



SELF-HELPER

Providing comprehensive, quality services for Self-Help Housing

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FEDERAL SHUTDOWN ENDS AND RD FUNDING IS RESTORED

The government shutdown that began October 1st ended 43 days later on November 12th. During this time USDA and Rural Development personnel were unavailable and therefore self-help TA grantmaking and 502 loan approvals, closings, and draws came to a halt, causing hardship and negatively impacting nonprofit grantees and participant families.



Finally on November 12th a Continuing Resolution was passed to fund the federal government through January 30, 2026. The CR also reversed personnel reductions that started October 1st during the shutdown. It also bars layoffs for the duration of the CR.

An important and relevant aspect of the legislation is that it includes the conference reports on the full-year FY 26 appropriations for Agriculture, Veterans, and the Legislative Branch, which means funding for USDA is approved through September 30, 2026 and at workable levels. (For the first time in 17 years, USDA has a budget for a whole entire year!) The conference also approved significantly more than the budget request for Rural Development Salaries and Expenses. The Senate and House passed the bill, and it was signed by the President, and so the government reopened.

This action funds the 502 Single Family Direct Loan Program at \$1 billion and the 523 Self-Help TA Grant Program at \$25 million for FY 26. It also provides \$32 million in 502 loan funds for two fiscal years to ensure the program can continue to offer mortgages as FY 26 ends and FY 27 begins. Even though USDA funding is approved for the balance of FY 26, it may take time for it to flow from OMB to Rural Development and then from the National Office to the State Offices. Although there is no official word of when FY 26 funds will be available, it is hopeful that obligations and COEs will start to flow by mid-January. Fingers crossed!

A chart with the final funding levels for FY 26 is on Page 2.

FY 2026 BUDGET

**Agriculture Appropriations --
Selected Rural Housing and
Development Programs:
Summary-- \$ in millions**

Programs	FY 25 Final	FY 26 Budget	House FY 26	FY 26 Senate	FY 26 Final
502 Single Family Direct	\$715	\$0	\$880	\$1,000	\$1000
Relending demonstration	5	0	6	5	5
502 Single Family Guaranteed	25,000	25,000*	25,000*	25,000	25000
504 Loans	25	25	25	25	25
RHAG 504 grants/533	25/10	20/0	20	25/10	21/6
514 Farm Labor Housing Loans	15	11	15	15	15
516 Farm Labor Housing Grants	7.5	6	7.5	7.5	6
515 Rural Rental Housing	60	50	60	50	50
521 Rural Rental Assistance	1642	1715	1715	1715	1715
523 Self-Help TA	25	0	20	25	25
538 Rental Guaranteed	400	400	400	400	400
Vouchers	48	0	48	48	48
Multi-Family Restructuring (BA)	34	15	30	34	30
Water-Wastewater Loans	860	1229	860	1000	1000
Water-Wastewater Grants/Loan Subsidy*	595	144	346	443	445
Water-Wastewater Guarantee	50	50	50	50	50
Solid Waste Grants	4	0	4	4	4
Small Systems Revolver	1	0	1	1	1
Intermediary Re-lending	10	0	9	13	9
RCDI	5	0	6	5	5
Community Facilities Grants **	18	0	467	217	667/659
CF Loans Direct/Guaranteed	2800/650	0/659	1000/650	1250/650	1250/650

**\$659 m in earmarks

*\$110m in earmarks

Budget chart courtesy of the National Rural Housing Coalition.

RD INTEREST RATE

The interest rate the 502 Direct Loan Program for December is 5%.

WHAT PLANS DO YOU HAVE FOR 2026?

While this is often a time for New Year's Resolutions, perhaps plans for the new year will not be as intimidating and may have a better outcome. The following is a menu of self-help functions to look at and see which may need attention for the new year. It would take superpowers to assess and improve them all, so instead pick and choose which are most important to your program now. You can also delegate tasks as appropriate. Here we go:

Assess your self-help team to make sure you are poised for production and achieving your EU goals. Is any training needed? What positions need to be filled? Where is more capacity needed? How can you build on team strengths or correct weaknesses? This is a leadership role.

