



Self-Help Homeownership



Your labor is your downpayment!

What is the self-help homeownership program?

The self-help program provides an opportunity for many working, low-to-moderate income families to achieve the American dream of homeownership. The program makes homes affordable by allowing families to contribute “sweat equity” toward the purchase of their home. A self-help group is organized to provide labor for the group members’ new homes. The group consists of 5 to 8 families who work together under the guidance of a construction supervisor provided by MHO. The houses are built simultaneously and no family moves into their new house until every house in the self-help group is complete.

Self-Help Benefits

- There is no down payment and out-of-pocket expenses are minimal.
- Earn equity in your home through your labor. The typical Self-Help homeowner will achieve a \$15,000-\$25,000 equity position.

- Gain valuable homeowner skills in home construction and maintenance.
- Build your community and your neighborhood from the ground up.

Who is eligible?

- Households earning 80% or below the Area Median Income (AMI)
- Borrowers with acceptable credit scores
- Borrowers with at least one year of stable employment
- Borrowers who are not currently homeowners
- Borrowers willing to contribute time and labor toward building the Self-Help group’s homes

2019

Maximum Annual Income Limits*			
Household Size	Buncombe & Henderson Counties	Haywood County	Madison County
1	\$37,200	\$32,850	\$30,950
2	\$42,500	\$37,550	\$35,350
3	\$47,800	\$42,250	\$39,750
4	\$53,100	\$46,900	\$44,150
5	\$57,350	\$50,700	\$47,700
6	\$61,600	\$54,450	\$51,250

*Inquire for larger family sizes

Construction

- No construction experience is required! All work is completed under the guidance of an MHO construction supervisor.
- Groups participate in at least 65% of the tasks involved in building their homes.
- Each household must be willing to complete approximately 20 hours of productive labor per week.
- All houses are completed before any family moves in.
- House plans range from 1,000-1,400 square feet.



We are an equal opportunity loan administrator and lend without regard to race, age, gender, disability, familial status, religion, national origin, sexual orientation, or any other protected status.



MHO Loan Terms

- Home mortgages are arranged through the U.S. Department of Agriculture. Interest rates vary according to a participant’s need and can be subsidized to as low as one percent.
- **No down payment!** The value of your labor becomes your down payment on your new home.
- **33-year mortgage.** Terms can be extended to 38-years for families with significant need.
- **Low monthly payments!** Many borrowers qualify for an interest rate subsidy based on household income. For example, a \$120,000 loan could have mortgage payments as low as \$356 per month. Loan payments are adjusted annually based on changes in income and/or household size.
- Borrower must be the primary resident of the home.
- Borrower is required to purchase Builder’s Risk Insurance prior to construction and Homeowner’s Insurance thereafter.

Education Requirement

Program participants must complete an OnTrack Financial Education & Counseling Services home-buyer education course before the close of the loan. On Track (828-255-5166) offers both evening and weekend courses.

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CHARTERED MEMBER