

RurAL CAP's Owner-Built Homes Program

What is RurAL CAP's Owner-Built Homes Program?

The Owner-Built Homes program at RurAL CAP is a path to affordable, homeownership of quality homes with no down payment.

Participants of the program are provided with the opportunity to earn "sweat equity" in their new homes. Families and individuals join a group of eight to twelve owner-builders working together under the guidance of the RurAL CAP Housing and Planning Division staff to create a community of attractive, five-star energy rated, single-family homes.

Homes will be built on one-acre, sunny building sites. Homes typically have three or four bedrooms, two baths, and two-car garages. Designs provided by RurAL CAP and approved by USDA Rural Development ensure participants have structurally sound and efficient homes. The U.S. Department of Agriculture Rural Development program allows participants to take advantage of low interest home loans (as low as 1% for a 38 year term in some cases) to borrowers and funding to RurAL CAP, a non-profit agency, who provides professional construction supervision, training and scheduling of the owner-builder group, and volunteers.



Who is eligible for the program?

Participants must meet certain obligations to be qualified for the Owner-Built Homes program:

Have a dependable source of income sufficient to support a house payment and your other obligations.

- House payment estimated between \$550 and \$750 not including taxes and insurance
- Payment amount depends on the house design you choose and the qualifying interest rate and term

Meet certain income limitations based on the number of people in your household.

- For example, the maximum gross annual income (before taxes and other deductions) for a household of four is \$60,000. For a single person household, the annual income maximum is \$42,000.

Have a history of paying your bills on time.

What is the process like for an applicant applying for the Owner-Built Homes Program?

To join the program, you will need to start with an application. All applicants must submit a Pre-Screening Application and Credit Authorization to RurAL CAP. If your income and credit meets program guidelines, then RurAL CAP staff will assist you in applying for a loan through USDA Rural Development. Loan applications will need to be submitted to the USDA-RD Kenai Area Office, along with a check or money order for a mortgage loan credit report (\$25 for single, \$34 for a joint report). Applicants will be required to attend a no-cost AHFC HomeChoice homeownership workshop.

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Once your application is approved, program participants will choose their one-acre building site. RurAL CAP will have the lots pre-developed, complete with well, septic, driveways, electric and natural gas. Homes with five-star energy rated plans will be reviewed and participants will select a house design that meets their needs. All participants will then join the homeowner group by agreeing to the covenants and committing 30 hours a week per household to building their homes and their neighbors' homes.

But I don't know how to build a house . . . How can I build my own home?

That's where RurAL CAP comes in. We provide hands-on instruction and training at the building site.

You will learn how to:

- Use power tools correctly and safely
- Utilize today's building techniques
- Maintain your home

What will homes in the new Self-Help Owner-Built Homes neighborhoods look like?

The neighborhoods will consist of eight to twelve attractive, energy-efficient, healthy, accessible, and affordable homes. The homes will vary in square feet in size and will vary in design, as the potential homeowners will personalize the structure of their new homes. The image to the right is one example of what a home built in the Owner-Built neighborhood might look like.



If I know of someone who is interested in RurAL CAP's Owner-Built Homes Program, or if I would like more information about the programs offered through the Rural Housing and Planning Division, who should I contact?

You may contact Donna Shassetz, Self-Help Housing Coordinator at:

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Rural Housing and Planning Division
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