Assess your current inventory of land, lots, and properties for new construction and purchase/repair. Securing lots and properties are critical to program success. What do you need to do in 2026 so that you have land you can count on?

Are changes needed in your house plans? You have built them many times. What have you learned and what modifications would make building easier, quicker, less costly, and better for participants? Consider feedback from team and participants.

Do you have qualified participants in queue to



form groups or to do home repairs? The life blood of self-help is achieving/maintaining eligibility, so participants are ready as needed. How are counseling, loan packaging, and approvals going?

Does your marketing and outreach need a refresh to assure a constant flow of interest in self-help? Assess on-line and social media presence, contacts with key employers, messaging the product, telling the story, and assign tasks.

How are suppliers and subcontractors doing? Are they meeting your needs in terms of quality, timing, price, and reliability? If not, you may need to shop around.

Are sufficient financial and internal controls in place? How are financial aspects of budgeting, requests, approvals, loan accounting, reporting, policies, and audit?

Managing the many moving parts of self-help. Whether team meetings, strategic thought, goal setting, check-in points, reducing

uncertainty, data gathering and use, tracking progress, take time to determine what areas need some fine tuning.

New connections to make?

State Director and RD staff, local/state politicians, state HFA, CDFIs, employers, etc. Develop your connection goals for the year.

When should your 523 extension or grant request be completed and submitted?

Assess your grant progress and with the T&MA team, determine when such requests should be made based on funding availability and timing to assure there are no gaps.

Organizational or self-help problems to address and resolve.

Sometimes these are new and sometimes they are lingering issues which need addressing now.

Don't let this list overwhelm you, just pick out the applicable items and prioritize them by putting them on your agenda for 2026. Then create the accountability necessary to assure you make necessary progress.

SCHEDULE YOUR ORGANIZATIONAL AUDIT

It is wise to schedule your organizational audit to begin as soon after the fiscal year is complete as practicable.

Why?

- The sooner the audit is completed, the more relevant the information is because less time has passed.
- It informs management, Board, and funders about financial standing.
- A completed audit works for the organization in a variety of ways.
 - ⇒ It achieves the required submission timeframes by RD, Uniform Guidance, and other funders.
 - ⇒ Organizations expending more than a million in federal funding during the FY are subject to Uniform Guidance and Single Audit requirements which may take additional time.
 - ⇒ Also, remember that a portion of borrower loans are to be audited or reviewed.

Relevancy: An audit that is completed later than six months after the fiscal year end becomes less relevant as information already is stale because the new fiscal year is already half over. Any findings, corrections, or recommendations can only begin implementation later in the year which is less than ideal. The financial statements on which the organization's net worth and gains or losses are

based will only be available upon audit, well into the next year. An early audit allows management and Board to appropriately set course for the new fiscal year.

Schedule the Audit: Audits don't just happen; they must be scheduled. It is important to talk with your auditor prior to the end of the fiscal year so they can schedule and plan their work, so the audit is done 3-6 months after fiscal year close. If you don't schedule it, you are at the mercy of the CPA and get the leftover timing. It is reasonable for a Board to request management have the audit done within the first six months of the new fiscal year.

Example: If your fiscal year ends December 31, 2025, talk to your auditor now to be sure you can get the audit work scheduled for the first quarter and have the completed audit soon thereafter. If your fiscal year ended June 30, 2025 your audit should be well underway if not completed. If your fiscal year ended September 30, 2025, you should have the audit scheduled and work starting before the holidays. Answer auditor's questions and resolve any issues promptly. A goal should be to finalize the audit 4-5 months into new fiscal year.

Use the Audit: Make your audit relevant and use it to the advantage of the organization. Use it as the basis of completing the IRS 990. Use it to provide summary financial data for your Annual Report. Impress funders by getting them the audit early



so they don't have to ask for it. If the audit calls for some action or implementation, act on it immediately so you can show funders that you have it all under control.

Be aware of Federal Requirements:

- RD 1944.422 Audit and other report requirements.
- Uniform Guidance, Single Audits, must be submitted within nine months of the nonprofit's fiscal year end or within 30 days after auditor's report is received, whichever of the two dates comes first.

