Celebrating 50 YEARS
Of helping families help themselves.

HAC
Families Building Wealth, Pride, and Community with Self-Help Homeownership

The First Self-Help Families

Lilia G. Jimenez, her husband, and their children lived in a house with no insulation, no indoor toilet, and no city water. In the early 1960s, Mrs. Jimenez and two other families completed the first USDA-funded self-help homes. Lilia still occupies the home she helped construct more than 50 years ago in Goshen, California. Mrs. Jimenez said that building their home through the self-help program was the best thing that ever happened to her family.

A Half Century of Growth and Change, But Still the Same Pride Through Self-Help

Yvette Cabili has managed to overcome numerous obstacles in her life and has not only become a self-help homeowner in Florida, but has also fulfilled her desire to help others achieve homeownership. Ms. Cabili learned the concept of self-sufficiency and determination from observing her mother who immigrated to the United States from Mexico. Yvette’s perseverance was tested as she strived to raise her daughters as a single parent and build a home, all while taking college courses. From her initial request for an application, to the moment of final inspection, the self-help homeownership program was an emotional rollercoaster. Yvette had her highs and lows but despite the multiple demands, she learned time management, discipline, and the basics of building a home. She gained construction skills, home maintenance knowledge and, along with everyone in her group, she grew as a person. One thing she always mentions to other self-help homebuyers, whether they are single or not, is “If I did it, you can too! It’s mind over matter!”

50 YEARS and 50,000 HOMES ACROSS RURAL AMERICA

Homeownership through USDA’s Self-Help Housing Program

Fifty years ago, the U.S. Department of Agriculture (USDA) began supporting a “self-help” housing model where very low- and low-income households construct their own homes. People have engaged in collective homebuilding and community barn-raising for hundreds of years. USDA advanced this innovative concept to a national scale beginning in the mid-1960s. In 2015, the self-help community celebrates the construction of the 50,000th self-help home to be built with USDA and community-based support.

Purpose

Operated by the Rural Development office (RD) of USDA, the Section 502 Direct Loan is used to finance self-help homes. Self-help housing is targeted to families who are unable to buy decent, safe, and sanitary housing through conventional methods.

Nonprofit Sponsors

Nonprofit organizations and public agencies sponsor mutual self-help housing. They organize groups, provide training and construction supervision, and assist participating families to file applications for loans to finance materials and sub-contracting when applicable. Most rural self-help housing sponsors use administrative funds from RD’s Section 523 Self-Help Technical Assistance Grant Program.

How it Works

USDA’s mutual self-help program involves not only USDA, but also:

- Homebuyers
- Local sponsor organizations, sometimes known as Section 523 grantees or technical assistance providers because they provide technical assistance to homebuyers
- Regional technical assistance contractors, sometimes known as Section 523 contractors, who provide technical assistance to current and potential Section 523 grantees.

Families participating in a mutual self-help development perform a substantial amount (approximately 65 percent) of the construction labor on their own and each other’s homes under qualified supervision. The savings from the reduction in labor costs allow otherwise ineligible families to own their homes.

65% HOURS OF LABOR PROVIDED BY HOMEOWNER

$25,040 ESTIMATED VALUE OF SWEAT EQUITY AT MOVE-IN

(FY 2014)

Source: USDA Data
Self-Help Homes Built

- 4 - 299
- 300 - 999
- 1,000 - 1,999
- 2,000 - 3,999
- 4,000 - 14,492

Affordability:
A Self-Help House is Less Than Half the Cost of a Newly Constructed Home in the U.S.

New Home Purchase Price, 2014

- $70,000
- $140,000
- $210,000
- $280,000
- $350,000

Sources: Characteristics of New Single Family Homes Built - U.S. Census Bureau, USDA-RD Report Data
Serving Modest Income Families:
The Average Annual Income of Self-Help Housing Participants is 63% Less Than the Average Income for All U.S. Homeowners

Increasing Minority Homeownership:
More Than Half of Self-Help Families are Racial or Ethnic Minorities

Average Household Income

Sources: USDA RD Data, HAC Tabulations of 2013 American Housing Survey

Since 1965 More than 50,000 Families Have Achieved Homeownership Through USDA's Self-Help Housing Model
The Housing Assistance Council (HAC) is a national nonprofit organization that helps build homes and communities in rural America. For more than 45 years, HAC has supported self-help housing and the community-based organizations and families that make it one of the nation’s most innovative and successful affordable housing models.

For more information about the Housing Assistance Council please visit: www.ruralhome.org

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