>	\$ <div></div>	\$ <div></div>
2. <div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
3. <div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
4. <div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
5. Totals		\$ <div></div>	\$ <div></div>	\$ <div></div>	\$ <div></div>	\$ <div></div>

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**SECTION B - BUDGET CATEGORIES**

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

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SECTION C - NON-FEDERAL RESOURCES				
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8. <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. TOTAL (sum of lines 8-11)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
14. Non-Federal	\$ <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. TOTAL (sum of lines 13 and 14)	\$ <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT				
(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
	(b) First	(c) Second	(d) Third	(e) Fourth
16. <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
17. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
18. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
19. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
20. TOTAL (sum of lines 16 - 19)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges: <input type="text"/>	22. Indirect Charges: <input type="text"/>
23. Remarks: <input type="text"/>	

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## Instructions for the SF-424A

Public Reporting Burden for this collection of information is estimated to average 3.0 hours 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. Please do not return your completed form to the Office of Management and Budget; send it to the address provided by the sponsoring agency.

### General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the later case, Sections A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

### Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a **single** Federal grant program (Federal Domestic Assistance Catalog number) and **not requiring** a functional or activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a **single** program **requiring** budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in **Column (a)** and the respective catalog number on each line in Column (b).

For applications pertaining to **multiple** programs where one or more programs **require** a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

### Lines 1-4, Columns (c) through (g)

**For new applications**, leave Columns (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

**For continuing grant program applications**, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

**For supplemental grants and changes** to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

**Line 5**—Show the totals for all columns used.

### Section B. Budget Categories

In the column headings (a) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

**Lines 6a-i**—Show the totals of Lines 6a to 6h in each column.

**Line 6j**—Show the amount of indirect cost.

**Line 6k**—Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

**Line 7**—Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the federal grantor agency in determining the total amount of the grant.

### Section C. Non-Federal Resources

**Lines 8-11**—Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

**Column (a)**—Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

**Column (b)**—Enter the contribution to be made by the applicant.

**Column (c)**—Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

**Column (d)**—Enter the amount of cash and in-kind contributions to be made from all other sources.

**Column (e)**—Enter totals of Columns (b), (c), and (d).

**Line 12**—Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f) Section A.

### Section D. Forecasted Cash Needs

**Line 13**—Enter the amount of cash needed by quarter from the grantor agency during the first year.

**Line 14**—Enter the amount of cash from all other sources needed by quarter during the first year.

**Line 15**—Enter the totals of amounts on Lines 13 and 14.

### Section E. Budget Estimates of Federal Funds Needed for Balance of the Project

**Lines 16-19**—Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants. If more than four lines are needed to list the program titles, submit additional schedules as necessary.

**Line 20**—Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

### Section F. Other Budget Information

**Line 21**—Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

**Line 22**—Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

**Line 23**—Provide any other explanations or comments deemed necessary.

## BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006  
Expiration Date: 02/28/2025

## 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. Rural Self-Help Housing Technical Assistance	10-420	\$	\$	\$ 300,000.00	\$	\$ 300,000.00
2.						
3.						
4.						
5. Totals		\$	\$	\$ 300,000.00	\$	\$ 300,000.00

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**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Rural Self-Help Housing Technical Assistance				
a. Personnel	\$ 200,695.00	\$	\$	\$	\$ 200,695.00
b. Fringe Benefits	45,149.00				45,149.00
c. Travel	10,000.00				10,000.00
d. Equipment	10,256.00				10,256.00
e. Supplies	2,200.00				2,200.00
f. Contractual	6,000.00				6,000.00
g. Construction	0.00				0.00
h. Other	25,700.00				25,700.00
i. Total Direct Charges (sum of 6a-6h)	300,000.00				\$ 300,000.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 300,000.00	\$	\$	\$	\$ 300,000.00
7. Program Income	\$	\$	\$	\$	\$

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	Rural Self-Help Housing Technical Assistance	\$	\$	\$	\$
9.					
10.					
11.					
12. TOTAL (sum of lines 8-11)		\$	\$	\$	\$
SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 148,289.00	\$ 37,072.25	\$ 37,072.25	\$ 37,072.25	\$ 37,072.25
14. Non-Federal	\$				
15. TOTAL (sum of lines 13 and 14)		\$ 148,289.00	\$ 37,072.25	\$ 37,072.25	\$ 37,072.25
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program		FUTURE FUNDING PERIODS (YEARS)			
		(b) First	(c) Second	(d) Third	(e) Fourth
16.	Rural Self-Help Housing Technical Assistance	\$ 151,711.00	\$	\$	\$
17.					
18.					
19.					
20. TOTAL (sum of lines 16 - 19)		\$ 151,711.00	\$	\$	\$
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges: \$300,000		22. Indirect Charges: \$0			
23. Remarks:					

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## TAB 10 – DIRECT OR INDIRECT COST POLICY

For a 523 grant, you must submit a direct or indirect cost policy. In addition, you must document your indirect cost rate or the lack thereof. An indirect cost rate is a mechanism used by the federal government to reimburse indirect costs to organizations receiving federal funding.

If your organization is single-purpose and the only source of funding is the 523 grant, an indirect cost policy is not required because all charges will be made directly to the grant. If this is the case, the budget narrative approved by the board will serve as the direct cost policy.

In the event your organization is multi-funded and has already negotiated an indirect cost rate, you must submit this documentation with the 523 application. A rate must be negotiated annually with the organization's cognizant agency. The approval letter is all the documentation that is required.

If your organization has never obtained an indirect cost rate and you are in need of one, you may elect to use the 15% *de minimis* rate; or you will need to contact your cognizant agency. The Department of the Interior works under contract with USDA as their cognizant agency. (Any organization, even one that has had an indirect rate, may elect to use the 15% *de minimis* rate.)

Exhibit P of 1944-I includes more information on Indirect Cost Rate Negotiations. This is included below.

Contact your Regional T&MA Contractor for additional guidance.



## **Exhibit S Indirect Cost Rate Negotiations**

The cognizant agency for indirect cost negotiation for the United States Department of Agriculture (USDA) Rural Housing Service, but the servicing agency for processing indirect cost rate proposals and issuing and extending indirect cost rate agreements will be the United States Department of the Interior (DOI).

USDA-Rural Housing Service annually enters into an interagency agreement with the DOI, Interior Business Center. This agreement provides for DOI to negotiate, issue, and extend current indirect cost rate/cost allocation plans on behalf of USDA-Rural Housing Service for Section 523 Mutual Self-Help Grant Applicants. States should provide this policy to their grant applicants, so they may work directly with DOI for approval.

Grantees claiming reimbursement of indirect costs on the Section 523 Self-Help Technical Assistance Grants are required to have current negotiated indirect cost rate agreements with their federal cognizant agency which may not necessarily be DOI. For example, if Health and Human Services (HHS) is a Section 523 Grant applicant's cognizant agency because they provide the largest source of funding to the entity, then the applicant will need to provide a copy of HHS's rate approval with their grant application.

### RESPONSIBILITIES:

#### **Cost Allocation Plans and Indirect Cost Rates**

Historically, USDA-RHS has allowed nonprofit organizations and governmental departments to use a Cost Allocation Plan (CAP) in lieu of an indirect cost rate. With the release of 2 CFR 200, it has been made evident that an indirect rate will be more appropriate for the majority of Section 532 Grantees. Under certain situations, governmental departments or agencies may request to use a CAP in lieu of an indirect cost rate agreement but this must be requested only in limited circumstances and be due to the nature of that entity's federal award. CAPs used by governmental agencies will be reviewed by DOI on a case-by-case basis to determine if indirect cost rates can be issued instead.

In the rare situation where a Non-Federal entity can appropriately allocate and charge 100% of their costs directly to their 523 grant and indirect costs are not claimed, approval from DOI is not necessary; however, DOI may review proposals of these types on a case-by-case basis to determine if indirect cost rates can be issued.

(05-23-25) PN 641

RHS Staff should review specifically line item 'j. Indirect Charges' found in Section B (6) on Standard Form 424-A, 'Budget Information- Non-Construction Programs' to determine if the applicant is proposing to charge indirect costs to the grant. If the applicant does not show any charge to the grant for indirect costs, the proposed budget should be reviewed to determine if an indirect cost rate should be utilized. Regional Technical and Management Assistance (T&MA) providers should be consulted with to assist the agency in making the determination as to when an applicant's cost allocation plan should be submitted to DOI.

**Indirect Cost Rate Negotiation:**

For organizations that have previously negotiated indirect cost rate agreements, it is the responsibility of each grantee to submit a new indirect cost proposal to their Federal cognizant agency for indirect cost within 6 months after the close of each fiscal year. Any non-federal entity that has a federally negotiated indirect cost rate may apply for a one-time extension of a negotiated indirect cost rate for a period of up to four years. The extension is subject to the review and approval of the federal cognizant agency for indirect costs.

Organizations that have not previously established an indirect cost rate with a Federal agency must submit an initial indirect cost rate proposal immediately after the organization is advised that a Federal award will be made and in no event later than three months after the effective date of the Federal award, unless they elect to charge the de minimis rate of 15% modified total direct cost (MTDC). Any non-federal entity, even if they have previously received a negotiated indirect cost rate, except for those described in 2 CFR 200 Appendix VII paragraph (d)(1)(B), may elect to charge a de minimis rate of 15% modified total direct cost (MTDC) which may be used indefinitely.

**Resources and Contacts:**

Grantees should be informed that they may request assistance from the Department of Interior (DOI) in preparing their indirect cost proposals. For detailed information and guidance on preparation of Indirect Cost Proposals grantees may visit the DOI web site at <https://www.doi.gov/ICS>. Grantees requesting funding during the period of this agreement should be advised to prepare and submit proposals to DOI at least 90 days prior to the desired grant closing date; or provide a copy of its approved indirect cost rate agreement to Rural Development with their grant application.

(05-23-25) PN 641

Under the terms of the Interagency Agreement, Rural Development State Directors, or their designee, will notify the DOI Interior Business Center regarding grantees that do not have a federally approved indirect cost rate agreement, or in certain cases, a federally approved cost allocation plan. The contact information for the DOI, Interior Business Center is:

US Department of the Interior  
Interior Business Center  
Indirect Cost and Contract  
Audit Division  
450 Capitol Mall, Suite 430  
Sacramento, CA 95816  
ICS Mailbox: [ics@ibc.doi.gov](mailto:ics@ibc.doi.gov)

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(05-23-25) PN 641

## TAB 11 – MONTHLY ACTIVITIES SCHEDULE

You need to develop a monthly activity schedule to be included in the application. The schedule should include proposed dates for starting and completing recruitment, loan processing, and construction for each group of families. The activity schedule should cover the full grant period, from the date the self-help agreement will be signed until the end of the grant. There are two management tools you can consider using to help you schedule activities and evaluate your program: The Critical Path Method and the Implementation Schedule. These are recommended tools and not required by RD. You can use different software programs to create these tools, Microsoft Excel, Word, Project, etc. There is also project management software used to design these documents. Your T&MA Contractor can assist with determining what will work best for your agency.

The Critical Path Method (CPM) is a useful management tool that can aid in scheduling activities and evaluating the self-help program. The CPM provides you with precise planning and scheduling by graphically showing each activity and its relationship to other activities. CPMs render an accurate picture of where the project stands, what remains to be done, and which jobs are critical to finishing on time.

The Implementation Schedule is a chart that breaks down the self-help process into specific steps and schedules these steps. It is both a predictor of progress and a tool to track progression. The schedule is usually a matrix that includes the major self-help steps: recruitment, loan packaging, and construction. It provides dates for the completion of each step. Actual progress is then charted against the schedule by filling in the date each step is achieved.

### **When should the monthly activity schedule be prepared?**

A tentative monthly activity schedule is necessary during the time of preparation of the application. It should then be finalized close to the time of application submittal and reviewed regularly throughout the grant cycle. While the Monthly Activity Schedule is the only form required for submission of the application, it is recommended to complete a Critical Path prior to grant closing. This will assist in gauging progress and keeping construction on schedule.

### **What is the purpose of a schedule?**

A plan that is not in writing does not really exist; everyone will have their own ideas of what is possible. By setting specific goals, identifying time, targets, and the person responsible, everyone will know what their responsibilities are and how their performance will be measured. A schedule's purpose is to aid in identifying potential problems and opportunities, improve decision-making process, and focus grant activities to results. This is especially important in the self-help program because it has many interdependent actions.

### **What should be included in the plan?**

Schedule development of the self-help project, including long, intermediate, and short-term goals. Long term goals are the goals of the grant - the number of homes, time frame and money. Intermediate goals are for each group of families-recruitment, lot options, preparation of construction/ loan docket, preconstruction meetings and finally actual construction. Short-term goals are a matter of defining the action plan for each group of families. It should be specific, identify times, targets, and person(s)

responsible as well as identify which staff person is responsible for recruitment of families, site acquisition, construction documents and loan packaging?

In planning the time dimension, it is more realistic to estimate time intervals as a range rather than a precise amount. The objective is to determine the shortest amount of time necessary to complete the project realistically. Fast responses require parallel action. Start with the work breakdown structures and determine what is required to complete each subunit. Next determine what sequence the subunits may be completed, and which ones can be underway at the same time. From this analysis, the four most significant time elements can be determined.

- 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

### **Implementation Stage**

In order to implement the plan, everybody must have a strong commitment to the self-help project. The activity schedule should be monitored often through regularly scheduled staff planning meetings. These meetings will provide feedback, schedule comparisons and a chance to make adjustments.

Several samples are included here but others may be available from your T&MA Contractor.

## Sample # 1

### Monthly Activity Schedule

Site Name	No. of Families	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Group #1 Dover	7	^	+	+	+	+	+	+	+	+															
Group #2 Camden	7	*	*	*	*	-	-	-	-	^ +	+	+	+	+	+	+	+								
Group #3 Dover 2	7								*	*	*	*	*	-	-	-	-	^ +	+	+	+	+	+	+	+

Key: ^ = Loan Closing  
 + = Construction  
 \* = Recruitment  
 - = Loan Processing

Total number of units planned 21. The grant is scheduled to begin in Oct. 2025, and last for 24 months.

## GRANT IMPLEMENTATION SCHEDULE

\*\*\*\*\* = RECRUITMENT      ..... = PRE-CONSTRUCTION      ^ = Loan Closing      \_\_\_\_\_ = CONSTRUCTION

## Construction Task List

Task #	Task Title	Who	Description of Activity	Time Frame (days)
1	Select paint, roof, shutters and plumbing colors	FA, CS, GC	Prior to or as soon as loans close, FA should select and coordinate all colors for building houses. The CS and GC will have each family sign their selection sheets.	1-2
2	Obtain permits, order framing materials and trusses	CS, FA, SC	CS will assist FA in obtaining building permits; CS working with SC will order all materials needed for framing and trusses.	1-2
3	Clear, fill & grade	CS, SC	CS will schedule excavating. SC to use heavy equipment.	2-4
4	Lot Stakeout	CS, FA	CS will assist FA with stakeout of lots to clearly define areas.	2-4
5	Prepare asphalt driveway	CS, SC	CS will make arrangements to have the asphalt driveway prepped and completed by SC.	2-4
6	Order Outside Toilet, Temporary Electric & Dumpster	CS, SC	CS will make arrangements for port-a-johns, and dumpsters and coordinate with SC to establish temporary electric service.	1-2
7	Water/Sewer/Gas Tap-in	CS, SC	CS will coordinate with SC for water/sewer/gas to be dug or tapped-in	2-4
8	Order Rental Equipment	CS	CS will order rental equipment for the jobsite	1-2
9	Dig footings & tie steel	CS, FA, SC	CS, FA, SC will dig footings & tie steel	7-14
10	Pour footings	CS, FA, SC	CS will schedule SC to pour footings. FA will assist with labor.	7-14
11	Termite Treatment	CS, SC	CS will schedule SC for termite treatment	5-10
12	Footing inspection	CS, RD	CS will schedule RD inspection	2-4
13	Foundation	CS, SC	CS will schedule SC to complete the foundation walls	7-14
14	Order plumbing fixture, roofing, siding, windows & doors	CS	CS will order plumbing fixtures, roofing, siding, windows & doors	2-4
15	Subflooring	CS, FA, SC	CS will schedule SC and FA to install subflooring	5-10



16	Framing exterior and interior walls, place trusses	CS, FA, SC	CS will schedule SC for framing exterior & interior walls, set the trusses . FA will assist with labor.	30-45
17	Roof sheathing and shingles	CS, SC	CS will schedule SC for sheathing and shingling the roofs	5-10
18	Order insulation, drywall, interior trim, paint, cabinets, counter tops, fixture & hardware	CS	CS will order insulation, drywall, interior trim, paint, cabinets, counter tops, fixture & hardware	1-2
19	HVAC prep & rough-in	CS, SC	CS will schedule SC for HVAC rough-in	7-10
20	Plumbing rough-in	CS, SC	CS will schedule SC for plumbing rough-in	7-10
21	Electric rough-in	CS, SC	CS will schedule SC for electric rough-in	7-10
22	Rough-In inspection	CS, RD	CS will schedule RD for rough-in inspection	1-2
23	Order windows & exterior doors	CS	CS will order windows and exterior doors	2-4
24	Garage floor slab	CS, SC	CS will schedule SC to complete the garage foundation	5-10
25	Wall insulation	CS, SC	CS will supervise the SC in the installation of wall insulation	5-10
26	Drywall & Finish	CS,SC	CS will supervise the SC in the hanging & finishing of drywall	15-30
27	Install windows & exterior doors	CS, FA	CS will supervise FA installing windows & doors	7-10
28	Exterior siding	CS, FA	CS will supervise FA in siding exterior of homes	20-40
29	Exterior masonry	CS, SC	CS will schedule SC to complete the brickwork	30-45
30	Ceiling insulation	CS, SC	CS will schedule SC for ceiling insulation	10-15
31	Install tubs & enclosures	CS, SC	CS will schedule SC for installation of tubs & enclosures	3-7
33	Interior trim & doors	CS, FA	CS will supervise FA in the installation of interior trim & doors	10-15
34	Interior Prime & Paint	CS, FA	CS will supervise FA in the priming and painting of the interiors	7-14
35	Install cabinets & counters	CS, SC	CS will schedule SC for installation of cabinets & counter tops	5-7
36	Finish HVAC	CS, FA, SC	CS will schedule SC and FA to complete HVAC.	5-7

37	Finish electric	CS, FA, SC	CS will schedule SC to complete electric finish. FA will assist with labor.	5-7
38	Finish plumbing	CS, FA, SC	CS will schedule SC to complete plumbing. FA will assist with labor.	5-7
39	Finish hardware	CS, FA, SC	CS will schedule SC with installation of finish hardware, closet shelves, etc. FA will assist with labor.	5-7
40	Rough clean	CS, FA	CS will supervise FA with the rough clean of each house.	1-2
41	Floor coverings	CS, FA, SC	CS will schedule SC for installation of floor coverings. FA will assist with labor.	5-10
42	Install shutters & garage doors	CS, FA, SC	CS will supervise FA and SC installing shutters and garage door	5-7
43	Install appliances	CS, FA	CS will supervise FA with the installation of appliances	1-2
44	Finish front & rear porches	CS, FA	CS will supervise FA in building the front and rear porches	5-7
45	Finish clean & touch-up	CS, FA	CS will supervise the FA with final cleaning and house touch-ups.	2-4
46	Grading, paving, landscaping	CS, FA, SC	CS will supervise CS to complete grading, paving driveways and sidewalks and landscaping. FA will assist with labor.	5-8
47	Final Inspection	CS, RD	CS will schedule RD to complete final inspection with FA present.	2-4

**CS = Construction Supervisor**

**FA = Families**

**GC = Group Coordinator**

**RD = Rural Development**

**SC - Sub-contractor**

Construction Task Schedule						
Task #	Task Title	Time Frame	Proposed Start Date	Actual Start Date	Proposed End Date	Actual End Date
1	Select paint, roof, shutters and plumbing colors	1-2 days	10/1/25		10/8/25	
2	Obtain permits, order framing materials and trusses	1-2 days	10/1/25		10/8/25	
3	Clear, fill & grade	2-4 days	10/7/25		10/11/25	
4	Lot Stakeout	2-4 days	10/7/25		10/11/25	
5	Order Outside Toilet & Temporary Electric	2-4 days	10/7/25		10/14/25	
6	Well dug or Tap-in completed	5-7 days	10/7/25		10/14/25	
7	Dig footings & tie steel	7-14 days	10/14/25		10/28/25	
8	Pour footings	7-14 days	10/16/25		10/30/25	
9	Termite Treatment & Rough Plumbing	5-10 days	10/20/25		10/30/25	
10	Footing inspection	2-4 days	11/1/25		11/5/25	
11	Order plumbing fixture, roofing, siding, windows & doors	2-4 days	11/5/25		11/9/25	
12	Subflooring	5-10 days	11/8/25		11/18/25	
13	Framing exterior and interior walls, place trusses & roofing	30-45 days	11/19/25		1/5/26	
14	HVAC prep & rough-in	7-10 days	12/1/25		12/11/25	
15	Plumbing rough-in	7-10 days	12/1/25		12/11/25	
16	Electric rough-in	7-10 days	12/1/25		12/11/25	
17	Rough-In inspection	1-2 days	12/12/25		12/13/25	
18	Order insulation, drywall, interior trim, paint, cabinets, counter tops, fixture & hardware	1-2 days	12/12/25		12/13/25	
19	Wall insulation	5-10 days	12/14/25		12/24/25	
20	Drywall & Finish	15-30 days	12/24/25		1/24/26	
21	Install windows & exterior doors	7-10 days	1/24/26		2/4/26	
22	Ceiling insulation	10-15 days	2/1/26		2/16/26	
23	Install tubs & enclosures	3-7 days	2/1/26		2/8/26	
24	Exterior siding	20-40 days	2/9/26		3/18/26	
25	Interior trim & doors	10-15 days	3/1/26		3/16/26	
26	Interior Prime & Paint	7-14 days	3/16/26		3/30/26	
27	Install cabinets & counters	5-7 days	3/25/26		4/2/26	
28	Finish plumbing	5-7 days	4/2/26		4/9/26	
29	Finish electric	5-7 days	4/2/26		4/9/26	
30	Finish HVAC	5-7 days	4/2/26		4/9/26	
31	Finish hardware	5-7 days	4/2/26		4/9/26	
32	Rough clean	1-2 days	4/10/26		4/12/26	
33	Floor coverings	5-10 days	4/12/26		4/22/26	
34	Install appliances	1-2 days	4/20/26		4/22/26	
35	Finish clean & touch-up	2-4 days	4/21/26		4/25/26	
36	Grading, paving, landscaping	5-8 days	4/25/26		5/2/26	
37	Final Inspection	2-4 days	5/3/26		5/7/26	

## TAB 12 – PERSONNEL POLICIES AND PROCEDURES

A copy of your current personnel policy (or new policy if you are a new organization) is required to be included with your application. These procedures must be in compliance with federal, state, and local laws that affect the workplace.