A tardy audit does no one any good!

CONSIDER A DEVELOPMENT LINE OF CREDIT

A challenge for development-oriented nonprofits and self-help grantees in particular is how to navigate lapses and interruptions in the development process in order to keep construction moving forward, vendors paid, and subcontractors on the job. Lapses happen for many reasons. Perhaps an environmental review takes longer than planned, a building lot doesn't have clear title, construction financing is delayed, etc., etc. One significant example is the government shutdown which caused a number of critical issues including stoppage of 502 draws, RD 502 loan processing, grant and loan oversight, the inability to communicate and tackle problems together, and more. No matter what the cause is, starting and stopping development and construction impacts time, money, scheduling, and production resulting in inefficiency and financial loss.

Many nonprofits either already have or have access to Lines of Credit, often for operations that can keep the organization working while waiting for a grant that has been approved but not yet received. Just as a constant flow of resources is necessary for operations, it is also necessary for development projects such as self-help where new homes and home repairs are at stake. A financially healthy nonprofit engaged in development will have access to funds to keep projects moving

forward in order to keep production on target, even when regular funding is delayed or interrupted

Some grantees with substantial resources can fund delays and interruptions internally, using an internal line of credit, from positive cash flow or net assets. It is best when doing this to

have a Board designated reserve of net assets on the balance sheet serving as an internal line of credit. When the shortfall is made whole, the organization pays back that internal LOC so the money is there for the next need.

Other organizations may choose not to tie up their own net assets and will have a development line of credit with a preferred lender, such as:

- **Banks** often provide LOCs for community development purposes, providing credit in the community where it takes deposits. This activity can also aid the bank's Community Reinvestment Act rating. You may want to start by talking with the bank where you do your business banking.

- **Community Development Financial Institutions (CDFIs)** can be another source of Development LOCs as they strive to address nonprofit credit needs. Chances are your organization is already



working with a local, regional, or national CDFI. Discuss your needs with them and see if an LOC is possible.

If you have an internal or external LOC, you know how important it is to keep track of the use of credit and the specific development/construction purposes you are bridging until reimbursements or advances come in. This allows correct LOC draws and pay back, and in this case helps ensure the lender, the grantee, and RD are satisfied.

If your organization doesn't currently have an internal or external LOC, leadership should make it a priority to have access to funding to equip the organization for the future, since we know lapses and interruptions are common in development.

Make sure you are equipped with a Development Line of Credit for the future!

MY RD HOME LOAN PORTAL IS NOW LIVE!!

For several years we have been mentioning that USDA Rural Development is working on a borrower portal and it is finally here!! All homeowners with 502 loans can now log in and manage their current loan through the Customer Service Center (CSC) portal. They are calling it the "My RD Home Loan Portal." No more call waiting! Borrowers can make payments and service their account at <https://myrdloan.usda.gov>.

Borrowers will be able to:

- Make payments

- Schedule future payments
- Update personal information
- Get year-end tax information
- Update property tax and insurance information

All borrowers should have gotten an email instructing them on how to sign into their account. It seems like a login.gov account will be required to sign in.

There is a tour/how-to video on



the RD website: <https://www.rd.usda.gov/programs-services/my-rd-loan-portal>.



Need a loan for site acquisition or development for Self-Help Housing? If you are a grantee in Region III, The NeighborGood Partners Loan Fund may be able to help! Reach out to your specialist for more information.

The NeighborGood Partners Self-Help Housing team attended and presented sessions at HAC's National Rural Housing Conference in November.

Pictured: Vivian Duran, Tina Dahmer, Karen Speakman (Executive Director), Jill Lordan, Trish Kelleher (Real Estate Development Director), and Frank Datillo.



COMMUNITY CONCEPTS IN MAINE CELEBRATES WITH ANNUAL SPAGHETTI DINNER FOR SELF-HELP HOMEOWNERS



HAPPY HOLIDAYS



Regional Teams Meeting Planned

NeighborGood Partners will be hosting another regional video-conference via Teams on **Thursday, January 22nd at 11:00 a.m.** for an open discussion. Please join us and be prepared to share your thoughts and questions.



@neighborgoodpartners

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