

1. What is Self-Help Housing?

Self-Help Housing is a group method of home construction available to limited-income households. Eligible households qualify for low-interest loans and work together in groups to build each other's homes. Approximately 65% of the construction labor is provided by the group under the direction of a construction coordinator — the remaining labor is subcontracted out. **A project currently is being developed in the Mat-Su Borough.**

2. Who is Alaska CDC?

Alaska Community Development Corporation (Alaska CDC) is a non-profit corporation. This program is funded by Rural Development, a division of the U.S. Department of Agriculture. Alaska CDC helps applicants obtain low-interest housing loans and assists them with building their homes. Alaska CDC is overseeing the current Self-Help Housing project in the Mat-Su Borough.

3. Who can participate in Self-Help Housing?

Individuals and families who cannot afford to buy or build modest houses by customary methods. They must have good credit and the ability to repay a loan. Income requirements vary, depending on household size (roughly 45-80% of area median income).

4. What type of income is needed to qualify?

Regular income is required to qualify for the loan. All household members do not need to receive regular income. However, households may report regular income received by all members who are 18 years of age or older to qualify. Forms of regular income include but are not limited to: employment; self-employment; benefits received for any member of the household, such as Social Security, pensions, VA Benefits, unemployment, Public Assistance, Child Support, AK Permanent Fund dividend, etc.

5. Must you be married to qualify?

No. You may be single, married, widowed, divorced, or two or more unmarried individuals.

6. How is home planning and building coordinated?

Generally, 6 to 10 participant "families" make up a Self-Help Housing building group. Alaska CDC helps participants form an informal association, and the participants agree to help each other build their houses. Participants also must attend all group meetings.

7. What house sizes are available?

There are 2, 3, and 4 bedroom houses. Most common sizes are the 3 and 4 bedrooms, which are roughly 1,200 to 1,500 square feet, plus an attached garage. Available houseplans may be adapted to meet accessibility needs.

8. When are the houses built?

Since most of the participants in a Self-Help group work during the day, most of the construction work is done on weekends and early evenings during the week. Schedules vary according to climate and group participant makeup. Homes will be built from spring and continuing until winter.

9. How many hours must each participant contribute?

30 hours a week. Participant hours include the labor of the applicant, co-applicant, any child 16 years of age and older, friends, and relatives. Recruitment of additional volunteers is encouraged.

10. When can participants move into their homes?

All of the houses in the group must be entirely completed and inspected by Rural Development before any participant moves in.

11. Who provides the loan money for the land, construction materials and subcontracting?

The Rural Development division of the U.S. Department of Agriculture (formerly known as Farmers Home Administration—FmHA).

12. Is a down payment required?

No. To begin processing a loan, a credit check is required as well as the purchase of construction insurance. Fees are required for credit checks and loan closing costs.

13. Are payments made while the house is being built?

No. Monthly payments generally will begin one month after the final inspection of the house (completion of construction) or one month after the permanent loan is closed.

14. What is the interest rate on a Rural Development Self-Help loan?

The rate is variable depending on household income. Typically, it is as low as 1% or 2% at the start of the loan. Rural Development will review household income annually to determine if a different interest rate (and monthly payment amount) is necessary. The maximum interest rate amount would be full note rate at closing.

15. What are the terms of a Rural Development Self-Help loan?

33 year loan. The borrower's full note interest rate may be subsidized based on household income. Subsidized loans will have annual reviews of household income.

16. What is the monthly payment?

Mortgage payments (including taxes & insurance) are between \$400 to \$900. Payment amount depends on gross family income, interest rate, land value, house plan design, and other first time homebuyer assistance funding available.

17. How does one apply to the Self-Help program?

Applications are available for the current Mat-Su Borough project. Waiting lists will be established for the current and future year's project. **Contact Alaska Community Development Corporation for an application or additional information.**



Main office:

Alaska Community Development Corporation
1517 S. Industrial Way, #8
Palmer, AK 99645
(907) 746-5680, (907) 746-5681 fax

**Toll-Free Outside Mat-Su Borough:
(800) 478-8080**



Alaska Community Development Corporation (Alaska CDC) provides the following technical assistance:

- Overseeing land acquisition.
- Developing suitable building sites.
- Preparing applications for Rural Development loan.
- Explaining the Self-Help program and subjects relating to home ownership, including taxes and insurance.
- Providing participants with Rural Development approved house plans.
- Preparing application for building permits (as applicable). Coordinating and scheduling building inspections.
- Obtaining cost estimates for construction materials. Ordering and arranging delivery of construction materials. Contracting subcontractors for applicable contracted services for construction of the home.
- Supervising and training participants in the proper construction of their houses.
- Oversee the paying of bills for the owner participants that are related to their home construction, and maintaining an accounting of funds for Rural Development and the owner builder.

SELF-HELP HOUSING

Answers to Most Common Questions

Alaska Community Development



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