Personnel forms also need to be included in your application. This would include such items as time sheets, travel advance requests, mileage forms, and leave requests, amongst others. Sample forms can be found in the Project Director and Financial Management Guides if needed.

Examples of items to address include but may not be limited to:

- Exempt and Non-Exempt Staff
- HATCH Act
- Drug Free Workplace
- Davis/Bacon if appropriate
- Definitions and understanding of policies
- DOL wage and hourly policies

## TAB 13 – AUTHORIZING RESOLUTION

Provide a copy of the resolution adopted by the Board of Directors or other Governing Body, if a public body, authorizing an appropriate official(s) to execute all documents associated with the grant application including but not limited to Standard Form 424, *Application for Federal Assistance*, Exhibit A, *Self-Help Technical Assistance Grant Agreement*, Form RD 400-4, *Assurance Agreement*, as well as other documents related to the operation of the grant. (§1944.411(d)).

The Board of Directors' role is to ensure the integrity of the organization and compliance with any contractual agreements. The authorized official is operating on behalf of the board, but the Board is ultimately responsible for the organization.

The resolution should include authorization to apply for the grant, the amount of the grant, the number of houses proposed, the individuals being authorized to sign all grant related documents, including but not limited to Standard Form 424, *Application for Federal Assistance*, Exhibit A, *Self-Help Technical Assistance Grant Agreement*, Form RD 400-4, *Assurance Agreement*, as well as other documents related to the operation of the grant.

A sample resolution is included below:

## Sample Resolution

### Self-Help Housing, Inc.

#### BOARD OF DIRECTOR'S RESOLUTION

BE IT RESOLVED on this Day of \_\_\_\_\_ 20\_\_\_\_ the Board of Directors of  
(Agency's Name) hereby authorizes the submission of a Self-Help Technical Assistance Grant application for (Amount) to USDA/Rural Development. The Board further authorizes the submission of a Mutual Self-Help application to build \_\_\_\_ houses over a two-year period.

The Board further authorizes that \_\_\_\_ (Name & Title) and \_\_\_\_ (Name & Title) be the designated signatories for the execution of all grant application documents including but not limited to SF 424 (Application for Federal Assistance), Exhibit A (Grant Agreement) of this subpart (1944-I §1944.411), Form RD 400-4 "Assurance Agreement" and all related transactions and documents.

The Board further recognizes the \_\_\_\_ (Name & Title) to be the official contact person for the Mutual Self-Help Program.

The above resolution was passed by a majority of those present and voting in accordance with the by-laws and articles of incorporation.

I certify that the above and foregoing constitutes a true and correct copy of a part of the minutes of the meeting of the Board of Directors held on the \_\_\_\_ Day of \_\_\_\_\_ 20 \_\_\_\_.  
In WITNESS WHEREOF, I have subscribed my name this \_\_\_\_ Day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Name & Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Board Secretary

\_\_\_\_\_  
Date

## TAB 14 – ASSURANCE AGREEMENT

Complete the Form 400-4 Assurance Agreement, ctrl-alt-click link below to download form:

[Form RD 400-4 Assurance Agreement](#)

By completing this form, your organization is committing itself to carry out the provisions of Title VI of the Civil Rights Act of 1964. The Act stipulates that in the operation of your program, you may not discriminate on the basis of race, color or national origin. It also provides that if the Government needs to, it may have access to all your records and accounts.

On the form, insert the name and address of your organization as the recipient. Have the authorized official sign, date, and include their title. This form must be attested. This is typically done by the Board Secretary.

## TAB 15 – FIDELITY BOND

Provide evidence of adequate fidelity bond coverage/employee dishonesty insurance. RD considers adequate coverage enough to protect the maximum amount of all the money a grantee will have on hand at any one time.

The policy should cover all employees that have access to funds. All staff or directors who have the authority to make purchases, execute contracts or sign checks for the organization should be covered by this insurance. Coverage may be provided either for all individual positions or persons or through blanket coverage providing protection for all appropriate employees.

Additionally, you may want to review 2CFR Part 200 which deals with “Bonding and Insurance.” to see how it applies to you. You may then want to review it with a lawyer and accountant.



## TAB 16 – EVIDENCE OF INTEREST-BEARING CHECKING ACCOUNT AND STATEMENT OF REPAYMENT OF INTEREST

As part of this application, you must establish an interest-bearing checking account on which two or more bonded employees will sign checks. Include proof of this account and a signed statement that any interest earned in excess of \$500 annually will be submitted to RD quarterly.

Sometimes, grantees have a hard time obtaining an interest-bearing checking account without encountering fees. Reference RD Instruction 1944-I §1944.411(g) for a waiver to this item. Grantees must maintain advance payments of Federal awards in interest-bearing accounts in accordance with 2 CFR §200.305(b)(8) unless the following apply:

- The Non-Federal entity receives less than \$120,000 in Federal awards per year.
- The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- A foreign government or banking system prohibits or precludes interest bearing accounts.

Or if your organization only gets reimbursements; this requirement only applies to organizations that receive advances.

## TAB 17 – GROUP AGREEMENT, INCLUDING EXHIBIT B-2 OF 1944-I OR PARTICIPANT AGREEMENT

For a New Construction application, a copy of your agency's Group Agreement is required. This agreement needs to include Exhibit B-2 of 1944-I. This document will also be required for all subsequent groups. Group Agreements are documents signed by each self-help participant agreeing to participate fully in the program, and follow all policies and guidelines of the program. You must develop a membership agreement for your own organization. Keep in mind that it may differ from group to group to reflect different circumstances.

Each member of the group must read the document, have any questions answered and sign it. There is typically one agreement for each group. All members of the group will sign the agreement, and everyone will get a copy. This agreement must also be included in each loan docket. The group members must see the membership agreement as binding; that is, the rules and policies set forth will be enforced.

The membership agreement might cover such items as who qualifies as a member in the group, group officers and committees, voting rights, policies of the self-help organization, tasks the families are expected to perform, grievance policies, and time commitment, etc. (i.e., How many hours are required each week? Do the hours stay the same for the entire project? Does this include only construction? Does this include only meetings?)

For the Rehab Application, you need a Participant Agreement. This agreement needs to include Exhibit M-2 of 1944-I. This is required to include how hours will be tracked and how the cost savings to the family will be calculated.

The enforcement of the family agreement is key to the success of each group. For this reason, the self-help staff must make sure that small problems do not lead to large ones.

Sample agreements for new construction and both types of rehab are included. Electronic versions can be obtained from your T&MA Contractor.

## NEW CONSTRUCTION MEMBERSHIP AND LABOR AGREEMENT

This agreement is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the members of building group \_\_\_\_\_, commonly known as \_\_\_\_\_.  
(Group #) (Name of Building Group)

and hereinafter referred to as the “BUILDING GROUP MEMBERS” and [INSERT ORGANIZATION NAME] hereinafter referred to as “[INSERT ORGANIZATION NAME]”. The principal location of building group [INSERT GROUP #] is

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(Address, City/Town/County, State)

The [INSERT ORGANIZATION NAME] is an eligible entity that provides technical assistance and management services for building group members under the United State Department of Agriculture (USDA) Rural Development Mutual Self-Help Housing Program.

The [INSERT ORGANIZATION NAME] is NOT acting as a "general contractor", but an authorized agent on behalf of BUILDING GROUP MEMBERS, as a USDA Rural Development grant manager and technical advisor. BUILDING GROUP MEMBERS, as homeowners and builders, are the owner builders. The BUILDING GROUP MEMBERS agree to hold the [INSERT ORGANIZATION NAME] harmless for any purchases, even though such purchases may have been made by the [INSERT ORGANIZATION NAME] on behalf of the BUILDING GROUP MEMBERS.

The purpose of the Agreement is to foster the smooth accomplishment of the BUILDING GROUP MEMBERS' goal to construct houses. The BUILDING GROUP MEMBERS understand and agree with each other and with the [INSERT ORGANIZATION NAME] that this Agreement will control the progress of the project. Violation of any portion of this Agreement may result in implementation of Section VII of this Agreement. **USDA Rural Development is not a party to this agreement.**

### I. COMMITMENT

The [INSERT ORGANIZATION NAME] agrees to provide technical assistance to the undersigned BUILDING GROUP MEMBERS as follows:

#### A. Pre-Construction Services

- a. Locate and assist families in suitable USDA Rural Development building sites. In

the event the families purchase their own lots, assist in approval of lot by USDA/Rural Development.

- b. Recruit and determine preliminary eligibility of potential group members.
- c. Prepare all loan application documents in accordance with Handbook-1-3550 including Attachment 3-A for submission to USDA Rural Development and work with USDA Rural Development on behalf of the applicants.
- d. Assist the officers of the group in the fulfillment of their duties.
- e. Arrange and present a series of informational meetings covering homeownership and related subjects. This series is normally referred to as the "Pre-Construction" meetings.

## **B. Construction Services**

- a. Provide house plans, which have been developed or acquired by [\[INSERT ORGANIZATION NAME\]](#) and approved by USDA Rural Development.
- b. Direct, control, and implement construction on all of the members' houses.
- c. Teach tasks to the members as necessary to build the houses according to the plans and specifications, within the allowed budgets.
- d. To initiate contracts in the name of the members for materials and services to be purchased in accordance with the plans and specifications.
- e. Provide bookkeeping services to maintain individual group member accounts and to pay bills on behalf of group members from these accounts.
- f. Lease power tools and special equipment as required on the job.
- g. Present to the building group for approval, bids from outside contractors and suppliers to provide the materials and contracted work necessary to build the homes according to plans and specifications. The selection of a supplier or contractor should be made only on the basis of quality, experience, completeness of bid, price, and past performance.

## **II. GROUP MEMBER COMMITMENT**

The undersigned BUILDING GROUP MEMBERS agree to the following:

- To build their own homes in the [\[INSERT ORGANIZATION NAME\]](#)'s construction program, using USDA Rural Development and/or alternative financing.

- To use their labor to the extent required and to pay for all materials and contracted labor and services used in the construction of their home, according to the directions of the [\[INSERT ORGANIZATION NAME\]](#), including costs associated with lot development and costs shared with other participants.
- To purchase materials and contracted labor on a group basis whereby the building group utilized the same suppliers and contractors.
- To use their best efforts to meet construction goals and objectives established by the group and the [\[INSERT ORGANIZATION NAME\]](#) in performance of this agreement.
- To work at all times in a safe manner, and to follow the Construction Supervisor's instructions in this regard. To work as directed by the Construction Supervisor.
- To work on any house in their group and at any job as required by the Construction Supervisor.
- To cooperate with other group members and [\[INSERT ORGANIZATION NAME\]](#) in the performance of the requirements as set forth in this agreement, and to conduct themselves at all times in a manner that will not disrupt or interrupt other group members in their performance of assigned tasks. It is agreed that the Construction Supervisor has the authority to require removal from the job site of any individual whom the supervisor deems to be a disruptive influence to work requirements.
- To follow the plans, budgets, blueprints, specifications and instructions of [\[INSERT ORGANIZATION NAME\]](#) and USDA Rural Development in construction of their houses. (Change orders will only be allowed in accordance with Handbook 3550-1, Chapter 5, Section 5.24 D.
- To allow the [\[INSERT ORGANIZATION NAME\]](#) to solicit bids and not to negotiate with or direct the work, or otherwise interfere with subcontractors and suppliers, unless authorized to do so by the Construction Supervisor.
- To provide the [\[INSERT ORGANIZATION NAME\]](#) written schedules of the hours they are available to work and to work the hours as assigned by the Construction Supervisor.
- To review requests for payment as submitted by the [\[INSERT ORGANIZATION NAME\]](#) and to sign checks for payment, acknowledging that if legitimate bills are not paid, property is subject to liens in accordance with state law.
- Not to move into the house or move personal property into that house until all the homes in the group are finalized by USDA Rural Development and/or other appropriate officials.

- To purchase (Builder's Risk) Homeowners Insurance as required by USDA Rural Development, to be in force beginning with the date of loan closing. (See Section XIII following).
- To attend all scheduled meetings as directed by the [INSERT ORGANIZATION NAME]. (See Section V.D.4. following)
- To attend all pre-construction training meetings offered by [INSERT ORGANIZATION NAME].
- To convert their loan account within (30) days of final inspection by USDA Rural Development, unless otherwise extended by USDA Rural Development.
- To meet all other requirements as set forth in this agreement.

### III. CONSTRUCTION RESPONSIBILITIES

#### A. Labor Exchange Commitment

The building group members agree to exchange work labor in a cooperative manner, and to work jointly on all members' houses.

- Each household will be required to put in a minimum of \_\_\_\_\_ productive hours per week, or as many as necessary, as directed by the Construction Supervisor, to complete construction of the homes on schedule. Equal time will be allowed for labor performed by members regardless of the approved type of work involved.

It is further agreed that only the work hours of persons \_\_\_\_ years and older may count towards the hours. We require that any delinquent hours be made up the week following their accrual unless prior arrangements have been made with the Construction Supervisor.

**Accumulation of hours** – Families who accumulate more than the \_\_\_\_\_ hours required per week, may accumulate limited hours in a "family reserve." The accumulated hours may not exceed \_\_\_\_\_ hours per week above and beyond the \_\_\_\_\_ required hours. Families are only allowed to draw hours from the "family reserve" if they first clear it with the Construction Supervisor. The decision will be made on the basis of the nature of the request and the progress of the project. Additionally, families may donate any excess hours to other participating families with the approval of the Construction Supervisor.

- Labor hours that count toward the minimum \_\_\_\_\_ hours per week requirement per household is labor that contributes to the construction of houses in the group. Labor hours do not include lunch breaks, coffee breaks, travel time, childcare for

your own family, time away from the job site not on construction business, or time spent involved in non-productive conversation with others.

One hour of credit per household will be allowed for each of the following: selection of finish flooring and counter tops, lighting fixtures, and landscaping. Work from non-group members must be scheduled by the Construction Supervisor prior to performance of the work. Any vacation or time off from construction must be pre-approved by the group and the Construction Supervisor.

No previously earned labor hours in excess of the \_hours per week requirement can be used towards the current \_\_\_\_\_ hours per week requirement, without prior approval of the BUILDING GROUP MEMBERS and [\[INSERT ORGANIZATION NAME\]](#).

- Volunteer hours – Volunteers who perform work at the site will work as scheduled by the Construction Supervisor. Volunteers will work on all houses in the group.
- Labor that must be performed by building group members is listed as "Homeowner Labor" on the following chart, amounting to at least 65% of the total work tasks. Group members must perform a majority of the work for each task listed, in order to receive the percentage credit shown.

## CONSTRUCTION LABOR DIVISION – SELF-HELP HOUSING

	Subcontract	Homeowner
	Labor	Labor
1. Excavation		
2. Footings, Foundations, Columns		
3. Floor Slab or Framing		
4. Subflooring		
5. Wall Framing, Sheathing		
6. Roof & Ceiling Framing, Sheathing		
7. Roofing		
8. Siding, Exterior Trim, Porches		
9. Windows and Exterior Doors		
10. Plumbing Rough-In		
11. Sewage Disposal		
12. Heating Rough-In		
13. Electrical Rough-In		
14. Insulation		
15. Dry Wall		
16. Basement or Porch Floor, Steps		
17. Heating Finish		
18. Flooring		
19. Interior Carpentry, Trim, Doors		
20. Cabinets and Countertops		
21. Interior Painting		
22. Exterior Painting		
23. Plumbing Finish		
24. Electrical Finish		
25. Finish Hardware		
26. Gutters and Downspouts		
27. Grading, Paving, Landscaping		
<b>Totals</b>		

1. If a household becomes 15 (*suggested # of hours*) hours behind during any three-week period or for the total minimum number of hours required at that period of construction, without approval of the Construction Supervisor, no additional materials will be ordered for their house. At this time, the member is required to meet with the Construction Supervisor and the Group Coordinator for approval of a written plan submitted by the member to bring labor hours current. When labor hours are brought current, [INSERT ORGANIZATION NAME] will again be authorized to purchase materials for their house.

If a household becomes 20 (*suggested # of hours*) hours behind the total minimum number of labor hours, all work and associated activities on their house will stop. At



this time, the member is required to meet with [INSERT ORGANIZATION NAME]'s Housing Program Director and the Group Coordinator, with a written plan to bring labor hours current. Work may again start on their house when the household is no more than \_\_\_\_\_ hours delinquent, although no additional material is to be ordered for their house. When labor hours are brought current, [INSERT ORGANIZATION NAME] will be authorized again to purchase material.

If a household becomes 30 (*suggested # of hours*) hours behind the required number of labor hours, expulsion from the group may occur, in accordance with Section VII of this agreement.

2. The Construction Supervisor will decide what work is to be completed by the members each day. The members agree to perform the work assignments made by the Construction Supervisor. Any member who performs work not assigned by the supervisor may not receive credit for labor hours, at the discretion of the Construction Supervisor. The Construction Supervisor may ask a member who refuses to perform an assigned task to leave the job site. Continued refusal may result in the implementation of Section VII of this agreement. A member may not work alone unless the task can safely be done alone, and they have the consent of the Construction Supervisor.

Any work by a member devoted exclusively toward that member's own house will not be credited toward the weekly work requirement unless such work has been assigned or approved by the Construction Supervisor. (It is imperative that the Mutual Self-Help method of construction is followed. The program is designed to work for group building, not building one's individual property.)

3. If the household becomes verifiably disabled after construction starts, the group agrees to continue to help the participant construct its house, subject to the following provisions:
  - a. Disability claims must be verified in writing by a licensed Medical Doctor (M.D.), stating specifically those construction tasks the claimant cannot perform. Tasks not prohibited in writing by the M.D. are expected to be performed by the claimant, as assigned by the Construction Supervisor. Such tasks may not have been required prior to the claimed disability, and time worked on these tasks may or may not be included as contributing in their entirety to the required minimum hours to be worked each week by each member household subject to the discretion of the Construction Supervisor.
  - b. The household claiming to be incapacitated must provide the Construction Supervisor a written plan stating the name and the hours to be worked by those individuals who contribute the required make-up hours, to ensure the household maintains its required work responsibility. All individuals thus named must sign an agreement to work the specified hours. The plan must be approved by a majority vote of the group members. The substitute labor must also be approved by [INSERT ORGANIZATION NAME] and USDA Rural Development.

