



# Self-Help Homeownership



## Your labor is your downpayment!

### What is the self-help homeownership program?

The self-help program provides an opportunity for working, moderate income families to contribute “sweat equity” toward the purchase of their home. Each year, 6 families work together under the guidance of a construction supervisor provided by MHO to build homes and create a community.

### Self-Help Benefits

- Requires a minimal out-of-pocket financial contribution
- Enables immediate home equity (*a typical homeowner achieves between \$15,000-\$20,000 in home equity*)
- Provides valuable construction and maintenance skills
- Builds a strong and cooperative community

### Who is eligible?

- Households earning 80% or below the 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 homes
- Borrowers who have lived in WNC for at least one year

### Construction

- No construction experience is required. All work is completed under the guidance of an MHO 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.
- MHO house plans range from 1,000-1,400 square feet.

## MHO Loan Terms

- Home mortgages are arranged through USDA. 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 is the 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.
- Borrower must be the primary resident of the home.
- Borrower is required to purchase Builder's Risk Insurance prior to construction and Homeowners Insurance thereafter.

## Education Requirements

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.

Maximum Annual Income Limits*		
Household Size	Buncombe Henderson Madison Counties	Haywood County
1	\$47,600	\$42,000
2	\$54,400	\$48,000
3	\$61,200	\$54,000
4	\$68,000	\$60,000
5	\$73,450	\$64,800

\*Inquire for larger family sizes

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