4. Action to be taken by the group following death of a head-of-household or spouse is to be determined by majority agreement at a meeting of the group and is to include plans for completion [INSERT ORGANIZATION NAME] prior to enactment.
5. Each household will complete a "Weekly Work Availability" form in which each household will plan their weekly minimum 30 (*suggested # of hours*) -hour work schedule at the construction site. Completed schedules will be given to the Construction Supervisor one week or more in advance and all schedules will be posted at the construction site. The Construction Supervisor shall specify which of the available hours are required to meet the construction goals for the week. The intent is to have a well-organized flow of work utilizing the best varied abilities of the group members in order to ensure proper job, contractor and material supplier scheduling. Group members will record their work hours and tasks daily at the job site, under the supervision of the Construction Supervisor and timekeeper, who will maintain records of such hours and jobs. Any conflict over work schedules or hours worked will be resolved by the Construction Supervisor.
6. Each member agrees individually, and all members agree collectively as a group, to abide by the purchase order system for ordering materials. The only persons authorized to order materials shall be designated by [INSERT ORGANIZATION NAME].
7. If a household becomes 14 (*suggested # of days*) days delinquent in approving construction invoices, all work on the house will stop. No additional materials will be ordered until outstanding invoices are paid and [INSERT ORGANIZATION NAME] has received a commitment from the participant that delinquencies will not reoccur.
8. Each member agrees individually, and all members agree collectively as a group, to work on each other's houses together as a work team, as assigned by the Construction Supervisor. Group members may perform extra work in addition to that required by the Construction Supervisor, and will receive credit for this work, so long as it is for the benefit of the entire group and is assigned by the Construction Supervisor.
9. If for any reason, families are not able to perform the required number hours of work, because of snow, storm, tornado, flood, or any other "acts of God", no penalties will be enforced. The participants will work with the Construction Supervisor to find a solution that is mutually acceptable.

#### **IV. ELECTION OF OFFICERS**

In order to function as a group, the following procedures will be followed:

- Officers shall be elected by the group for the life of the project and their duties shall

include the following:

- Group Facilitator – Shall chair all group meetings, and act as the main representative of the group.
- Assistant Group Facilitator – Shall act for the Group Facilitator in their absence.
- Timekeeper – Shall keep a record of all group members' timesheets and shall be responsible for submitting timesheets to [INSERT ORGANIZATION NAME]'s office on a weekly basis.

*(NOTE: An additional and particularly important responsibility would be that of "material checker," to accept and check all supplies delivered to the group. This may be an elected position, or the duty of each member present.)*

- Officers may be recalled or replaced by a majority vote of the households.

## **V. GENERAL RULES OF THE GROUP**

- In consideration of safety issues, children under the age of sixteen shall not be allowed on the construction site without prior approval of the Construction Supervisor for each individual occurrence. If youth is performing construction tasks, grantee should consult State Child Labor Laws and terms of insurance coverage.
- Each member agrees that no member of the group may hire or pay anyone to do their work for them
- Hours shall be recorded by the timekeeper after approval of the Construction Supervisor. Any conflict over the number of hours worked will be resolved by the Construction Supervisor and/or Group Coordinator.
- The building group shall have a group meeting at least once every \_\_\_\_\_, as called by the Construction Supervisor, the majority of the group members, or the Group Coordinator. At least one of [INSERT ORGANIZATION NAME]'s staff members will attend each meeting, and this may be the Construction Supervisor. Time spent at the group meeting will count toward the required labor hours only if required by [INSERT ORGANIZATION NAME]. Group membership meetings may also be called by the Program Director. Notice of any meetings shall be given to one of each household at least \_\_\_\_\_ hours in advance.
- One vote per house in construction is allowed and each household shall cast one vote. The head-of-household or co-applicant may cast the vote.
- A quorum consists of at least one vote per household at meetings in which half or more of the households are represented. When a quorum is present, the majority vote shall carry all motions, except as stated differently in the Agreement.

- Each household has the responsibility of having at least one voting member of the household attending each group meeting, and any member household that misses more than two meetings may be subject to disciplinary action by the group, up to and including termination of the households' voting rights.
- The meeting location shall be assumed to be the job building site and all relevant conditions of this agreement shall apply at these meetings.
- No one will be allowed on the building site while under the influence of alcohol or illegal drugs, nor will the drinking of alcoholic beverages or the use of illegal drugs at the job site be tolerated. Any incident involving alcohol or illegal drugs on the job is cause for automatic expulsion of the participant by the Program Director and termination of this agreement.
- Each member agrees that they will be responsible for all materials, supplies, and other items purchased for their house regardless of the location of such materials, supplies or other items. Any theft, loss, breakage, or damage is the responsibility of the member and replacement, or repair will be covered by insurance or an out-of-pocket expense.
- The group members and families shall pay for all materials and contracted work purchased for benefit of their homes, including extra materials or overruns. The Construction Supervisor will allocate all materials, equipment, purchases, and contracted work between the households and this allocation shall be binding on each household.

## **VI. GRIEVANCE PROCEDURE**

- I. Any claim, dispute or question raised by any group member or BUILDING GROUP MEMBERS shall be first brought to the attention of the Group Facilitator, discussed in a group meeting and settled.
- II. If no resolution can be accomplished through the group meeting, the following grievance procedure shall be followed.
  1. Before Construction the grievance should be brought to the attention of the Group Coordinator assigned to the group. If no resolution can be made, the Program Director must receive the grievance in writing. If a resolution is again not reached, then the written grievance shall be referred to [\[INSERT ORGANIZATION NAME\]](#)'s Executive Director. If a resolution is again not reached, then the written grievance shall be referred to [\[INSERT ORGANIZATION NAME\]](#)'s Board of Directors for final resolution.

2. During Construction, the grievance should be brought to the attention of the Construction Supervisor. If a resolution does not follow, then the grievance shall be referred to [INSERT ORGANIZATION NAME]'s Program Director. If a resolution is not reached again, then the written grievance shall be referred to [INSERT ORGANIZATION NAME]'s Executive Director. If a resolution is again not reached, then the written grievance shall be referred to [INSERT ORGANIZATION NAME]'s Board of Directors for the final resolution.
- III. If a claim is brought prior to completion of construction and occupancy of the residence by the group member(s), the foregoing shall be conditions precedent to arbitration. In any event, any claim, dispute, or question arising between [INSERT ORGANIZATION NAME] and the parties shall be subject to arbitration at the choice of any party. In the event either party elects arbitration, it shall serve a notice on the other party or parties, stating their grievance and desire to arbitrate, and the parties shall proceed in accordance with state law. The decision of the arbitrator shall be a condition precedent to the right of any other legal action. The cost of the arbitrator shall be shared equally by all parties to the dispute.
  - IV. [INSERT ORGANIZATION NAME] has agreed to provide technical assistance to the group members in construction of their housing. [INSERT ORGANIZATION NAME] does not charge group members for this service, and in return the group members agree that [INSERT ORGANIZATION NAME] shall have no liability for acts and omissions done in good faith. [INSERT ORGANIZATION NAME] shall have no liability of consequential or delay damages resulting from any act, omission, breach of contract, or negligence.

## **VII. TERMINATION PROCEDURE**

Prior to termination, the following items will be reviewed and verified as part of the process. These steps are to be taken to provide justification as well as fairness.

- Timesheets - Verify hours worked during construction.
- Meetings – Verify attendance/participation in group meetings.
- Workout Plan – If a Workout Plan was developed, review for completion and fulfillment of the obligation.
- Note/Memos – Review and present any notes from staff or other correspondence regarding issues surrounding the termination.

Violations of the terms of this agreement will result in all expenditures for materials/labor being immediately halted until a satisfactory resolution is reached. If a satisfactory resolution cannot be reached or the same problem continues, expulsion from the group will be determined by [INSERT ORGANIZATION NAME]. Expulsion results in the loss of any rights under the terms of this

agreement and the loss of building privileges under [INSERT ORGANIZATION NAME]'s self-help program. After expulsion, the members must contact USDA Rural Development to determine the next steps regarding their home. In the event a group member, family or group members fail to meet the requirements of this agreement, the remedies afforded the BUILDING GROUP MEMBERS in this agreement are cumulative, and in addition to any other remedies afforded by law or otherwise.

The group member may be responsible for completion of the property, repayment of all subsidies received, all seller's closing costs or another method of satisfying the completion of the property in the event of expulsion or voluntary termination from the group.

## **VIII. CONTRACTS AND OBLIGATIONS**

The group members and spouses are jointly and severally bound by the contracts they enter into and agree to the terms thereof. The group members may not elect to exclude themselves from such contracts but are irrevocably committed to them.

## **IX. SUPERVISION OF ACCOUNTS AND PAYMENT OBLIGATIONS**

The undersigned families and group members agree to place their USDA Rural Development loan proceeds and other funds into a designated bank account which is managed by [INSERT ORGANIZATION NAME] is authorized to approve of all labor, materials, contracts, subcontracts, liens, expenses, taxes, and other costs incurred for building their house. Only [INSERT ORGANIZATION NAME] may request draws on the group member's USDA Rural Development loan account and prepare checks for payment of all costs and charges attributable to construction of the participant's home. All checks shall be included on a Bill Pay Coversheet. The coversheet will provide an at-a-glance summarized list of all checks to be signed. These payments are to be authorized by the designated participants and USDA Rural Development with supporting documentation provided by [INSERT ORGANIZATION NAME]. The group members and families agree to execute and deliver to [INSERT ORGANIZATION NAME] any other document necessary to implement this agreement.

## **X. LEVY OF DUES**

The group may agree by a majority vote to levy dues upon its members. Further, the group has sole custody and responsibility for any money which it may earn or collect from its members for purposes of the group. These funds may be disbursed in any manner as determined by a majority vote of the group. [INSERT ORGANIZATION NAME] will not be accountable in any way for these funds.

## **XI. SUCCESSORS AND ASSIGNEES, JOINT AND SEVERAL LIABILITIES**

The parties bind themselves, their spouses, successors, assignees, partners, and representatives to this agreement. The undersigned group members agree that this agreement is jointly and severally binding upon them, and that any liabilities and obligation, rights and duties created hereunder shall be jointly and severally to each signatory.

The undersigned families and group members agree to build according to blueprints and specifications provided by [INSERT ORGANIZATION NAME] and approved by USDA Rural Development. No change will be made in these plans without prior approval of USDA Rural Development.

## **XII. INSURANCE**

Each group member or participant agrees to purchase Builders Risk Insurance as required by USDA Rural Development and other lending institutions to be in force from the date of loan closing. This policy shall include sufficient individual liability coverage in an amount not less than \_\_\_\_\_. However, [INSERT ORGANIZATION NAME] may require a higher amount if it determines that this is necessary. [INSERT ORGANIZATION NAME] shall be given proof (binder) of insurance.

## **XII. ACCEPTANCE OF HOUSING/RELEASE**

At the time of completion of the participant or group member's home, the head-of-household must inspect the home and at that time make any claim against [INSERT ORGANIZATION NAME] or waive the right to do so by signing the Release and Hold Harmless Agreement attached to this agreement. (Addendum #1) [INSERT ORGANIZATION NAME] will not approve the closing of an account prior to receiving the release. A participant or group member may not occupy their home prior to inspection and accepting the home and delivering the executed Release and Hold Harmless Agreement to [INSERT ORGANIZATION NAME]. It is agreed that any claims against [INSERT ORGANIZATION NAME] will be made at this time or will be forever barred.

## **XIV. TERMINATION OF AGREEMENT**

This agreement shall be terminated with regard to each member and [INSERT ORGANIZATION NAME] by the following conditions:

- A. After all members' houses have been completed, received final inspection and approval by USDA Rural Development, all bills and credits have been settled, and the supervised bank accounts are closed.

B. By signing below, I agree to all conditions of this Membership and Labor Agreement. I also declare that no statements, representatives, or any express or implied warranties of any nature whatsoever have been made to me by (INSERT ORGANIZATION NAME). I further acknowledge that (INSERT ORGANIZATION NAME) agrees only to provide technical assistance and construction supervision set forth in this agreement, and shall have no liability for any damage, error, or construction defect. In the event that damage or defect must be remedied, the group members agree to repair the same using their own "self-help" and/or subcontractor labor, and to pay for materials and/or labor as required. I also acknowledge receipt of a copy of said Agreement for my personal files.

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

Date: \_\_\_\_\_ Co-Borrower: \_\_\_\_\_

By signing below, [INSERT ORGANIZATION NAME] agrees to all conditions of this.

Building Group Membership and Labor Agreement. [INSERT ORGANIZATION NAME] also declares that no statements, representations or any express or implied warranties of any nature whatsoever have been made to this building group.

Date: \_\_\_\_\_  
Construction Supervisor

Date: \_\_\_\_\_  
Program Director



## GROUP MEMBERS

The above information has been explained to us, and I/we understand and accept these conditions.

\_\_\_\_\_  
NAME

\_\_\_\_\_  
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DATE

## RELEASE AND HOLD HARMLESS AGREEMENT

I have inspected or had an opportunity to inspect my house and property, legally described as

\_\_\_\_\_.

(Address, City/Town/County, State)

I hereby release [\[INSERT ORGANIZATION NAME\]](#), its agents and employees, of any claim or liability with respect to the repairs of said residence, whether known, or arising in the future. I agree to indemnify and hold [\[INSERT ORGANIZATION NAME\]](#) and its agents and employees harmless for any claim made against them by a third party with respect to the construction repair of said residence.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

## **Recommended Tools**

(One Set per Household)

25' to 30' – 1" measuring tape

Speed square

Hammer – 16 or 20 oz., straight or curved claw

Nail set

Chalk line and chalk

Nail apron/Tool bag

Work gloves

Safety glasses & earplugs

Flat pry bar

Utility knife with extra blades

Carpenter's pencils

Screwdrivers – flat and Phillips head

Shovel – round point

Construction shoes (good quality)

Cat's-paw (nail puller)

# PURCHASE/REPAIR PROGRAM PARTICIPATION AND LABOR AGREEMENT

This agreement is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the Purchase/Repair Participant, [PARTICIPANT NAME(S)], hereinafter referred to as the "P/R Participant" and [INSERT ORGANIZATION NAME] hereinafter referred to as "\_\_\_\_." The location of the P/R participant's home is \_\_\_\_\_ (Include Address, City/Town/County, State).

[INSERT ORGANIZATION NAME] is an eligible entity, which provides technical assistance and management services for the P/R Participant under the Self-Help Purchase/Repair Program. [INSERT ORGANIZATION NAME] is not acting as a "contractor" on behalf of the P/R PARTICIPANT, but as an authorized agent on behalf of P/R Participant, and as a United States Department of Agriculture Rural Development grant manager and technical advisor. The P/R PARTICIPANT, as a homeowner, is acting as their own general contractor. The P/R PARTICIPANT agrees to hold [INSERT ORGANIZATION NAME] on behalf of the P/R PARTICIPANT.

The following repairs will be completed to the Participant's home:

It is anticipated that the cost savings will be \_\_\_\_\_ for the above-mentioned repairs. Cost savings are calculated by developing a list of items that need to be repaired; determining the total cost of the repairs; selecting the work items that the borrower will complete. The difference between having a sub-contractor complete the work and having the borrower complete the work is considered the cost savings.

The purpose of the Agreement is to foster the smooth accomplishment of the P/R PARTICIPANT's goal of the purchase and repair of their home. The P/R PARTICIPANT understands and agrees with [INSERT ORGANIZATION NAME] that this Agreement will control the progress of the project. Violation of any portion of this Agreement may result in implementation of Section VI of this Agreement.

**USDA Rural Development is not a party to this agreement.**

## I. COMMITMENT

[INSERT ORGANIZATION NAME] agrees to provide technical assistance to the undersigned P/R PARTICIPANT as follows:

- **Pre-Construction Services**
  - Recruit and determine preliminary eligibility of potential participants.

- Prepare all loan application documents in accordance with Handbook-1-3550 and specifically in Attachment 3-A for submission to USDA Rural Development and work with USDA Rural Development on behalf of the applicants.
- Arrange and present a series of informational meetings covering homeownership and related subjects. This series is normally referred to as the "Pre-Construction" meetings.
- **Construction Services**
  - Provide all necessary repair paperwork to USDA Rural Development.
  - Direct, control, and implement repairs on the participant's house.
  - Teach tasks to the participants as necessary to repair the house according to the plans and specifications, within the allowed budgets.
  - To initiate contracts in the name of the participant for materials and services to be purchased in accordance with the plans and specifications.
  - Provide bookkeeping services to maintain the participant's accounts, and to pay bills on behalf of the participant from this account.
  - Provide or lease power tools and special equipment as required on the job.
  - Present to the P/R PARTICIPANT for approval, bids from outside contractors and suppliers to provide the materials and contracted work necessary to repair the home according to plans and specifications. The selection of a supplier or contractor should be made only on the basis of quality, experience, completeness of bid, price, and past performance.

## II. P/R PARTICIPANT COMMITMENT

The undersigned P/R PARTICIPANT agrees to the following:

- A. To work to repair their own home in [\[INSERT ORGANIZATION NAME\]](#)'s Purchase/Repair Program, using USDA Rural Development and/or alternative financing.
- B. To use their labor to the extent required and to pay for all materials and contracted labor and services used in the repair of their home, according to the directions of [\[INSERT ORGANIZATION NAME\]](#).
- C. To use their best efforts to meet construction goals and objectives established by

[INSERT ORGANIZATION NAME] in performance of this agreement.

- D. To work at all times in a safe manner, and to follow the Construction Supervisor's instructions in this regard.
- E. To work at any job as required by the Construction Supervisor.
- F. To cooperate with [INSERT ORGANIZATION NAME] in the performance of the requirements as set forth in this agreement, and to conduct themselves at all times in a manner that will not disrupt or interrupt their performance of assigned tasks.
- G. To follow the plans, budgets, blueprints, specifications and instructions of [INSERT ORGANIZATION NAME] and USDA Rural Development in the repair of their house.  
(Change orders will only be allowed in accordance with Handbook 3550-1, Chapter 5, Section 5.24 D.
- H. To allow [INSERT ORGANIZATION NAME] to solicit bids and initiate subcontracts.
- I. To provide [INSERT ORGANIZATION NAME] written schedules of the hours they are available to work and to work the hours as assigned by the Construction Supervisor.
- J. To review requests for payment as submitted by [INSERT ORGANIZATION NAME] and to sign checks for payment, acknowledging that if legitimate bills are not paid, property is subject to liens in accordance with state law.
- K. Not to move into or move personal property into the house until approved to do so by [INSERT ORGANIZATION NAME] and USDA Rural Development and/or other appropriate officials.
- L. To purchase Homeowners Insurance as required by USDA Rural Development, to be in force beginning with the date of loan closing.
- M. To attend all scheduled meetings as directed by [INSERT ORGANIZATION NAME].
- N. To work as directed by the Construction Supervisor.
- O. To attend all pre-construction training meetings offered by [INSERT ORGANIZATION NAME].
- P. To convert their loan account within (30) days of final inspection by USDA Rural Development, unless otherwise extended by USDA Rural Development.
- Q. To meet all other requirements as set forth in this agreement.

### III. CONSTRUCTION RESPONSIBILITIES

#### Labor Exchange Commitment

The P/R Participant agrees to provide work labor in a cooperative manner.

- A. I/We agree to contribute labor on my/our home. My total labor will be a minimum of \_\_\_\_\_ hours per week to complete the required repairs. There is no maximum limit to the number of hours worked per week.
- B. Once I fail to keep up with my committed hours, as established by the Construction Supervisor, I will be issued a written warning by [INSERT ORGANIZATION NAME] and must provide a schedule to make up these delinquent hours.
- C. If I become delinquent 20 (suggested # of hours) hours without notification to [INSERT ORGANIZATION NAME], a second written warning will be issued, and a meeting will be set up with [INSERT ORGANIZATION NAME] staff.
- D. [INSERT ORGANIZATION NAME] may terminate its agreement to work with me if I fail to put in the required hours and tasks.
- E. I further understand that failure to meet the above obligations can result in cessation of work on my home.
- F. If at any time the Termination Procedure is initiated all invoices for material and labor will be paid up to date. Termination results in the loss of any rights under the terms of this agreement and the loss of building privileges under [INSERT ORGANIZATION NAME] Self-Help Purchase/Repair Program. After termination, the participant must work with USDA Rural Development to determine what options are available to them regarding their loan/grant.
- G. The participant will complete a "Weekly Work Availability" form in which they will plan their weekly minimum hour work schedule at the home. Completed schedules will be given to the Construction Supervisor one week or more in advance and all schedules will be posted at the home. The Construction Supervisor shall specify which of the available hours are required to meet the construction goals for the week. The intent is to have a well-organized flow of work utilizing the best-varied abilities of the participant(s) in order to ensure proper job, contractor and material supplier scheduling. Participant(s) will record their work hours and tasks daily at the home site, under the supervision of the Construction Supervisor, who will maintain records of such hours and jobs. Any conflict over work schedules or hours worked will be resolved by the Construction Supervisor.
- H. Each participant agrees to abide by the purchase order system for ordering materials. The only persons authorized to order materials shall be designated by [INSERT ORGANIZATION NAME].

- I. If a household becomes 7 (*suggested # of days*) days delinquent in approving construction invoices, all work on the house will stop. No additional materials will be ordered until outstanding invoices are paid and [INSERT ORGANIZATION NAME] has assurance that delinquencies will not recur.

#### IV. GENERAL RULES

1. In consideration of safety issues, children ***under the age of sixteen*** shall not be allowed to participate in the repairs without prior approval of the Construction Supervisor for each individual occurrence. . If youth is performing construction tasks, grantee should consult State Child Labor Laws and terms of insurance coverage.
2. Each participant agrees that they may not hire or pay anyone to do their work for them.
3. Hours shall be recorded by the participant with approval of the Construction Supervisor. Any conflict over the number of hours worked will be resolved by the Construction Supervisor.
4. While performing scheduled repairs under this agreement, being under the influence of alcohol or illegal drugs will not be tolerated. Any incident involving alcohol or illegal drugs on the job is cause for automatic expulsion of the participant by the Program Director and termination of this agreement.
5. The participant agrees that they will be responsible for all materials, supplies, and other items purchased for their house regardless of the location of such materials, supplies or other items. Any theft, loss, breakage, or damage is the responsibility of the participant, and replacement or repair will be paid out of participant construction funds if not covered by insurance.
6. The participants shall pay for all materials and contracted work purchased for the benefit of their home, including extra materials or overruns.

#### V. GRIEVANCE PROCEDURE

- A. Any claim, dispute or question raised by any P/R PARTICIPANT shall be first brought to the attention of the Construction Supervisor.
- B. If no resolution can be accomplished through the Construction Supervisor, the following grievance procedure shall be followed.
  - a. Before and During Construction
    - i. The grievance should be brought to the attention of the Program Manager of [INSERT ORGANIZATION NAME] in writing. If a resolution is again not reached, then the written grievance shall be referred to [INSERT



**ORGANIZATION NAME]**'s Board of Directors for final resolution.

- C. If a claim is brought prior to completion of construction and occupancy of the residence by the participant, the foregoing shall be conditions precedent to arbitration. In any event, any claim, dispute, or question arising between **[INSERT ORGANIZATION NAME]** and the participant(s) shall be subject to arbitration at the choice of any party. In the event either party elects arbitration, it shall serve a notice on the other party or parties, stating their grievance and desire to arbitrate, and the parties shall proceed in accordance with state law. The decision of the arbitrator shall be a condition precedent to the right of any other legal action. The cost of the arbitrator shall be shared equally by all parties to the dispute.
- D. **[INSERT ORGANIZATION NAME]** has agreed to provide technical assistance to the participant in repair of their home. **XX** does not charge participants for this service, and in return the participants agree that **[INSERT ORGANIZATION NAME]** shall have no liability for acts and omissions done in good faith. **[INSERT ORGANIZATION NAME]** shall have no liability of consequential or delay damages resulting from any act, omission, breach of contract, or negligence.

## **VI. TERMINATION PROCEDURE**

Prior to termination, the following items will be reviewed and verified as part of the process. These steps are to be taken to provide justification as well as fairness.

- Timesheets - Verify hours worked during construction.
- Meetings – Verify attendance/participation in group meetings with other participants, both prior to and during construction.
- Workout Plan – If a Workout Plan was developed, review for completion and fulfilment of the obligation.
- Note/Memos – Review and present any notes from staff or other correspondence regarding the issues surrounding the termination.

Violations of the terms of this agreement will result in all expenditures of materials/labor being immediately halted until a satisfactory resolution is reached. If a satisfactory resolution cannot be reached or the same problem continues, expulsion from the program will be determined by **[INSERT ORGANIZATION NAME]**. Expulsion results in the loss of any rights under the terms of this agreement and the loss of building privileges under **[INSERT ORGANIZATION NAME]**'s Self-Help Purchase-Repair program. After expulsion, the member's rights concerning their house will be determined by USDA Rural Development. In the event a participant fails to meet the requirements of this agreement, the remedies afforded the P/R PARTICIPANT in this agreement are cumulative, and in addition to any other remedies afforded by law or otherwise.

## **VII. CONTRACTS AND OBLIGATIONS**

The participants are bound by the contracts they enter into and agree to the terms thereof. They may not elect to exclude themselves from such contracts but are irrevocably committed to them.

## **VIII. SUPERVISION OF ACCOUNTS AND PAYMENT OBLIGATIONS**

The undersigned participant family agrees to place their USDA Rural Development loan proceeds for repairs into a supervised bank account which is managed by [INSERT ORGANIZATION NAME]. The participant is authorized to approve of all labor, materials, contracts, subcontracts, liens, expenses, taxes, and other costs incurred for the repair of their home. Only [INSERT ORGANIZATION NAME] may request draws on the participant's supervised bank account and prepare checks for payment of all costs and charges attributable to the repair of the participant's home. All checks shall be included on a Bill Pay Coversheet. The coversheet will provide an at-a-glance summarized list of all checks to be signed. These payments are to be authorized by the participant and USDA Rural Development with supporting documentation provided by [INSERT ORGANIZATION NAME]. The participant agrees to execute and deliver to [INSERT ORGANIZATION NAME] any other document necessary to implement this agreement.

## **IX. SUCCESSORS AND ASSIGNEES, JOINT AND SEVERAL LIABILITIES**

The parties bind themselves, their spouses, successors, assignees, partners, and representatives to this agreement. The undersigned members agree that this agreement is jointly and severally binding upon them, and that any liabilities and obligations, rights and duties created hereunder shall be joint and severely to each signatory.

The undersigned person(s) agrees to make repairs according to decisions made by and specifications provided by [INSERT ORGANIZATION NAME] and approved by USDA Rural Development. No change will be made in these plans without prior approval of USDA Rural Development. Change order approval by participant requesting the same hereby holds harmless its agents, employees and officers for any liability resulting there from.

## **X. INSURANCE**

Each participant agrees to purchase Homeowners Insurance as required by USDA Rural Development to be in force from the date of loan closing. This policy shall include sufficient individual liability coverage in an amount not less than \_\_\_\_\_. However, [INSERT ORGANIZATION NAME] may require a higher amount if it determines that this is necessary. [INSERT ORGANIZATION NAME] shall be given proof (binder) of insurance.

## **XI. ACCEPTANCE OF HOUSING/RELEASE**

At the time of completion of the participant's home repairs, the head-of-household must inspect the home and at that time make any claim against [INSERT ORGANIZATION NAME] or waive the right to do so by signing the Release and Hold Harmless Agreement attached to this agreement. Addendum #1 [INSERT ORGANIZATION NAME] will not approve the closing of an account prior to receiving the release. It is agreed that any claims against [INSERT ORGANIZATION NAME] will be made at this time or will be forever barred.

## **XII. TERMINATION OF AGREEMENT**

This agreement shall be terminated with regard to the participant and [INSERT ORGANIZATION NAME] by the following conditions:

- A. After the repairs have been completed, received final inspection and approval by Rural Development, all bills and credits have been settled, and the supervised bank accounts are closed.
- B. By signing below, I agree to all conditions of this Participant and Labor Agreement. I also declare that no statements, representatives, or any express or implied warranties of any nature whatsoever have been made to me by [INSERT ORGANIZATION NAME]. I further acknowledge that [INSERT ORGANIZATION NAME] agrees only to provide technical assistance and construction supervision set forth in this agreement, and shall have no liability for any damage, error or construction defect. In the event that damage or defect must be remedied, the participant agrees to repair the same using their own "self-help" and/or subcontractor labor, and to pay for materials and/or labor as required. I also acknowledge receipt of a copy of said Agreement for my personal files.

Date \_\_\_\_\_ Borrower \_\_\_\_\_

Date \_\_\_\_\_ Co-Borrower \_\_\_\_\_

By signing below, [INSERT ORGANIZATION NAME] agrees to all conditions of this P/R Participation and Labor Agreement. [INSERT ORGANIZATION NAME] also declares that no statements, representations or any express or implied warranties of any nature whatsoever have been made to this participant.

Date \_\_\_\_\_

\_\_\_\_\_  
Construction Supervisor

Date \_\_\_\_\_

\_\_\_\_\_  
Program Director

## RELEASE AND HOLD HARMLESS AGREEMENT

I have inspected or had an opportunity to inspect my house and property, legally described as

\_\_\_\_\_.

(Address, City/Town/County, State)

I hereby release [\[INSERT ORGANIZATION NAME\]](#), its agents and employees, of any claim or liability with respect to the repairs of said residence, whether known, or arising in the future. I agree to indemnify and hold [\[INSERT ORGANIZATION NAME\]](#) and its agents and employees harmless for any claim made against them by a third party with respect to the construction repair of said residence.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

By: \_\_\_\_\_

By: \_\_\_\_\_

## **Recommended Tools**

(One Set per Household)

25' to 30' – 1" measuring tape

Speed square

Hammer – 16 or 20 oz., straight or curved claw

Nail set

Chalk line and chalk

Nail apron/Tool bag

Work gloves

Safety glasses & earplugs

Flat pry bar

Utility knife with extra blades

Carpenter's pencils

Screwdrivers – flat and Phillips head

Shovel – round point

Construction shoes (good quality)

Cat's-paw (nail puller)

# OWNER OCCUPIED REHABILITATION PARTICIPATION AND LABOR AGREEMENT

This agreement is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, between the Owner Occupied/Participant, [\[PARTICIPANT\]](#), hereinafter referred to as the "O/O Participant" and [\[INSERT ORGANIZATION NAME\]](#) hereinafter referred to as "[Grantee](#)." The location of the O/O participant's home is \_\_\_\_\_ ([Include Address, City/Town/County, State](#)).

**Owner:** Owner is a qualified low or very low-income homeowner and entitled to assistance in the rehabilitation of their home.

**Project:** Owner's home is located at \_\_\_\_\_ (Insert address) \_\_\_\_\_ and is described as a \_\_\_\_\_ bedroom, \_\_\_\_\_ bathroom home of approximately \_\_\_\_\_ square feet herein after referred to as "Project".

**Owner's Obligations:** Owner agrees and understands that this is a United States Department of Agriculture Rural Development program operated by [\[INSERT ORGANIZATION NAME\]](#) will provide technical assistance, supervision in the obtaining of permits, adhering to regulations, and supplying voluntary support in the rehabilitation project.

As a qualified participant of this program, Owner agrees to perform that portion of the work as outlined using the Form RD 1924-1, Development Plan or another similar form of the attached list of activities and schedule. If necessary, Owner shall obtain substitute assistance as approved by USDA Rural Development.

\_\_\_\_\_  
(insert substitute) \_\_\_\_\_'s participation: [\[INSERT ORGANIZATION NAME\]](#) will provide technical assistance, advice, supervision, and voluntary or contract services to assist in the completion of the project.

**Insurance and Indemnity:** Owner will be responsible for obtaining and maintaining homeowner's liability insurance during the period of construction. Owner will indemnify and hold [\[INSERT ORGANIZATION NAME\]](#) harmless against and from all claims arising from Owner's activities and parties related thereto or hired thereby arising out of the Project.

**Waiver:** Owner agrees to waive all claims against [\[INSERT ORGANIZATION NAME\]](#) for any damage to person, property, or other person or property during the course of construction

arising out of the construction.

**Licenses:** Owner will be responsible for the payment of all permits and licenses for the Project including licenses of contractors hired by Owner for the purposes of fulfilling Owner's obligations under this Agreement. The grantee will provide guidance in this process.

**Work and Material Schedules:** Attached as an Addendum #4 and made a part hereof are the following schedules:

- Itemization of the work to be performed and the cost savings on the Project by the Owner; and
- Materials and supplies necessary for the completion of the Project: [INSERT ORGANIZATION NAME] is not a contractor or builder but acts as an agent of the Participants and a technical assistance provider. [INSERT ORGANIZATION NAME] makes no warranties with regard to the Project, the material used, or labor performed.

**Grievance Procedure:**

- Any claim, dispute or question raised by any PARTICIPANT shall be first brought to the attention of the Construction Supervisor.
- If no resolution can be accomplished through the Construction Supervisor, the following grievance procedure shall be followed.
  - Before and during construction, the grievance should be brought to the attention of the Program Manager of [INSERT ORGANIZATION NAME] in writing. If a resolution is again not reached, then the written grievance shall be referred to the Executive Director of [INSERT ORGANIZATION NAME]. If a resolution is again not reached, then the written shall be referred to [INSERT ORGANIZATION NAME] Board of Directors for final resolution.
- If a claim is brought prior to completion of repairs of the residence by the participant, the foregoing shall be conditions precedent to arbitration. In any event, any claim, dispute, or question arising between [INSERT ORGANIZATION NAME] and the participant shall be subject to arbitration at the choice of any party. In the event either party elects arbitration, it shall serve a notice on the other party or parties, stating their grievance and desire to arbitrate, and the parties shall proceed in accordance with state law. The decision of the arbitrator shall be a condition precedent to the right of any other legal action. The cost of the arbitrator shall be born equally by all parties to the dispute.
- [INSERT ORGANIZATION NAME] has agreed to provide technical assistance to the



participant in repair of their home. [INSERT ORGANIZATION NAME] does not charge the participant for this service, and in return the participant agrees that [INSERT ORGANIZATION NAME] shall have no liability for acts and omissions done in good faith. [INSERT ORGANIZATION NAME] shall have no liability of consequential or delay or damages resulting from any act, omission, breach of contract, or negligence.

**Termination:** Prior to termination, the following items will be reviewed and verified as part of the process. These steps are to be taken to provide justification as well as fairness.

1. Timesheets - Verify hours worked during construction.
2. Meetings – Verify attendance/participation in group meetings with other participants, both prior to and during construction.
3. Workout Plan – If a Workout Plan was developed, review for completion and fulfillment of the obligation.
4. Note/Memos – Review and present any notes from staff or other correspondence regarding the issues surrounding the termination.

Violations of the terms of this agreement will result in all expenditures for materials/labor being immediately halted until a satisfactory resolution is reached. If a satisfactory resolution cannot be reached or the same problem continues, expulsion from the program will be determined by [INSERT ORGANIZATION NAME]. Expulsion results in the loss of any rights under the terms of this agreement and the loss of building privileges under [INSERT ORGANIZATION NAME]'s Self-Help program. After expulsion, the participant's rights concerning their funding will be determined by RD (or other funding source if applicable). In the event a participant fails to meet the requirements of this agreement, the remedies afforded the PARTICIPANT and RD (or other funding source if applicable) in this agreement are cumulative, and in addition to any other remedies afforded by law or otherwise.

**Assignment:** Neither party may assign their interest in this Agreement without the consent of the other.

**Governing Law:** This Agreement shall be governed by the laws of any city, county, and the State of \_\_\_\_\_, or other governmental authority.

**Complete Agreement:** This Agreement and all other agreements, exhibits, and schedules referred to in this Agreement constitute the final, complete, and exclusive statement of the terms

of the agreement between the parties pertaining to the subject matter of this Agreement and supersede all prior and contemporaneous understandings or agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.

**Time of Performance:** Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

---

(Owner)

---

(Agency Representative)

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

## RELEASE AND HOLD HARMLESS AGREEMENT

I have inspected or had an opportunity to inspect my house and property, legally described as  
Lot \_\_\_\_\_, \_\_\_\_\_.

(Address, City/Town/County, State)

I hereby release [INSERT ORGANIZATION NAME] its agents and employees, of any claim or liability with respect to the construction of said residence, whether known, or arising in the future. I agree to indemnify and hold [INSERT ORGANIZATION NAME] and its agents and employees harmless for any claim made against them by a third party with respect to construction of said residence.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_

By: \_\_\_\_\_

## **RECOMMENDED TOOLS**

(One Set per Household)

25' to 30' – 1" measuring tape

Speed square

Hammer – 16 or 20 oz., straight or curved claw

Nail set

Chalk line and chalk

Nail apron/Tool bag

Work gloves

Safety glasses & earplugs

Flat pry bar

Utility knife with extra blades

Carpenter's pencils

Screwdrivers – flat and Phillips head

Shovel – round point

Construction shoes (decent quality)

Cat's paw (nail puller)

## SELF-HELP HOUSING REHABILITATION LABOR AGREEMENT

I understand that my participation in the Self-Help Housing Rehabilitation (SHR) program requires me to provide the labor for my project in order to achieve the cost savings calculated in accordance with RD Instruction 1944-I, Exhibit M-2. I understand that I am required to complete time sheets to track my labor contributions. I understand that any work required to be completed by a licensed professional will be contracted out. I understand that the Self-Help Housing Rehabilitation Representatives are available to provide me with supervision and instruction in completing my project to ensure all work is completed to code standards. I understand the Self-Help Housing Rehabilitation Representatives are not required to provide labor for my project. I understand that if I fail to maintain an acceptable level of participation my project may be discontinued. An acceptable level of participation is defined as meeting tasks and completion dates outlined in the Self-Help Housing Rehab Phase Work Plan. If I fail to finish the phases of my project by the expected completion date, a determination to end the project will be made, and I will be billed for the material used.

Homeowner signature: \_\_\_\_\_ Date: \_\_\_\_\_

Homeowner signature: \_\_\_\_\_ Date: \_\_\_\_\_

Any person designated by the homeowner as someone who will volunteer their labor is required to sign below.

_____	_____
_____	_____
_____	_____

Construction Supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

Program Director: \_\_\_\_\_ Date: \_\_\_\_\_

## TAB 18 – REQUEST FOR OBLIGATION OF FUNDS

Complete the sections titled Borrower Name, State Name and County Name as well as block 7, and 25. If you are a renewing grantee that knows your assigned state and county code you may list it in block 1 along with your tax identification number which is the borrower ID. The authorized signatory will need to sign and date the signature block. A sample form is included.

REQUEST FOR OBLIGATION OF FUNDS

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 - AIAN 4 - HISPANIC 5 - API	7. TYPE OF APPLICANT 1 - INDIVIDUAL 2 - PARTNERSHIP 3 - CORPORATION 4 - PUBLIC BODY 5 - ASSOC. OF FARMERS 6 - ORG. OF FARMERS 7 - NONPROFIT-FAITH BASED 8 - INDIAN TRIBE 9 - INDIAN TRIBE 10 - PUBLIC COLLEGE/UNIVERSITY 11 - OTHER	8. COLLATERAL CODE 1 - REAL ESTATE 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 (FOR SFH AND HPG ONLY) 2 - OVER 10,000		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
COMPLETE FOR COMMUNITY PROGRAM AND CERTAIN MULTIPLE-FAMILY HOUSING LOANS			
30. PROFIT TYPE 1 - FULL PROFIT 2 - LIMITED PROFIT 3 - NONPROFIT			
COMPLETE FOR EM LOANS ONLY		COMPLETE FOR CREDIT SALE-ASSUMPTION	
31. DISASTER DESIGNATION NUMBER (See FMI)		32. TYPE OF SALE 1 - CREDIT SALE ONLY 2 - ASSUMPTION ONLY 3 - CREDIT SALE WITH SUBSEQUENT LOAN 4 - ASSUMPTION WITH SUBSEQUENT LOAN	
FINANCE OFFICE USE ONLY		COMPLETE FOR FP LOANS ONLY	
33. OBLIGATION DATE MO DA YR		34. BEGINNING FARMER/RANCHER (See FMI)	

If the decision contained above in this form results in denial, reduction or cancellation of USDA assistance, you may appeal this decision and have a hearing or you may request a review in lieu of a hearing. Please use the form we have included for this purpose.

Position 2

ORIGINAL - Borrower's Case Folder COPY 1 - Finance Office COPY 2 - Applicant/Lender COPY 3 - State Office

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not 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 0570-0061 and 0570-0062. The time required to complete this information collection 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.

## CERTIFICATION APPROVAL

For All Farmers Programs

EM, OL, FO, and SW Loans

This loan is approved subject to the availability of funds. If this loan does not close for any reason within 90 days from the date of approval on this document, the approval official will request updated eligibility information. The undersigned loan applicant agrees that the approval official will have 14 working days to review any updated information prior to submitting this document for obligation of funds. If there have been significant changes that may affect eligibility, a decision as to eligibility and feasibility will be made within 30 days from the time the applicant provides the necessary information.

If this is a loan approval for which a lien and/or title search is necessary, the undersigned applicant agrees that the 15-working-day loan closing requirement may be exceeded for the purposes of the applicant's legal representative completing title work and completing loan closing.

35. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL

36. I HEREBY CERTIFY that I am unable to obtain sufficient credit elsewhere to finance my actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near my community for loans for similar purposes and periods of time. I agree to use the sum specified herein, subject to and in accordance with regulations applicable to the type of assistance indicated above, and request payment of such sum. I agree to report to USDA any material adverse changes, financial or otherwise, that occur prior to loan closing. I certify that no part of the sum specified herein has been received. I have reviewed the loan approval requirements and comments associated with this loan request and agree to comply with these provisions.

(For FP loans at eligible terms only) If this loan is approved, I elect the interest rate to be charged on my loan to be the lower of the interest rate in effect at the time of loan approval or loan closing. If I check "NO", the interest rate charged on my loan will be the rate specified in Item 28 of this form. \_\_\_\_\_ YES \_\_\_\_\_ NO

**WARNING:** Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

Date \_\_\_\_\_, 20 \_\_\_\_\_  
(Signature of Applicant)

Date \_\_\_\_\_, 20 \_\_\_\_\_  
(Signature of Co-Applicant)

37. I HEREBY CERTIFY that all of the committee and administrative determinations and certifications required by regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, and by this document, subject to the availability of funds, the Government agrees to advance such amount to the applicant for the purpose of and subject to the availability prescribed by regulations applicable to this type of assistance.

(Signature of Approving Official)

Typed or Printed Name: \_\_\_\_\_

Date Approved: \_\_\_\_\_ Title: \_\_\_\_\_

38. TO THE APPLICANT: As of this date \_\_\_\_\_, this is notice that your application for financial assistance from the USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the USDA. If you have any questions contact the appropriate USDA Servicing Office.



## TAB 19 – SELF-HELP TECHNICAL ASSISTANCE GRANT AGREEMENT

To prepare Exhibit A of 1944-I, fill in the following blanks:

- The name of the “Grantee”
- The authorizing state statute
- The specific area to be served
- Number of years

Do not include the amount of the grant or the dates of the grant. Have your authorized representative sign it and enter his/her title. This form is very important, read it. It is crucial that you know and understand the terms of this agreement. Your organization will need to abide by it for the entire grant period.

A copy of the Grant Agreement follows.

## **Exhibit A Self-Help Technical Assistance Grant Agreement**

THIS GRANT AGREEMENT dated \_\_\_\_\_, 19\_\_\_\_, is between

\_\_\_\_\_

a nonprofit corporation ("Grantee"), organized and operating under

\_\_\_\_\_

(authorizing State statute)  
and the United States of America acting through Rural Development,  
Department of Agriculture.

In consideration of financial assistance in the amount of \$  
(called "Grant Funds") to be made available by Rural Development to Grantee  
under Section 523 (b) (1)(A) of the Housing Act of 1949 to be used in (specify  
area to be served) \_\_\_\_\_ for the purpose of  
providing a program of technical and supervisory assistance which will aid low-  
income families in carrying out mutual self-help housing efforts. Grantee will  
provide such a program in accordance with the terms of this Agreement and  
Rural Development regulations.

### **Definitions:**

"Date of Completion" means the date when all work under a grant is completed or  
the date in the TA Grant Agreement, or any supplement or amendment thereto, on  
which Federal assistance ends.

"Disallowed costs" are those charges to a grant which the Rural  
Development determines cannot be authorized.

"Grant Closeout" is the process by which the grant operation is concluded at  
the expiration of the grant period or following a decision to terminate the  
grant.

"Termination" of a grant means the cancellation of Federal assistance, in whole  
or in part, under a grant at any time prior to the date of completion.

### **Terms of agreement:**

- (a) This Agreement shall terminate \_\_\_\_\_ years from this date unless  
extended or sooner terminated under paragraphs (e) and (f) of this Agreement.

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- Grantee shall carry out the self-help housing activity described in the application docket which is attached to and made a part of this Agreement. Grantee will be bound by the conditions set forth in the docket, 7 CFR Part 1944, Subpart I, and the further conditions set forth in this Agreement. If any of the conditions in the docket are inconsistent with those in the Agreement or Subpart I of Part 1944, the latter will govern. A waiver of any condition must be in writing and must be signed by an authorized representative of Rural Development.
- Grantee shall use grant funds only for the purposes and activities specified in Rural Development regulations and in the application docket approved by Rural Development including the approved budget. Any uses not provided for in the approved budget must be approved in writing by Rural Development in advance.
- If Grantee is a private nonprofit corporation, expenses charged for travel or per diem will not exceed the rates paid Rural Development employees for similar expenses. If Grantee is a public body, the rates will be those that are allowable under the customary practice in the government of which Grantee is a part; if none are customary, the Rural Development rates will be the maximum allowed.
- Grant closeout and termination procedures will be as follows:
  - Promptly after the date of completion or a decision to terminate a grant, grant closeout actions are to be taken to allow the orderly discontinuation of Grantee activity.
    - Grantee shall immediately refund to Rural Development any uncommitted balance of grant funds.
    - Grantee will furnish to Rural Development within 90 days after the date of completion of the grant a "Financial Status Report", Form SF- 269A. All financial, performance, and other reports required as a condition of the grant will also be completed.
    - Grantee shall account for any property acquired with technical assistance (TA) grant funds, or otherwise received from Rural Development.

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(iv) After the grant closeout, Rural Development retains the right to recover any disallowed costs which may be discovered as a result of any audit.

- When there is reasonable evidence that Grantee has failed to comply with the terms of this Agreement, the State Director may determine Grantee as “high risk”. A “high risk” Grantee will be supervised to the extent necessary to protect the Government's interest and to help Grantee overcome the deficiencies.
- Grant termination will be based on the following:
  - Termination for cause. This grant may be terminated in whole, or in part, 90 days after a Grantee has been classified as “high risk” if the State Director determines that Grantee has failed to correct previous deficiencies and is unlikely to correct such items if additional time is allowed. The reasons for termination may include, but are not limited to, such problems as:
    - Actual TA costs significantly exceeding the amount stipulated in the proposal.
    - The number of homes being built is significantly less than proposed construction or is not on schedule.
    - The cost of housing not being appropriate for the self-help program.
    - Failure of Grantee to only use grant funds for authorized purposes.
    - Failure of Grantee to submit adequate and timely reports of its operation.
    - Failure of Grantee to require families to work together in groups by the mutual self-help method in the case of new construction.

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- Serious or repetitive violation of any of the provisions of any laws administered by Rural Development or any regulation issued under those laws.
- Violation of any nondiscrimination or equal opportunity requirement administered by Rural Development in connection with any Rural Development programs.
- Failure to establish an accounting system acceptable to Rural Development.
- Failure to serve very low-income families.
- Failure to recruit families from substandard housing.

(ii) Termination for convenience. Rural Development or Grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in case of partial termination, the portion to be terminated.

(4) To terminate a grant for cause, Rural Development shall promptly notify Grantee in writing of the determination and the reasons for and the effective date of the whole or partial termination. Grantee will be advised of its appeal rights under 7 CFR Part 11 and 1900, Subpart B.

IV. An extension of this grant agreement may be approved by Rural Development provided in its opinion, the extension is justified and there is a likelihood that the grantee can accomplish the goals set out and approved in the application docket during the period of the extension.

V. Grant funds may not be used to pay obligations incurred before the date of this Agreement. Grantee will not obligate grant funds after the grant termination or completion date.

VI. As requested and in the manner specified by Rural Development, the grantee must make quarterly reports, Exhibit C of this subpart (on 1/15, 4/15, 7/15 and 10/15 of each year), and a financial status report at the end of the grant period,(05-23-25) PN 641

and permit on-site inspections of program progress by Rural Development representatives. Rural Development may require progress reports more frequently if it deems necessary. Grantee must also comply with the audit requirements found in § 1944.422 of Subpart I of 7 CFR Part 1944, if applicable. Grantee will maintain records and accounts, including property, personnel and financial records, to assure a proper accounting of all grant funds. These records will be made available to Rural Development for auditing purposes and will be retained by grantee for three years after the termination or completion of this grant.

- Acquisition and disposal of personal, equipment and supplies should comply with Subpart R of 2 CFR Part 200 as adopted by USDA 2 CFR part 400. (Revised 03-28-22, PN 561.)
- Results of the program assisted by grant funds may be published by Grantee without prior review by Rural Development, provided that such publications acknowledge the support provided by funds pursuant to the provisions of Title V of the Housing Act of 1949, 42 U.S.C. 1471, et seq., and that five copies of each such publication are furnished to the local representative of Rural Development.
- Grantee certifies that no person or organization has been employed or retained to solicit or secure this grant for a commission, percentage, brokerage, or contingent fee.
- Grantee shall comply with all civil rights laws and the Rural Development regulations implementing these laws.
- In all hiring or employment made possible by or resulting from this grant, Grantee: (1) will not discriminate against any employee or applicant for employment because of race, religion, color, sex, marital status, national origin, age, or mental or physical handicap, and (2) will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, religion, color, sex, marital status, national origin, or mental or physical handicap. This requirement shall apply to, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In the event Grantee signs a contract which would be covered by any Executive Order, law, or

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regulation prohibiting discrimination, Grantee shall include in the contract the "Equal Employment Clause" as specified by Rural Development.

- It is understood and agreed by Grantee that any assistance granted under this Agreement will be administered subject to the limitations of Title V of the Housing Act of 1949 as amended, 42 USC 1471 et seq., and related regulations, and that rights granted to Rural Development in this Agreement or elsewhere may be exercised by it in its sole discretion to carry out the purposes of the assistance, and protect Rural Development's financial interest.
- Grantee will maintain a code or standards of conduct which will govern the performance of its officers, employees, or agents. Grantee's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from suppliers, contractors, or others doing business with the grantee. To the extent permissible by State or local law, rules, or regulations such standards will provide for penalties, sanctions, or other disciplinary actions to be taken for violations of such standards.
- Grantee shall not hire or permit to be hired any person in a staff position or as a participant if that person or a member of that person's immediate household is employed in an administrative capacity by the organization, unless waived by the State Director. (For the purpose of this section, the term "household" means all persons sharing the same dwelling, whether related or not).
- Grantee's board members or employees shall not directly or indirectly participate, for financial gain, in any transactions involving the organization or the participating families. This includes activities such as selling real estate, building material, supplies, and services.

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(r) Grantee will retain all financial records, supporting documents, statistical records, and other records pertinent to this agreement for 3 years, and affirms that it is fully aware of the provisions of the Administrative Remedies for False Claims and Statements Act, 31 USC 3801, et seq.

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)  
GRANTEE

By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)  
RURAL DEVELOPMENT

oOo

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## TAB 20 – CERTIFICATION REGARDING LOBBYING

Included in this section is a Certification Regarding Lobbying, as well as the instructions for completion. Make sure you read the form, and it is signed and dated by the authorized signatory.

## 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.

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(name)

---

(date)

---

(title)

oOo

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## TAB 21 – STATEMENT OF COMPLIANCE WITH 2 CFR 200, 400 & 415, IF A NON-PROFIT ORGANIZATION OR, 2 CFR 200, 400 & 416 IF A STATE OR LOCAL GOVERNMENT

Include a statement indicating your agency will comply with 2 CFR 200, 400 & 415, if a non-profit organization or, 2 CFR 200, 400 & 416 if a state or local government. This is typically written on your company's letterhead.

The organization's authorized representative must sign and date it.

## TAB 22 – RURAL DEVELOPMENT’S REVIEW AND RECOMMENDATION INCLUDING SAM & DNP PORTAL VERIFICATIONS

To be completed by RD.

## TAB 23 – T&MA CONTRACTOR’S REVIEW AND RECOMMENDATION

To be completed by your T&MA Contractor.

## TAB 24 – NATIONAL OFFICE REVIEW

To be completed by the National Office.

## TAB 25 – NARRATIVE STATEMENT

The Narrative Statement needs to include the following items:

- (a) Amount of request
  - (b) Areas to be served
  - (c) Number of houses proposed
  - (d) Housing conditions of low-income housing families
  - (e) Need for Self-Help Housing
  - (f) Evidence of community support
- 
- (a) Amount of request
    - This amount should reflect the amount of 523 Funds your agency is proposing to request.
  - (b) Area to be served
    - Is the proposed area eligible according to RD specifications?
    - What is the area like?
      - Include maps, population information, and housing statistics.
      - Describe the potential location. Is there:
        - Growth in the area?
        - High occurrence of substandard housing?
        - Is the general composition of the families in the area geared toward the need for affordable home ownership?
        - Demonstrated knowledge and familiarity with area and the people?
  - (c) Number of houses proposed
    - State the number of houses proposed to be built.
  - (d) Housing Conditions of low-income families
    - Indicate the housing conditions in the area your agency plans to build (examples: overcrowding, substandard housing, lack of affordable housing, etc.).
  - (e) Need for the program
    - Why do families need self-help housing?
    - The need is based on the following:
      - Housing conditions
      - Cost of new housing
      - Vacancy rate
      - Income level of target population
      - Property conditions
      - Family size and ownership patterns
      - Cost of rental units
      - Public housing and housing assistance in area
  - (f) Evidence of Community Support
    - Include letters of support from members of the community.
    - Examples of potential sources:
      - Local businesses and other nonprofits
      - Banks

- Churches
- Community service agencies
- Health department
- Sheriff's department
- Representatives of the county your agency plans to build in
- County commissioners/supervisors
- Legislatures representing your proposed service area
- School board officials
- Representatives of the community your agency plans to build in
  - Mayor
  - Police department
- Why is community support necessary?
  - Additional funding source could be found
  - Political support
  - Creates positive self-help image
- Steps to obtain community support
  - Brochure or fact sheet
  - Formal and informal talks with community leaders
  - Know benefits and drawbacks of self-help housing
  - Develop relationship with media
  - Be prepared for meetings
  - Prepare a presentation
    - What is self-help?
    - Present program as unique service
    - Ask for referrals of potential homeowners
    - Make certain that correct impression is given
    - Provide information about home ownership counseling that will be provided
    - Stress that families build homes

For purposes of the Rehab Application, the following items must also be included:

1. Rehab Policies and Procedures.
2. Minimum/Maximum rehab cost per home.
3. Relocation Policy, if any.



## TAB 26 – CURRENT FINANCIAL STATEMENT

A financial statement is required to be presented by the agency. The agency's most recent audit is the recommended option. However, when submitting a financial statement, it needs to be structured, including these items:

- (a) Specific nature of assets and liabilities
- (b) Prepared by accountant
- (c) No more than 12 months old
- (d) Must be dated and signed

If using a sponsor, the same financial information is required for that agency. The agency's most recent audit will also serve the purpose of the item.

## TAB 27 – OUTREACH PLAN FOR VERY-LOW INCOME

This section must include information referenced in 1944-I, §1944.410(a)(5).

- (a) Complete an outreach plan on your proposed strategy for reaching and recruiting low and very low-income families
  - RD requires that a minimum of 40% of the applicants be very low income. Meeting the goal that 40% of the families are very low income is used as a performance objective in RD Instruction 1944-I, Exhibit R, 2.
- (b) Develop a recruitment plan
  - Step one
    1. Know your target market
      - Where do they work, go to church, live?
      - What radio stations do they listen to?
      - What papers do they read?
      - What stores and laundry facilities do they go to?
      - Do they mail bills or pay directly?
      - What clubs do they belong to or what activities do they or their kids engage in?
    2. Soliciting information
      - Ask at initial public meetings
      - Ask social service agencies
      - Talk to ministers
      - Conduct a survey
  - Step two
    1. Investigate
    2. Contact these organizations, employers, churches, etc.
    3. Tell them about the self-help housing program
    4. Find out what cost-free methods for getting information into the target areas are available and what other methods will cost
  - Step three  
Analyzing the information
  - Step four
    1. Develop plan
    2. Make decisions
      - Where to and how to market
      - When to market
      - How often to market / advertise
- (c) Implementation - Funding will affect these decisions
  - How does the plan get implemented
  - Who does each task - Staffing
  - When does it get done - Time
    - Seasonal implications
  - Free may not always be best
- (d) After the plan is finished, ask, “Am I getting my message to the most potential families and am I getting it to them in the most economical way?”
- (e) Recruitment methods

- No one method is superior to another
- Find the method best suited to getting your message to families you want to recruit
  - Newspapers
  - Radio
  - TV
  - Flyers, posters, handouts
  - Direct mailings
  - Community meetings
  - Trade shows, human service fairs, mall exhibits
  - Organizations, colleges, trade schools, head start, and Migrant education centers
  - Churches
  - Local governments
  - Local employers

(f) Develop a message to include the following:

- Benefits of self-help housing
  - Product
  - Price
  - Equity
- Benefits for participants
  - Pride
  - Providing good homes
  - Self-improvement
  - Security
  - Sense of accomplishment
  - Affordability
- Creating interest
  - Attention
  - Advantages
  - Prove
  - Persuade
  - Ask for action

## TAB 28 – DETERMINATION OF TA GRANT AMOUNT

For New Construction, the amount of the TA grant depends on the experience and the capability of the applicant and must be justified based on the number of families to be assisted. You will need to request a letter indicating the Equivalent Value of Modest Housing from your state or local RD office. You will include the letter with your determination of TA grant amount. A sample is included.

As outlined in RD Instruction 1944-I, there are four methods to calculate the TA grant amount. The maximum grant amounts for any grant period will be limited to one of the following methods:

A) An average TA cost equivalent per unit of no more than 15% of the cost of equivalent value of modest homes built in the area. NOTE: As mentioned, the equivalent value is provided by the appropriate RD office.

Sample:

$$\text{TA Grant Amount} \div \text{Number of Houses Proposed} = \text{TA Cost per House} \\ \$300,000 \div 12 = \$25,000$$

$$\text{TA Cost per House} \div \text{Equivalent Value} = \text{TA Percentage} \\ \$25,000 \div \$180,000 = 13.88\%$$

(B) An average TA cost per equivalent unit that does not exceed the difference between the equivalent value of modest homes in the area and the average mortgage of the participating families minus \$1,000.

Sample:

$$\text{Equivalent Value} - \text{Average Self-Help Mortgage} - \$1,000 = \text{TA Cost per House.} \\ \$180,000 - \$150,000 - \$1,000 = \$29,000$$

$$\text{TA Cost per House} \times \text{Number of Houses Proposed} = \text{TA Grant Amount} \\ \$29,000 \times 12 = \$348,000$$

(C) A TA per equivalent unit that does not exceed the amount established by the State Director. The State Director may authorize a greater TA cost than method (A) and (B) of this section when needed to accomplish a particular objective, such as requiring the grantee to serve very low-income families, remote areas, or similar situations.

Several additional sample calculations are shown below.

**Requested Grant Amount:**

\$528,000

x

**Determination of TA Grant Amount**

Equivalent Value (EVMH) of modest built in area  
(See letter from SH Loan Specialist)

\$285,000

# of homes built under the grant proposal

16

Requested TA cost per house

\$33,000

Maximum Allowed TA cost per house (15% of EV)

\$42,750

Actual percentage of Equivalent Value

11.5%

Average Mortgage of families

\$230,000

---

**Calculation A:**

EV modest home built in area	\$285,000
15% of EV	*15%
Maximum allowed TA cost	<hr/> \$42,750

**Calculation B:**

EV modest home built in area	\$285,000
------------------------------	-----------

Average Mortgage of Families	\$230,000
	-\$1,000
Maximum TA Cost Per House	<hr/> \$54,000

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## Exhibit H Sample Technical Assistance Calculations

Requested Grant Amount = \$500,000 (\$23,810 X 21 = \$500,010)

<u>Method A</u>		<u>Method B</u>
Equivalent Value of modest homes built in area:	\$160,000	Average mortgage of participating families \$134,000 minus \$1,000
Number of homes built under the grant proposal:	21	
Max allowed TA cost per House (\$160,000 X 15%):	\$24,000	
Requested TA per house:	\$23,810	
Actual Percentage of equivalent value:	14.88%	
(TA cost equivalent per unit of no more than 15% of modest home built in the area)		

-----

<u>Calculation A</u>		<u>Calculation B</u>
Grant amount:	\$500,000	Average Mortgage of families
No. of homes built:	$\div 21$	\$134,000
Requested TA amount	\$23,810*	
Equivalent Value of modest home built in area:	$\div \$160,000$	
Percent of equivalent value =	14.88%	

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(05-23-25) PN 641

Equivalent Value of modest  
home built in area: \$160,000  
15% of Equivalent Value x 15%  
Maximum allowed TA cost: \$24,000

Equivalent Value of modest  
home built in area: \$160,000  
-\$134,000 (Average Mortgage)  
\$ 26,000  
-\$ 1,000  
\$ 25,000 (Difference\*)

\*The requested TA amount of \$23,810 does not exceed the difference (\$25,000) between the Equivalent Value of a modest home built in the area and the Average Mortgage of participating families, minus \$1,000.

oOo

(05-23-25) PN 641



## Determining TA Grant Amount of Self-Help Rehabilitation

In the self-help regulations, RD has made it a goal of the rehab program to have the TA cost be less than or equal to the average cost savings of the homes. When considering a self-help rehab program, an organization needs to determine what the likely cost savings may be and take that into consideration when calculating a requested amount. The methods of determining cost savings follow.

-RD Instruction 1944-I § 1944.407 (d)

*A negotiated amount for repair and rehabilitation type proposals. At a minimum, applicants applying for repair and rehabilitation grants must include information on the proximity of the houses in a project, the typical needed repairs, and the cost savings between self-help and contractor rehabilitation and repair.*

## Projected Average Cost Savings for Families

Program participants should realize an adequate cost savings, as defined in RD Instruction 1944-I from the family labor participation in order for a project to be undertaken by grantee. As with the “Sweat Equity” in the mutual self-help program which varies greatly from project to project, from area to area, and from grantee to grantee, it is anticipated that the cost savings received in rehab projects will see similar variances. Cost savings is ideally realized through the amount the participant will be contributing but may be calculated utilizing an approved method such as the ones described below.

Grantees have three options for calculating cost savings described in *RD Instruction 1944-I Exhibit K-2- Contractor Cost Savings, Appraised Value and Hourly Rate of Labor Contribution*. Below are examples of each method.

**1.) Contractor Cost Savings:** This method should be considered first and requires comparing a contractor bid or cost estimating software amount for work to be completed by the participating family.

The grantee will need to create a Scope of Work for all the repairs needed to complete the project. Calculate what each task would cost if the repairs were contracted out. Once the repairs have an estimated budget deduct materials, equipment, and any sub-contracted repairs. The remaining repairs would be considered the Scope of Work the family will be required to complete. Those tasks will be the cost savings the family will receive for their labor contribution.

Example Job Summary:

Remove and install 6 new Double Hung Low E windows wrap exterior trim with coil stock. Remove and install new panel steel front door w/ adjustable threshold and rear 9 lite steel door w/ adjustable threshold both bored for deadbolt. Remove 1500 sq. ft. of existing aluminum siding and replace it with D 4 vinyl siding. Remove 800 sq. ft. of carpeting/padding repair sub floors and replace with laminate flooring.

Windows: Material (\$1,557.50) + Labor (\$1,665.00) = \$3,222.50

Doors/ Locksets Material (\$1,633.50) + Labor (\$939.00) = \$2,572.50

Siding: Material (\$4,810.00) + Labor (\$6,615.00) = \$11,425.00

Flooring: Material (\$1,559.00) + Labor (\$5,747.50) = \$7,306.50

Total Project Costs if Contracted: \$24,526.50

Minus Material: \$9,560.00

**Family Cost Savings based labor contribution: \$14,966.50**

**2.) Appraised Value:** This method takes the loan amount and compares the as improved appraised value to determine an equity model similar to that used in self-help new construction.

Example Appraised Value Comparison:

As-Improved Value After Repairs \$125,000

Loan Amount (home purchase plus repair costs) \$114,500

**Family Cost Savings \$10,500**

**3.) Hourly Rate-of-Labor Contribution:** This method would include establishing a typical hourly rate for the job task and multiplying it by the hours family contributed. The *National Construction Cost Estimator*, *Homewyse.com* or other comparable software may be used to compute and establish cost savings.

Example of Hourly Rate Summary:

Remove/dispose and Install 6 DH vinyl windows:

Rate \$80.99 x 14.8 hours = \$1,198.65

Remove and Install 2 entry doors w/ locksets:

Rate \$122.02 x 7.6 hours = \$927.35

Remove and Install 1500 sq ft vinyl siding:

Rate demo \$59.99 x 20.4 hours = \$1,223.80

Rate installation \$66.35 x 83.8 hours = \$5,560.13

Remove old flooring/ Install 800 sq ft laminate flooring:

Rate removal \$23.90 x 8.3 hours = \$198.37

Rate installation \$56.02 x 46.4 hours = \$2,599.33

**Family Cost Savings based on hourly contribution \$11,707.63**

## TAB 29 – INTERGOVERNMENTAL REVIEW SUBMITTAL

The self-help program is subject to the provision of Executive Order 12372 which requires intergovernmental consultation with State and local officials. Under Subpart J of Part 1940 (available in any RD Agency office), new applicants for the self-help program must submit their Statement of Activities to the State single point of contact prior to submitting their pre-application to the RD. The name of the point of contact is available from the RD State Office or your Regional Contractor.

### **Intergovernmental Review (SPOC List)**

In 2019 the Federal Government outlaid approximately \$721 billion in grants to State and local governments. Executive Order 12372, "Intergovernmental Review of Federal Programs," was issued with the desire to foster the intergovernmental partnership and strengthen federalism by relying on State and local processes for the coordination and review of proposed Federal financial assistance and direct Federal development. The Order allows each State to designate an entity to perform this function. Below is the official list of those entities. For those States that have a home page for their designated entity, a direct link has been provided below by clicking on the State name.

States that are not listed on this page have chosen not to participate in the intergovernmental review process and therefore do not have a SPOC. If you are located within a State that does not have a SPOC, you may send application materials directly to a Federal awarding agency.

Contact information for Federal agencies that award grants can be found in Appendix IV of the Catalog of Federal Domestic Assistance.

**\*\*\* SPOC List as of July 2024 \*\*\***

<b>ARIZONA</b> Deidre Mai Office of Strategic Planning and Budgeting Office of the Arizona Governor 1700 W. Washington St., Suite 600 Phoenix, AZ 85007 Telephone: (602) 542-7567 Fax: None <a href="mailto:ahightower@az.gov">ahightower@az.gov</a>	<b>ARKANSAS</b> Dorris R. Smith Administrator DFA IGS/State Technology Office of Intergovernmental Services Department of Finance and Administration 1515 W. 7th St., Room 412 Little Rock, Arkansas 72203 Telephone: (501) 682-5242 Fax: (501) 682-5206 <a href="mailto:doris.smith@dfa.arkansas.gov">doris.smith@dfa.arkansas.gov</a>
<b>CALIFORNIA</b> Grants Coordination State Clearinghouse Office of Planning and Research P.O. Box 3044, Room 113 Sacramento, California 95812-3044 Telephone: (916) 558-3164 Fax: (916) 323-3018 <a href="mailto:state.clearinghouse@opr.ca.gov">state.clearinghouse@opr.ca.gov</a>	<b>DELAWARE</b> Micheale Smith Budget Development, Planning and Administration Office of Management and Budget 122 Martin Luther King Jr. Blvd, South Dover, DE 19901 Telephone: 302-672-5126 <a href="mailto:Micheale.smith@delaware.gov">Micheale.smith@delaware.gov</a>
<b>DISTRICT OF COLUMBIA</b> Executive Office of the Mayor 1350 Pennsylvania Avenue, NW Suite 513 Washington, DC 20004 Telephone: (202) 478-9200 Fax: None Email : <a href="mailto:spoc.request@dc.gov">spoc.request@dc.gov</a>	<b>FLORIDA</b> Chris Stahl Florida State Clearinghouse Florida Dept. of Environmental Protection 3800 Commonwealth Blvd. Mail Station 47 Tallahassee, Florida 32399-2400 Telephone: (850) 717-9076 <a href="mailto:Chris.Stahl@FloridaDEP.gov">Chris.Stahl@FloridaDEP.gov</a> Submissions: <a href="mailto:State.Clearinghouse@FloridaDEP.gov">State.Clearinghouse@FloridaDEP.gov</a>
<b>INDIANA</b> Luke Kenworthy Director of Federal Grants Policy and Management 200 West Washington Street, Room 212 Indianapolis, IN 46204 Telephone: (317) 234-2079 Fax: N/A <a href="mailto:LKenworthy@sba.IN.gov">LKenworthy@sba.IN.gov</a>	<b>IOWA</b> Crystal Young Iowa Department of Management State Capitol Building Room G12 1007 E Grand Avenue Des Moines, Iowa 50319 Telephone: (515) 802-5937 <a href="mailto:Crystal.young@dom.iowa.gov">Crystal.young@dom.iowa.gov</a>
<b>KENTUCKY</b> Lee Nalley The Governor's Office for Local Development 100 Airport Drive, 3 <sup>rd</sup> Floor Frankfort, Kentucky 40601	<b>LOUISIANA</b> Terry Thomas Louisiana SPOC for EPA Grant Office of Management and Finance LA Department of Environmental Quality P.O. Box 4303

<p>Telephone: (502) 892-3462  Fax: (502) 573-1519  <a href="mailto:Lee.Nalley@ky.gov">Lee.Nalley@ky.gov</a></p>	<p>Baton Rouge, LA 70821-4303  Telephone: (225) 219-3840  Fax: (225) 219-3846  <a href="mailto:Terry.thomas@la.gov">Terry.thomas@la.gov</a></p>
<p>MARYLAND  Jason Dubow, Manager  Resource Conservation &amp; Management  Maryland Department of Planning  301 West Preston Street, Suite 1101  Baltimore, Maryland 21201-2305  Telephone: (410) 767-4490  Fax: (410) 767-4480  <a href="mailto:mdp.clearinghouse@maryland.gov">mdp.clearinghouse@maryland.gov</a></p>	<p>MISSOURI  Tamra Wilson  Office of Administration  Commissioner's Office  201 W. High Street, Room 125  Jefferson City, Missouri 65102  Telephone: (573) 751-0337  Fax: (573) 751-1212  <a href="mailto:Tamra.Wilson@oa.mo.gov">Tamra.Wilson@oa.mo.gov</a></p>
<p>NEVADA  Governor's Office of Federal Assistance  Single Point of Contact  505 Capovilla, Suite 104  Las Vegas, Nevada 89119  Telephone: (775) 684-0156  <a href="mailto:grants@ofa.nv.gov">grants@ofa.nv.gov</a></p>	<p>NEW HAMPSHIRE  Alexis LaBrie  Grants Program Coordinator  Division of Administration  New Hampshire Department of Energy  21 South Fruit Street, Suite 10  Concord, New Hampshire 03301  Telephone: (603) 271-3670  Fax: N/A  <a href="mailto:nhs poc@engery.nh.gov">nhs poc@engery.nh.gov</a></p>
<p>SOUTH CAROLINA  David Seigler  Grants and Financial Services  Executive Budget Office  1205 Pendleton Street  Edgar A. Brown Building, Suite 529  Columbia, SC 29201  Telephone: (803) 734-0485  Fax: N/A  <a href="mailto:David.seigler@admin.sc.gov">David.seigler@admin.sc.gov</a></p>	<p>UTAH  Brad Newbold  Federal Assistance Management Officer  Utah State Clearinghouse  Governor's Office of Planning and Budget  350 N. State Street #150  Salt Lake City, UT 84114  Telephone: (801) 538-1543  <a href="mailto:stategramts@utah.gov">stategramts@utah.gov</a></p>
<p>WEST VIRGINIA  Mackenzie Moss  Community Advancement and Development  WV Department of Economic Development  State Capitol  Building 3, Suite 700  Charleston, WV 25305  Telephone: (304) 558-2234  <a href="mailto:clearinghouse@wv.gov">clearinghouse@wv.gov</a>  <a href="https://wvcad.org/sustainability/clearinghouse">https://wvcad.org/sustainability/clearinghouse</a></p>	<p>PUERTO RICO  Jose I. Marrero Rosado  Puerto Rico Planning Board  Federal Proposals Review Office  P.O. Box 9023228  San Juan, Puerto Rico 00902-3228  Telephone: 787-725-9420  Fax: 787-725-7066  <a href="mailto:Jmarrero@ogp.pr.gov">Jmarrero@ogp.pr.gov</a></p>

<b>VIRGIN ISLANDS</b> Jenifer C. O’Neal Director Office of Management and Budget No. 5041 Norre Gade Emancipation Garden Station, 2nd Floor St Thomas, Virgin Islands 00802 Telephone: (340) 774-0750 Fax: None <a href="mailto:Jenifer.Oneal@omb.vi.gov">Jenifer.Oneal@omb.vi.gov</a>	<b>AMERICAN SAMOA</b> Mr. Jerome Ierome Administrator, Office of Grants Oversight and Accountability Coordinator, ASG High Risk Task Force Office of the Governor American Samoa Government (ASG) A.P. Lutali Executive Office Building American Samoa, 96799 Telephone: (684) 633-4116 Fax: (684) 633-2269 <a href="mailto:jerome.ierome.asg.govoffice@gmail.com">jerome.ierome.asg.govoffice@gmail.com</a>

Changes to this list can be made only after OMB is notified by a State's officially designated representative. E-mail messages can be sent to [MBX.OMB.OFFM.Grants@OMB.eop.gov](mailto:MBX.OMB.OFFM.Grants@OMB.eop.gov)

Please note: Inquiries about obtaining a Federal grant should not be sent to the OMB e-mail address shown above. The best source for this information is the Assistance Listings at (<https://sam.gov/>) and the Grants.gov website (<https://www.grants.gov/>).

## TAB 30 – COMPLIANCE REVIEW (PRE-AWARD)

**Compliance Review Form RD 400-8 – A sample RD Form 400-8 is included.** This form is completed by RD with local data and information provided by the grantee. Compliance reviews may be conducted by USDA-RD **pre- or post- award**. The form can provide guidance to the grantee to keep track of the relevant information required in compliance reviews. This form is divided into two parts: data collection tables and questions. The tables are helpful to gather the required information on demographics for the number of applicants, participants, employees and board of directors in proportion to the population, as well as the number of applications received, approved, rejected, withdrawn. The questions address the data from the last and current review, records of actions taken if identified, accessibility requirements (accessible route, TDD, relay service,)/reasonable accommodations, adequate record keeping, self-evaluation, transition plan, among other compliance review sections.

During the compliance review, RD staff not only look at documents but also at the building(s) where the grantee conducts business to verify compliance with accessibility requirements.

It is vital that Self-Help Housing Grantees understand the importance of the civil rights laws, orders, and regulations as they apply to the USDA RD-assisted programs such as self-help housing. Grantees/recipients should become aware of their obligations regarding the civil right requirements which include **compliance reviews**.

### **Rural Development Civil Rights Office**

The USDA's **Rural Development Civil Rights Office** has been established to provide training, technical assistance and program support on Civil Rights to USDA staff and communities.

There are **three branches** under this Office

- Equal Employment Opportunity Branch
- Program Compliant Processing and Resolution Plan
- Program Compliance and Training Branch

The **Program Compliance Branch** is responsible for monitoring recipient compliance under the following legislation/Acts

- Title VI of the Civil Rights Act of 1964,
- Title VIII of the Fair Housing Act of 1988,
- Section 504 of the Rehabilitation Act of 1973, and the Americans with Disability Act of 1990, as amended
- The Age Discrimination Act of 1975,
- Title IX of the Education Amendments Act of 1972,
- The Equal Credit Opportunity Act, and
- The Civil Rights Restoration Act of 1987.

Compliance reviews may be conducted by USDA-RD **pre- or post- award**. The reviews focus on the first four pieces of legislation from this list:

### **Title VI of the Civil Rights Act of 1964**

Under Title VI of the Civil Rights Act of 1964, and related laws, the grantee has the following responsibilities:

- Execute the RD Assurance Agreement (RD Form 400-4).
- Maintain demographics on applicants and participants in the program (beneficiaries).

- Provide Agency posters and information about the program to the public.
- Conduct outreach to all program eligible populations in the service area.
- Provide services to applicants and participants with language barriers (LEP) free of charge.
- Ensure the program does not discriminate based on race, color, or national origin.
- Cooperate with Agency oversight and reviews.

Any individual applying for and/or participating in the program should be treated fairly and equitably regardless of race, color or national origin and will have the right to file a complaint or grievance with USDA-RD.

By executing the **Assurance Agreement (RD Form 400-4), under Tab 14 of the Self-Help TA Grant Application**, the grantee- in accordance with civil rights laws- agrees to comply with program requirements (reporting, data collection, compliance reviews, complaint investigation), cooperate with/and provide information (findings, complaints, lawsuits) to RD and make the Agreement available to interested parties.

The grantee must be knowledgeable of the general and target population demographics in their service area. It is important to **collect data** on self-help applicants, selected participants and served participants and to maintain records of **demographics** by race, color and national origin as well as proof of compliance with any eligibility component. Data on the board of directors and staff should also be collected when they are essential to the program.

**Marketing and outreach** strategies must be developed to promote the program and to reach out to the target beneficiaries and the required **equal opportunity logo and/or statement** must be included in all promotional material (letterhead, pamphlets, brochures, newspaper ads, etc.). Maintaining waiting lists is useful to evaluate that equitable marketing and outreach efforts are achieved. The **non-discrimination statement** must also be included in all materials (audio, video, websites, brochures, newsletters, by-laws, etc.) and if there is not space for the full statement, at least “This institution is an equal opportunity provider” shall be included.

#### **Poster requirement for federally financed programs:**

- **Fair Housing** - For all projects where people live. When the Affirmative Fair Housing Marketing Plan (AFHMP) is required then the Fair Housing/Equal Opportunity Housing poster must be posted in a visible spot in the sales and rental office of the grantee/recipient.

#### **Section 504 of the Rehabilitation Act of 1973, as amended**

The grantee should not deny benefits or services to a qualified applicant with physical or mental disability. Procedures must be developed and implemented to ensure effective communication with the public including people with vision and hearing impairment (braille, sign language interpreter, TDD, relay service, etc.).

**Grievance Procedure** - Grievance procedures should be developed identifying the steps to follow for a beneficiary’s complaint and grievance related to their treatment. A reasonable schedule for filing and accepting complaints, hearing process, and a second review of the decision, and the person who handles complaints should be identified as well. All grievances are subject to USDA-RD oversight and monitoring.



**Self-Evaluation** - A **Self-Evaluation** that consists of an accessibility evaluation of their programs and services must be conducted by the grantee. This evaluation shall identify: the POC, areas to be evaluated for accessibility (policy and physical environment), any proposed modifications, accessibility standards used, disability advocacy groups or others consulted and who completed the evaluation.

**Transition Plan** - The development of a **Transition Plan** is required when physical barriers are identified and are to be removed. (Think about the office where you meet with clients: Is the office accessible, is there disabled parking, is the bathroom accessible?) The plan should include the date the barrier was identified, the scope of work and cost needed to remove the barrier, the target completion date and actual date of removal.

Neither the self-evaluation nor the transition plan expires. They are running records, and the grantee is responsible for them and for maintaining records as appropriate.

### **The Age Discrimination Act of 1975**

This prohibits age discrimination in programs and activities that receive federal financial assistance. The act applies to people of all ages. There is an exception for program benefits or services where age is an eligibility factor. The recipient shall keep records of age demographics.

### **Title VIII of the Fair Housing Act of 1968**

Any person or entity doing business related to residential real estate transactions is prohibited by the **Fair Housing Act** to discriminate against any person. These transactions include the making or purchasing of loans, grants, or other financial assistance for purchasing, constructing, improving, repairing, or rehabilitating a dwelling, as well as for replacement housing for individual homeowners. Omitting any information or providing inaccurate information or different information from that provided to others are prohibited practices. More information on Fair Housing can be found in the Fair Housing chapter of this Handbook.

**Compliance History** - The grantee must maintain records of, if any, allegations of discrimination that took place in the past three years. The grantee shall make available to RD any records of findings of non-compliance, lawsuits, or discrimination.

**Annual Training** - The grantee is required to complete *annual* civil rights training.

**Example of Documents for Compliance Reviews** - Assurance Agreement, Equal Employment Opportunity Agreement, demographics, bylaws, outreach material, grievance procedures, self-evaluation, transition plan, AFHMP, Title IX policies.

**Form RD 2006-38** - Rural Development Environmental Justice (EJ) and Civil Rights Impact Analysis (CRIA) Certification. This form is to be completed by RD and part of the information can be provided by the grantee.

**In conclusion** - Grantees are accountable and expected to understand, comply with, and abide by USDA's civil rights policies, procedures, and practices relevant to employment and program delivery.

For further information regarding compliance reviews, contact your **Regional Civil Rights Contacts**:

**Northeast Region:** [cr.pct.northeast@usda.gov](mailto:cr.pct.northeast@usda.gov)

**South Region:** [cr.pct.south@usda.gov](mailto:cr.pct.south@usda.gov)

**Mid-West Region:** [cr.pct.midwest@usda.gov](mailto:cr.pct.midwest@usda.gov)

**West Region:** [cr.pct.west@usda.gov](mailto:cr.pct.west@usda.gov)

For further information regarding Civil Rights, contact

**RD Civil Rights Office  
United States Department of Agriculture**

1400 Independence Ave., S.W.

Washington, DC 20250

Mailing Address:

P.O. Box 771189

St. Louis, Missouri, 63177

Phone: (800) 787-8821 for TTY-Based Telecommunication Relay

Email: [ra.rd.mostl.civilrights@usda.gov](mailto:ra.rd.mostl.civilrights@usda.gov)

Resource links:

- RD Form 400-8 Compliance Review Form [Forms](#)
- Justice For All Poster [Rural Development Civil Rights Office | Rural Development](#)
- Non-Discrimination Statement\* [Rural Development Civil Rights Office | Rural Development](#)
- Limited English Proficiency Implementation Strategy  
<https://www.rd.usda.gov/files/RDLEPImplementationStrategyforFederallyAssistedPrograms.pdf>
- I-Speak Cards [I Speak Statements Card | Food and Nutrition Service](#)
- Accessible Parking and Entrance Worksheet [priority1-word-fillable-form.doc](#)
- Accessible Public Restroom Worksheet [priority3-word-fillable-form.doc](#)
- Additional Access [priority-4-word-fillable-form.doc](#)
- Transition Self-Evaluation and Transition Plan Template [TransitionPlan.docx](#)
- Transition Plan Sample [TransitionPlanSample.docx](#)
- Sample ADA Grievance Procedure [GrievanceProceduresSamples.docx](#)

DATE OF REVIEW	<b>COMPLIANCE REVIEW</b>  (Nondiscrimination by Recipients of Financial Assistance through U. S. Department of Agriculture)	STATE
SOURCE OF FUNDS  <input type="checkbox"/> Direct <input type="checkbox"/> Insured		COUNTY
		CASE NUMBER
		DATE LOAN OR GRANT CLOSED
<b>TYPE OF ASSISTANCE</b>		
<input type="checkbox"/> Housing Preservation Grant <input type="checkbox"/> RBEG <input type="checkbox"/> RBOG <input type="checkbox"/> B&I Loans	<input type="checkbox"/> Water and Waste Disposal Loan or Grant <input type="checkbox"/> Grazing Association <input type="checkbox"/> EO Cooperative <input type="checkbox"/> Community Facilities <input type="checkbox"/> RMAP	<input type="checkbox"/> RRH and LH Organization <input type="checkbox"/> Intermediary Re-lending Program <input type="checkbox"/> Rural Housing Site Loans <input type="checkbox"/> Cooperative Service <input type="checkbox"/> Other
NAME OF BORROWER ORGANIZATION OR ASSOCIATION		

ADDRESS OF BORROWER

### I. STATISTICAL INFORMATION

(For the purpose of this report, the term "PARTICIPANTS" will be used to describe "USER," "MEMBERS," "OCCUPANTS," "SITE PURCHASER" OR Potential Users for pre-loan closing compliance reviews, as applicable.)

A(I).

#### POPULATION

#### PARTICIPANTS THIS REVIEW    LAST REVIEW

ETHNICITY	No.	%	No.	%	No.	%
Hispanic or Latino						
Not Hispanic or Latino						
TOTAL		100%				
MALE						
FEMALE						

According to the paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not 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 0575-0018, 0575-0189 and 0570-0062. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

A(2).

RACE	<u>POPULATION</u>		<u>PARTICIPANTS</u>			
	No.	%	THIS REVIEW		LAST REVIEW	
American Indian/ Alaskan Native						
Asian						
Black or African American						
Native Hawaiian or Other Pacific Islander						
White						
TOTAL		100%		100%		100%
Male						
Female						

A (3).

<u>EMPLOYEES</u>							<u>BOARD OF DIRECTORS</u>						
ETHNICITY	No.	%	MALE		FEMALE		ETHNICITY	No.	%	MALE		FEMALE	
			No.	%	No.	%				No.	%	No.	%
Hispanic or Latino							Hispanic or Latino						
Not Hispanic or Latino							Not Hispanic or Latino						
TOTAL							TOTAL						

A (3). cont. <u>EMPLOYEES</u>							<u>BOARD OF DIRECTORS</u>						
		MALE							MALE				
RACE	No.	%	No.	%	No.	%	RACE	No.	%	No.	%	No.	%
American Indian/ Alaskan Native							American Indian/ Alaskan Native						
Asian							Asian						
Black or African American							Black or African American						
Native Hawaiian or Other Pacific Islander							Native Hawaiian or Other Pacific Islander						
White							White						
TOTAL							TOTAL						

---

## II. APPLICATION INFORMATION (Project, Facility, Complex or Lender)

---

B(1).		Number of Applications Received				Number of Applications Approved		Number of Applications Rejected		No. of Applications Withdrawn	
		This Review		Last Review							
ETHNICITY		No.	%	No.	%	No.	%	No.	%	No.	%
Hispanic or Latino											
Not Hispanic or Latino											
TOTAL											
TOTAL	Male										
	Female										

B (1.) cont.

**Number of  
Applications Received**

4

		This Review		Last Review		Number of Applications Approved		Number of Applications Rejected		Number of Applications Withdrawn	
RACE		No.	%	No.	%	No.	%	No.	%	No.	%
American Indian/ Alaskan Native											
Asian											
Black or African American											
Native Hawaiian or Other Pacific Islander											
White											
TOTAL											
TOTAL	Male										
	Female										

A. Are racial and gender of the participants and the number of employees in proportion to the population percentages?  
..... ☐ YES ☐ NO

B. Number of participants as of last review: \_\_\_\_\_ Date of last review: \_\_\_\_\_

C. Are all interested individuals permitted to file an application (written or otherwise) for participation?..... ☐ YES ☐ NO

If "NO" explain why not: \_\_\_\_\_

D. Does or will recipient of financial assistance maintain adequate records on the receipt and disposition of applications, including a list of applicants wishing to become participants?..... ☐ YES ☐ NO

If "NO" what action is being taken to establish adequate records: \_\_\_\_\_

If "YES" number of applicants wishing to become participants on list ..... \_\_\_\_\_

Number on list from minority group ..... \_\_\_\_\_

The list of the applicants will include ethnicity, race, and gender of potential applicants.

E. Number of applications received from prospective participants since last review: Total ..... \_\_\_\_\_

If zero skip to III.

From minority group applicants ..... \_\_\_\_\_

F. Number of applications which have been withdrawn since last review: Total ..... \_\_\_\_\_

Number of applications which have been rejected since last review: Total ..... \_\_\_\_\_

From minority group applicants ..... \_\_\_\_\_

G. Number of applications now pending on which no action has been taken: Total.....  
 From minority group applicants.....

### III. LOCATION OF THE FACILITY

A. Does the location of the facility or complex have the effect of denying access to any person on the basis of race, color, national origin, age, sex, or disability? ..... ☐ YES ☐ NO

B. Describe the racial makeup of the area surrounding the facility (if area is not the same as population).

### IV. USE OF SERVICES AND FACILITIES

A. Are all participants required to pay the same fees, assessments, and charges per unit for the use of the facilities?..... ☐ YES ☐ NO

If "NO", explain: \_\_\_\_\_

B. Explain how charges for services, i.e., rent, connection, and user fees are assessed.

C. Is the use of the services or the facilities restricted in any manner because of race, color, or national origin?..... ☐ YES ☐ NO

If "YES", explain: \_\_\_\_\_

D. Is there evidence that individuals, in a protected class, are provided different services, charged different or higher rate amounts than others? ..... ☐ YES ☐ NO

If "YES", explain: \_\_\_\_\_

E. List the methods used by the recipient to inform the community of the availability of services or benefits of the facility.  
 (newspaper, radio, tv, etc.).

F. Do these methods reach the minority group population equally with the rest of the community?..... ☐ YES ☐ NO

G. Are appropriate Equal Opportunity posters conspicuously displayed? (And Justice For All and the Fair Housing poster)

..... ☐ YES ☐ NO

H. Do written materials, i.e., ads, pamphlets, brochures, handbooks and manuals, have a nondiscrimination statement, Fair Housing, and/or accessibility logo or Equal Opportunity statement? ..... ☐ YES ☐ NO

I. Describe the efforts of the recipient to attract minorities, females, and persons with disabilities to serve on the advisory board, board of directors, or similar boards.

J. Indicate whether the facility is being properly maintained and whether services are provided on a timely basis.

K. Describe any restrictions that may exist on the use of the facility, i.e., no playgrounds for children; restrictions on use by minorities, segregated or prohibited by age or disability of tenant or other participants.

L. If participation is restricted by age of beneficiary, please indicate any Federal statute, or state or local ordinance which may permit such restrictions.

M. How does this facility compare-with other similar facilities in the area serving low income beneficiaries which are privately or federally financed by other agencies.

Answer N for RRH and LH only:

N. Does the organization's Operating Rules provide for standard reasons for eviction? ..... ☐ YES ☐ NO

If "YES," specify: \_\_\_\_\_

Are these reasons stipulated in the Lease Agreements? ..... ☐ YES ☐ NO

If not, how are they made known to participants? \_\_\_\_\_

---

**V. ACCESSIBILITY REQUIREMENTS (DISABILITY)**  
(For All Programs Funded By Rural Development)

---

A. Does the facility or project have an accessible route through common use areas? ..... ☐ YES ☐ NO

B. Has a self-evaluation for Section 504 of the Rehabilitation Act been conducted and a transition plan developed for all structural barriers? ..... ☐ YES ☐ NO

C. Does this facility or project have a Telecommunication Device for the Deaf (TDD) or participate in a relay service? ..... ☐ YES ☐ NO

If not, is this part of the self-evaluation and transition plan? ..... ☐ YES ☐ NO

D. Describe reasonable accommodations made by the recipient for making the program accessible to individuals with disabilities.

---

**VI. ACCESSIBILITY REQUIREMENTS FOR RURAL RENTAL HOUSING**

---

A. Does the complex meet the 5% accessibility requirement of 504 of the Rehabilitation Act of 1973 for facilities built after June 1982? ..... ☐ YES ☐ NO

B. Are the units occupied by persons with disabilities in need of the special design features? ..... ☐ YES ☐ NO

C. If not, indicate what outreach has been conducted utilizing appropriate organizations and advertising to reach the individuals in need of such units.



---

**VII. ACCESSIBILITY REQUIREMENTS FOR COMMUNITY FACILITIES**  
(Health Care Facilities)

---

- A. List methods used by health care providers to communicate with the hearing impaired in the emergency room.
- B. List methods used to communicate waivers and consent to treatment requirements to persons with disabilities, including those with impaired sensory or speaking skills.
- C. Are there restrictions in delivery of services for the treatment of alcohol, drug addiction or other related illnesses?  
(Aids, Hepatitis) ..... ☐ YES ☐ NO

---

**VIII. COMPLEXES AND FACILITIES THAT PROVIDE HOUSING**  
(Nursing Homes, Retirement Group, Rural Rental)

---

- A. Does the facility have an approved Affirmative Fair Housing Marketing Plan? ..... ☐ YES ☐ NO
- B. Is there a copy of the most recently approved plan being used and conspicuously posted? ..... ☐ YES ☐ NO
- C. Is management meeting the objectives of the plan? ..... ☐ YES ☐ NO
- If not, is there an updated plan in place? \_\_\_\_\_

---

**IX. PROGRAMS THAT CREATE EMPLOYMENT**

---

- A. Is there evidence that individuals in a protected class are required to meet different employment selection criteria than non-minorities? ..... ☐ YES ☐ NO
- B. Is there evidence that individuals of a protected class are being terminated in a disproportionate rate than non-minority employees? ..... ☐ YES ☐ NO
- C. Do recipients that employ fifteen or more persons have a designated person to coordinate its efforts to comply with Section 504 of the Rehabilitation Act of 1973? ..... ☐ YES ☐ NO
- D. Has the recipient provided reasonable accommodations to the known physical or mental impairment of employees with disabilities? ..... ☐ YES ☐ NO

---

**X. CONTACTS WITH INDIVIDUALS AFFILIATED WITH THE FACILITY OR COMPLEX**

---

- A. List contacts made with a diverse selection of tenants, users, patients, employees, and others affiliated with the facility or complex. List by name, race, sex, and disability (if provided).

- B. Summarize comments made by the person(s) contacted.

---

**XI. COMMUNITY CONTACTS**


---

A. List contacts made with community leaders and organizations representing minorities, females, families with children, and individuals with disabilities. Include the date and the method of contact.

B. Summarize comments made by person(s) contacted.

---

**XII. PAST ASSISTANCE FROM RD OR OTHER FEDERAL AGENCY**


---

A. List past loans or other federal financial assistance from other agencies.

B. Does the recipient have a pending application with RD or another Federal agency? ..... ☐ YES ☐ NO

---

**XIII. CIVIL RIGHTS COMPLIANCE HISTORY**


---

**Provide a history of the following:**

A. Compliance Review. Has this recipient had a finding of non-compliance by RD or another federal agency? ..... ☐ YES ☐ NO

B. Discrimination Complaints. Has a complaint of prohibited discrimination been filed against this recipient in the past three (3) years? ..... ☐ YES ☐ NO

C. Law Suit. Has a law suit based on prohibited discrimination been filed against this recipient in the past three (3) years? If so, describe and attach copies of the law suit. .... ☐ YES ☐ NO

D. Did the recipient take appropriate corrective or remedial action to achieve compliance with civil laws or to resolve any discrimination complaint cases or law suits? ..... ☐ YES ☐ NO

E. Identify the resources and or contacts used in verifying the recipient's past civil rights compliance history.

---

**XIV. CONCLUSIONS**


---

A. Did your review of the records maintained by the association or organization disclose any evidence of discrimination on the grounds of race, color, national origin, sex, age, or disability in the services or use of the facility? ..... ☐ YES ☐ NO

If "YES," describe in detail such discrimination:

B. Did your contacts with community leaders, including minority leaders, disclose any evidence of discrimination as to race, color, national origin, sex, age, or disability in the services or use of the facility? ..... ☐ YES ☐ NO

C. Did your observation of this borrower's operations or proposed operations indicate any discrimination on the grounds of race, color, national origin, sex, age, or disability in the services or use of the facility? ..... ☐ YES ☐ NO

If "YES," describe in detail such discrimination:

D. Comments for other observations or conclusions:

Based upon my observation of this borrower's operation or proposed operation and the attitude of the Governing Body and Officials it is my opinion that the Recipient \_\_\_\_\_ Is \_\_\_\_\_ Is Not complying with the requirements under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, and Title IX of the Education Amendments Act of 1972.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
COMPLIANCE REVIEW OFFICER

---

**XV. RECIPIENT IS IN NON-COMPLIANCE (Complete only if there is a finding of non-compliance)**


---

A. Sent recipient notice of non-compliance on this date \_\_\_\_\_.

B. Date of compliance meeting \_\_\_\_\_.

C. Target date for recipient to voluntarily comply \_\_\_\_\_.

D. Recipient has complied with all requirements and made all necessary corrective action by this date \_\_\_\_\_.

E. Describe all meetings with recipient to achieve compliance.

F. Recipient has refused to voluntarily comply by this date \_\_\_\_\_.

G. Comments:

### TAB 31 – OGC REVIEW (IF NECESSARY)

RD's Office of General Counsel (OGC) may need to review the organization's eligibility to receive a grant. Typically necessary for new grantees, or if a grantee changes its organizational structure.

## TAB 32 – PREVIOUS EXPERIENCE

Before giving an organization any funds to operate a Self-Help Housing Program, RD requires that organizations have the financial, legal and administrative capacity to carry out the responsibilities of the Grant Agreement.

Include things such as:

- Summaries of previous and current programs funded by RD. Include dates, budget totals and results, if applicable.
- Summaries of previous and current non-RD programs. Include dates, budget totals and results, if applicable. Be sure to state the funding source if it is not well known.
- A description of current capabilities: management, administration, staffing, licensing or certifications.
- Experience or capability of relevant staff and/or board members.
- Objectives of the organization – one must be production of affordable housing.

## TAB 33 – ORGANIZATIONAL DOCUMENTS

Organizational documents for the agency need to be included as follows:

(a) Reference to State Law

- A copy of the provisions of the state law under which the agency is organized, or an accurate reference to the provision(s) organized under.

(b) Certified copies of Articles of Incorporation and Bylaws, or other evidence of corporate existence

- A certified copy (signed and with the corporate seal) of your Articles of Incorporation (or other documentary evidence of corporate existence). One of the purposes must be the production of affordable housing.
- A certified copy (signed and with the corporate seal) of your By-Laws is required.

(c) Certificate of incorporation for other than public bodies

(d) Evidence of Good Standing from the State

(e) Names and addresses of Board of Directors, officers and members (plus principal business of any member that is an organization)

- The Board of Directors must consist of not less than five. For smaller organizations (i.e. less than 5 staff members) a board of 3 is authorized.

(f) Copy of 501(c)(3), if non-profit or other documentation if not a non-profit

## List of Appendices

<b>Appendix 1</b>
Self-Help Housing TA Grant Application Review Checklist
<b>Appendix 2</b>
List and links to key regulations
<b>Appendix 3</b>
Links to 523 Application Forms

## APPENDIX 1 - APPLICATION REVIEW CHECKLIST

### Self-Help Housing Technical Assistance Grant APPLICATION REVIEW CHECKLIST

#### (1) Application for Federal Assistance (for Non-Construction)

Instruction No. 1944.410(e) Standard Form 424 Version 02

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Is the legal name entered on the application the same as it appears on the Articles of Incorporation? If no, then enter legal name \_\_\_\_\_

Yes / No                      Is the UEI number indicated? (UEI replaced DUNS April 2022)

Yes / No                      Is the description of the program adequate, including number of homes planned, self-help method, very low- and low-income participants, area, and the time period for the program?

Yes / No                      Do the totals on the SF-424 agree with the totals on the SF-424A, Budget Information – Non-Construction Program?

Yes / No                      Includes Intergovernmental Review Response, if appropriate?  
1944.409 Box 19, SF 424 Version 02

#### (2) Waiting list of participants

Instruction No. 1944.410 (e)(1)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Includes a waiting list providing evidence that there are low-income families willing to contribute labor. 3:1 ratio recommended

Yes / No                      Does the waiting list appear to be adequate to recruit for future participants in the program? If not, why? \_\_\_\_\_

Yes / No                      Includes names and addresses

Yes / No                      Includes number in households

Yes / No                      Includes total annual household income

Yes / No                      Indicates that families are interested in Self-Help Method

Yes / No/ NA                      For rehab, if identified, include property address, anticipated loan amount and sources of funding.



**(3) Proof of eligibility for the participants in the first group (or 10% of participants for rehab)**      Instruction No. 1944.410 (e)(2)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No              Includes Determination of RD Eligibility Letters, Private Bank Loan Letters or Letters of Financial Assistance indicating that the first group of participants has been qualified for loans (or 10% of applicants for rehab)?

Yes / No              If other mortgage funds are to be used, has source of other mortgage funds been adequately identified?

Yes / No              Does the approved loan amount meet projected package cost?  
If not, is there a narrative explaining the difference?

\_\_\_\_\_              Average Package Cost

\_\_\_\_\_              First Building Group Size

\_\_\_\_\_              Number of Eligibility Letters

Yes / No              Does the size of first group or number mentioned here correspond to the monthly activity schedule?

**(4) Lot options for first group (For rehab this section is N/A)**

Instruction No. 1944.410 (e)(3)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No              Is there a current signed option for each applicant and accepted by the seller?

Yes / No              Do the costs of the lots to the families appear to be affordable?

Yes / No              Includes evidence that lots are optioned by first group of Families?

Number of lots: \_\_\_\_\_              Number in first group: \_\_\_\_\_

Yes / No              Do applicant names correspond with names on eligibility letters?

Yes / No              Do sellers names correspond to members on the Board of Directors or staff?

Yes / No              Narrative adequately explaining land availability, infrastructure and, if needed, site development issues?

Yes / No              Includes maps and/or site plans?

**(5) Evidence of lot availability for remaining groups**

Instruction No. 1944.410(e)(3)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Includes the availability of lots for the remaining total number of proposed houses to be built or rehabbed during grant period.

Type of documentation provided: \_\_\_\_\_

Number of lots needed to complete grant: \_\_\_\_\_

Number of lots provided: \_\_\_\_\_

Yes / No                      Includes the projected cost of sites (indicates water/sewer information) or homes if rehab.

Yes / No                      Includes maps of the proposed area.

Yes / No                      Narrative adequately explains land availability, infrastructure and, if needed site development/scattered site issues?

Yes / No                      Includes a listing of identified potential homes for sale in service area greater than number of proposed houses proposed in grant period.

Yes / No/ NA                      For rehab, narrative adequately explains area homes that need repairs.

**(6) House plans, specifications, and detailed cost estimates**

Instruction No. 1944.410 (e)(4)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Are the house plans modest in size and features?

\_\_\_\_\_                      Indicate square footage of proposed homes.

Yes / No                      If the square footage is over T&MA Contractor's Best Practice recommendation of 1350 sq. ft. is there a reason for this overage?

Yes / No                      Are the specifications on Description of Materials, Form RD 1924-02?

Yes / No                      Are the specifications complete and follow Form RD 1924-A guidelines?

Yes / No                      Includes detailed cost estimates for each house plan to be built?

- Yes / No Includes detailed cost estimates for each participant's house plan to be built in first group?
- Yes / No Does each cost estimate total properly?
- Yes / No Does the cost estimate follow the format recommended by T&MA Contractor and include all categories?
- Yes / No Does each category total cost appear to be reasonable? Price range analysis?
- Yes / No Is there a contingency line item? Percentage: \_\_\_\_\_ ( %)
- Yes / No Includes House Plans for each style to be built?
- Yes / No Includes House Plans for each participant's house to be built in the first group?
- Yes / No Are all elevations, views, and mechanicals noted on each plan? (Should list all views)  
 \_\_\_\_\_ foundation plan \_\_\_\_\_ floor plan \_\_\_\_\_ cross section \_\_\_\_\_ front elevation  
 \_\_\_\_\_ rear elevation \_\_\_\_\_ left side elevation \_\_\_\_\_ right side elevation  
 \_\_\_\_\_ electrical plans \_\_\_\_\_ plumbing plans \_\_\_\_\_ mechanical plans
- Yes / No Is there appropriate use of space?
- Yes / No Rehab: Includes type of self-help program proposed; Purchase/Rehab; Owner-occupied Rehab?
- Yes / No Rehab: Includes a description for how the home inspection will be done?
- Yes / No Rehab: Includes a description for how the work order will be determined?
- Yes / No Rehab: Includes a description for how the cost estimating will be done?
- Yes / No Includes a description for how the subcontractors will be selected?

**(7) Staffing needs and hiring schedule**

Instruction No. 1944.410 (e)(5)

\_\_\_\_\_ Complete \_\_\_\_\_ Incomplete

- Yes / No Signed statement from Board of Directors stating that the applicant has or can hire [or contract directly or indirectly] qualified people to carry out its responsibilities in administering the grant.
- Yes / No Includes a staffing plan indicating hours charged to Self-Help?

- Yes / No Includes Job Descriptions for each position to be paid with grant funds?
- Yes / No Are Job Descriptions consistent in style and content (includes qualification for position, list of duties and responsibilities, supervisor)?
- Yes / No Are all major SH functions included in the job descriptions?
- Yes / No Includes Hiring Schedule showing positions already employed and positions to be hired and when?
- Yes / No Includes availability of prospective employees? Does the statement appear to be based on something, i.e. advertising and number of responses?
- Yes / No Includes resume(s) of existing staff?
- Yes / No Is there any evidence of nepotism or conflict of interest?
- Yes / No Is the proposed staff experienced in the positions they will be filling?

**(8) Authorized representative of applicant**

Instruction No. 1944.410 (e)(6)

\_\_\_\_\_ Complete \_\_\_\_\_ Incomplete

Yes / No Is there an authorized representative of the applicant?

Yes / No Is this the same person as listed on the SF 424?

\_\_\_\_\_ Name of representative

\_\_\_\_\_ Address

\_\_\_\_\_ Official Position

**(9) Budget Information – Non-construction programs**

Instruction No. 1944.410 (e)(7) SF-424A & Budget Narrative

\_\_\_\_\_ Complete \_\_\_\_\_ Incomplete

Yes / No Includes a detailed budget for two years or grant term?

Yes / No Does it detail salaries for each position?

Yes / No Are salaries reasonable for position and area? If not, has reasoning been documented?

Yes / No      Budget totals correctly?

Yes / No      Includes a budget narrative?

Yes / No      Are expenses adequately explained in the narrative?

Yes/ No      Do the narrative and detailed budget correlate with each other?

Yes / No      Is SF 424A completed correctly?

Yes / No      Are line-item expenses within normal ranges?

Fringe Benefits	_____ %	(25% - 30% of Total Salary)
Travel Expense	_____ %	(5% - 10% of Total Salary)
Equipment	_____ %	(2% - 5% of Total Salary)
Supplies	_____ %	(1% - 3% of Total Salary)
Contractual	_____ %	(3% - 5% of Total Salary)
Other Misc. Expenses	_____ %	(15% - 20% of Total Salary)

Yes / No      Are funds included for National Self-Help Association and for attending regional and national conferences?

Yes / No      Includes the Equivalent Value of Modest House (EVMH) provided by RD?

Yes / No      Includes Method by which they are figuring the TA Cost?

\$\_\_\_\_\_ TA cost per house

**(10) Indirect or direct cost policy and proposed indirect cost procedures**

Instruction No. 1944.410 (e)(8)

\_\_\_\_\_ Complete      \_\_\_\_\_ Incomplete

Yes / No      Are the direct cost policy and proposed indirect cost procedures adequate and meet requirements?

Yes / No / N/A      Includes Board Resolution approving Direct Cost Allocation Plan?

Yes / No / N/A      Includes Letter of Approval and Indirect Cost Rate proposal?

Cognizant Agency: \_\_\_\_\_

Yes / No      Does approved proposed indirect cost rate correspond to rate charged on SF 424A?

**(11) Monthly activities schedule**

Instruction No. 1944.410 (e)(10)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Does the plan indicate the actual month of activity (i.e. Jan/Feb/Mar etc.)?

Yes / No                      Does the plan show actual start and completion dates for recruitment, loan processing and construction for each group of participants?

Yes / No                      Does the plan indicate the number of groups and number of families in each group?

Yes / No                      Does the construction time for each house or group correlate to the number of houses in group? Is there consistency? If not, is there a reason for inconsistency explained?

Yes / No                      Does the information on this plan correspond to other information in file (i.e. start and end date on SF 424, number in first group of families etc.)?

Yes / No                      Is the monthly activity schedule realistic and attainable? (Look at the time of year groups are breaking ground, and pooling dates)

**(12) Personnel practices and procedures**

Instruction No. 1944.410 (e)(9)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

Yes / No                      Includes Personnel Procedures and Practices? (1944.410(e)(9))

Yes / No                      Do the Personnel Policies include the following?

Equal Employment Opportunity _____	Affirmative Action Policies _____
Americans with Disabilities Act _____	Nondiscrimination Policy _____
Sexual Harassment Policy _____	Employment Classification _____
Hiring Policies _____	Definition of workday/work week _____
Compensation Policies _____	Benefits _____
Grievance Procedure _____	Travel policy _____
Code of Conduct _____	Alcohol & Drug Abuse _____

Yes / No                      Includes Personnel Forms? (1944.412)

**(13) Authorizing Resolution**

Instruction No. 1944.411(d)

Yes / No Includes a copy of the resolution adopted by (the Board of Directors or other Governing Body if public body) authorizing Appropriate the appropriate official to execute the Self-Help Technical Assistance Grant Agreement and Form RD 400-4 Assurance Agreement.

**(14) Assurance Agreement**

Instruction No. 1944.411 (d)

Yes / No Completed Assurance Agreement, Form RD 400-4

**(15) Fidelity Bond Coverage**

Instruction No. 1944.411 (e)

Yes / No Includes “Position Fidelity Schedule Bond Declarations”.

Yes / No Is coverage adequate to protect the maximum amount of money, form and all sources the organization will have on hand at any one time?

Yes / No Does the policy cover all employees that have access to funds?  
Coverage is: Individual person \_\_\_\_\_ “Blanket Coverage” \_\_\_\_\_

**(16) Evidence of Interest-Bearing Checking Account and a Statement of Interest Repayment**

Instruction No. 1944.411 (g)

Yes / No Evidence of Interest-Bearing Checking Account with 2 or more bonded officials will sign checks.

Yes / No Statement on repayment of interest:  
Interest in excess of \$500 per year must be submitted to Rural Development quarterly.

**(17) Membership Agreement**

Instruction No. 1944.411(h)

Yes / No Includes Membership Agreement to be executed by the grantee and the self-help participants.

Yes / No Are the membership agreements our suggested agreements? If no explain differences

\_\_\_\_\_  
\_\_\_\_\_

Yes / No Membership Agreement clearly shows work that is expected from participants and are task appropriate as set forth in Exhibit B-2 for new construction and M-2 for Rehab?

- Yes / No Are any percentages for new construction (Exhibit B-2) split between participants and subcontractors?
- Yes / No Are participants are required to contribute a minimum number of hours per week?(Ideally, at least a minimum of 30 hours per week for new construction and 10 hours for every \$1,000 worth of work that in not subcontracted out for Rehab). If fewer hours are required has a satisfactory explanation been provided? \_\_\_\_\_
- Yes / No Are participant minimum labor requirements for continued grantee TA within T&MA Contractor's recommended guidelines?
- Yes / No Does the type of construction/rehabilitation correspond to plans?
- Yes / No Does the agreement describe how the labor hours will be tracked?
- Yes / No Membership agreement describes how cost savings to the family is being calculated?

**(18) Request for Obligation of Funds**

Instruction 1944.412

Yes / No Request for Obligation of Funds, Form RD 1940-1

Yes / No Complete?

**(19) Self-Help Technical Assistance Grant Agreement**

Instruction 1944.412

Yes / No Self-Help Technical Assistance Grant Agreement, Exhibit A of 1944-I

Yes / No Accurately completed and signed?

**(20) Certification Regarding Lobbying**

Instruction No. 1940-Q and 1940.810

Yes / No Certification Regarding Lobbying, Exhibit A-1 of RD 1940-Q

Yes / No Accurately completed and signed?

**(21) Statement of Compliance**

Instruction No. 1944.411 (c)

Yes / No / N/A Statement of Compliance w/ 2 CFR 200 Part 400 & 415, if Nonprofit (Signed & sealed)



Yes / No / N/A Statement of Compliance w/ 2 CFR 200 Part 400 & 416, if government entity (Signed & sealed)

**(22) Rural Development's Review and Recommendation including SAM & DNP Portal Verification**

Instruction No. 1944.410(b), 1940-M, 1940.606(b)

Yes / No Is there a space held for this section?

**(23) T&MA Contactor's Review and Recommendation**

Required Under National Office Contract with T&MA Contractor

Yes / No Is there a space held for this section?

**(24) National Office Review**

Instruction No. 1944.415 (a)

Yes / No Is there a space held for this section?

**(25) Narrative Statement**

Instruction No. 1944.410(a)(4))

\_\_\_\_\_ Complete \_\_\_\_\_ Incomplete

Yes / No Include dollar amount of grant request.

Yes / No Include area to be served.

Yes / No Include number of self-help units to be built or repaired.

Yes / No Include housing conditions of low-income families in the area and reasons why families need self- help assistance. Estimated cost of self-help housing monthly payments, versus the average cost of affordable housing and a conventional loan.

Yes / No Include evidence of community support (specific letters of town support if land has been targeted); officials, individuals and community organizations.

Yes / No Indicate a need in the area for housing of the type and cost to be provided by the self-help program. Census data of county(s) that will be targeted.

Yes / No/ N/A For rehab, includes rehab policies and procedures? Are they complete and follow guidelines?

Yes / No Includes a minimum and maximum planned amount of rehab work per home?

Yes / No Does it include a relocation policy, if needed for owner occupied rehab?

**(26) Current Financial Statement or Audit**

- Yes / No      Date of the financial statement \_\_\_\_\_  
(Not more than 12 months) Audits preferred or a Balance Sheet showing the specific nature of Assets and Liabilities, with information on the repayment schedule and status of any debt owed by the applicant.
- Yes / No      Are there any audit findings?
- Yes / No      Has there been an increase/decrease in assets?
- Yes / No      Liabilities appropriate/minimal?
- Yes / No      Dated and signed by authorized representative of organization?

**(27) Outreach Plan for very low-income**

Instruction No. 1944.410(a)(5)

\_\_\_\_\_ Complete                      \_\_\_\_\_ Incomplete

- Yes / No      Does the plan provide for regular consistent efforts using a wide variety of methods to reach very low-income families.
- Yes / No      Has the plan adequately addressed how staff is trained in fair housing laws and the AFHMP?

**(28) Determination of TA Grant Amount**

Instruction No. 1944.407

- Yes / No      Includes the Equivalent Value of Modest House (EVMH) provided by RD?
- Yes / No      Is EVMH the same as area loan limit? If yes, has RD provided proper justification? \_\_\_\_\_
- Yes / No      Includes Method by which they are figuring the TA Cost?  
\$\_\_\_\_\_ TA cost per house

**(29) Intergovernmental Review Submittal**

Instruction 1944.409

Yes/No/NA                      Included

**(30) Compliance Review (pre-award)**

RD Form 400-8 RD Instruction 1901-E, §1901.204(a) & §1901.204(c)(3)

**(31) OGC Review (if necessary)**

Instruction No. 1944.410(b)(2)

Yes/No

Section held for this section?

**(32) Previous Experience**

Instruction 1944.410(a)(1)

\_\_\_\_\_ Complete

\_\_\_\_\_ Incomplete

1. Experience of the organization's staff.

\_\_\_\_\_ Clearly Demonstrated

2. Experience of the organization's board of directors (if needed for TA grant):

\_\_\_\_\_ Clearly Demonstrated

3. Objectives of Organization:

\_\_\_\_\_ Consistent w/ self-help \_\_\_\_\_ Inconsistent w/ self-help

4. Other housing/social services the organization is involved with:

\_\_\_\_\_ Included \_\_\_\_\_ Not Included \_\_\_\_\_ N/A

5. Sponsorship letter or agreement (if appropriate):

\_\_\_\_\_ Included \_\_\_\_\_ Not Included \_\_\_\_\_ N/A

6. How long has the organization been in existence? \_\_\_\_\_

7. How long has the organization been in housing? \_\_\_\_\_

**(33) Organizational Documents**

Instruction 1944.410 (a)(2) & 1944.404(d)(1-4)

\_\_\_\_\_ Complete

\_\_\_\_\_ Incomplete

Yes / No

Copy of an accurate reference to the specific provisions of state law under which the organization was organized.

Yes / No

Articles of Incorporation and Bylaws (signed by authorized agency representative, dated and sealed by corporate seal if available).

Yes / No

Certificate/Stamp of Incorporation.

Yes / No

Tax exemption certificate of 501(c)(3) status, 1944-I, section 1944.404(d)(2).

Yes / No

Evidence of Good Standing from the State, if in existence for more than one year.

- Yes / No      Names and Addresses of Directors, Officers, Members.
- Yes / No      Are there more than 5 members of the Board? 1944-I, section 1944.404(d)(4).
- Yes / No      Are there 10 Board meetings? (recommended)
- Yes / No      Does the mission statement include “production of affordable housing”?
- Yes / No / N/A      Name, Address, Principal Business of Member Organizations (if applicable).
- Yes / No / N/A      If about to organize, copies of proposed organizational documents attached. Demonstrate compliance with 1944-I, section 1944.404(d).

**Overall Application:**

- Yes / No      Is each section clearly identified with a coversheet indicating tab number?
- Yes / No      Does it contain a table of contents?

## APPENDIX 2 - LIST AND LINKS TO KEY REGULATIONS AND ADMINISTRATIVE NOTICES

Main website for regulations, ANs, forms, Handbooks, and Unnumbered letters:

<https://www.rd.usda.gov/resources/directives>

### Instructions

Self-Help Housing Instructions 1944-I: <https://www.rd.usda.gov/files/1944i.pdf>

Direct Single Family Housing Loans and Grants (502 and 504 Programs):

<https://www.rd.usda.gov/programs-services/single-family-housing-programs/single-family-housing-direct-home-loans>

Planning and Performing Construction and Other Development 1924-A:

<https://www.rd.usda.gov/files/1924a.pdf>

Planning and Performing Site Development Work: <https://www.rd.usda.gov/files/1924c.pdf>

Environmental Guidelines 1970 A-O: <https://www.rd.usda.gov/resources/environmental-studies/environmental-guidance>

### Rural Development Fact Sheets

502 Direct Loan Program Fact Sheet:

<https://www.rd.usda.gov/media/file/download/usda-rd-rhs-fs-sfhd-09252024.pdf> or visit the [RD website](#) for accurate information

504 Loan and Grant Fact Sheet:

[https://www.rd.usda.gov/sites/default/files/508\\_rd\\_fs\\_rhs\\_sfhd504homerepair.pdf](https://www.rd.usda.gov/sites/default/files/508_rd_fs_rhs_sfhd504homerepair.pdf)

### Handbooks

HB-1-3550 Direct and Single Family Housing Loans and Grants

<https://www.rd.usda.gov/resources/directives/handbooks>

Direct Loan and Grant Income Limits (In HB-1-3550 Handbook):

<https://www.rd.usda.gov/files/RD-DirectLimitMap.pdf>

## APPENDIX 3 - SELF-HELP APPLICATION FORMS AND LINKS

Most of this information comes from RD Instruction 1944-I, Exhibit G which provides the instructions and required forms for the application process. Only a partial list of the application components is listed below since these are the only sections with forms. Links often expire so if you find a nonworking link, please advise your T&MA contractor.

Checklist Location	Name and Number	Link and Instructions
Tab (1)	Form SF-424-Application for Federal Assistance for Non-Construction Programs Including Intergovernmental Review Response	<a href="https://grants.gov/forms/forms-repository/sf-424-individual-family">https://grants.gov/forms/forms-repository/sf-424-individual-family</a> This link takes you to a listing of several federal forms. Scroll down to: <b>Application for Federal Assistance (SF-424)</b> (If you get an unable to navigate message, please refresh the page.) Open file to make it fillable then save. Completed by the applicant.
Tab (6)	House plans, specifications, and detailed cost estimates	<a href="http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1924-2.PDF">http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1924-2.PDF</a> Completed by the applicant.
Tab (9)	Form SF-424A Budget Information (non-construction)	<a href="https://grants.gov/forms/forms-repository/sf-424-individual-family">https://grants.gov/forms/forms-repository/sf-424-individual-family</a> This link takes you to a listing of several federal forms. Scroll down to: <b>Government Wide: Budget Information for Non-Construction Programs (SF-424A)</b> (If you get an unable to navigate message, please refresh the page.) Open file to make it fillable then save. Completed by the applicant.
Tab (14)	Form RD 400-4 Assurance Agreement	<a href="https://formsadmin.sc.egov.usda.gov/eFormsAdmin/browseFormsAction.do?pageAction=displayPDF&amp;formIndex=2">https://formsadmin.sc.egov.usda.gov/eFormsAdmin/browseFormsAction.do?pageAction=displayPDF&amp;formIndex=2</a> Completed by the applicant.
Tab (17)	Group Agreements including Exhibit B-2 Labor Tasks or Participant Agreements	Group and Participant Agreement templates are available in Tab 17. For the group agreement, it must include labor tasks such as those listed in Exhibit B-2, completed by the applicant. <a href="#">eCFR :: Exhibit B-2 to Subpart I of Part 1944, Title 7 -- Breakdown of Construction Development for Determining Percentage Construction Completed</a>
Tab (18)	Form RD 1940-1 Request for Obligation of Funds	<a href="http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1940-1.PDF">http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/RD1940-1.PDF</a> Completed by RD with the cooperation of the grantee. Save a tab space.
Tab (19)	RD Instruction 1944-I Exhibit A	<a href="https://www.rd.usda.gov/files/1944i.pdf">https://www.rd.usda.gov/files/1944i.pdf</a>

	Self-Help TA Grant Agreement	
Tab (20)	RD Instruction 1940-Q Exhibit A-1 Certification Regarding Lobbying	<a href="https://www.rd.usda.gov/files/RBS-ABPExhibitA-11940-Q.PDF">https://www.rd.usda.gov/files/RBS-ABPExhibitA-11940-Q.PDF</a>
Tab (21)	Statement of Compliance with 2 CFR 200 Part 400 & 416 if a State or Local government; or Part 400 & 415 if a non-profit	<a href="https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFR1f52baf5ea70fff/section-200.400">https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFR1f52baf5ea70fff/section-200.400</a> <a href="https://www.ecfr.gov/current/title-2/subtitle-B/chapter-IV/part-416">https://www.ecfr.gov/current/title-2/subtitle-B/chapter-IV/part-416</a> <a href="https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.415">https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.415</a>
Tab (32)	Compliance Review Form RD 400-8 RD Inst. 1901-E, §1901.204(a) & §1901.204 (c)(3)	<a href="https://forms.sc.egov.usda.gov/efcommon/eFileServices/eFormsAdmin/RD0400-0008_000800V01.pdf">https://forms.sc.egov.usda.gov/efcommon/eFileServices/eFormsAdmin/RD0400-0008_000800V01.pdf</a> Completed by RD. Will need information from the organization.