

**Quotes from Nancy Hanson
Executive Director, Lower Valley Housing Corp.**

The Lower Valley Housing Corp. (LVHC) builds affordable housing in El Paso County. LVHC would not exist without the USDA, which has a Section 502 loan program that is unique because it truly serves very low-income households. The loans extend up to 33 years with interest rates of 1 to 6.75 percent. The rates of the loans go up and down based on families' income each year. Among LVHC clients, there are a lot of one percent loans.

El Paso is one of the largest entry points from Latin America to the U.S. It is geared more towards the Mexican economy than the American economy because Juarez is right across the river in Mexico while Dallas is 600 miles away.

LVHC's original mission was to prevent the continued proliferation of colonias. "Colonias" means "neighborhood," but the way this word came to be known in the U.S. is legal but substandard living conditions, such as lack of water, sewage, drainage, electricity, and paved and connecting roads.

El Paso has 380 colonias. A great many now have running water and sewage systems. Most have electricity. Now it is illegal for houses not to have electricity if they have running water.

In 1988, the LVHC was a grantee of USDA and had built 24 homes. When Nancy came on board, she knew that unless LVHC could build more than five to ten houses per year, it could not keep residential housing prices down. Therefore, LVHC started a self-help program with the Texas Department of Housing and Community Affairs (TDHCA), which had a bootstrap program that used state funds and housing trust fund money. These were dedicated state funds, not federal funds coming through the state.

LVHC's new homes cost \$49,500 and their appraised value would be \$74,500 if they were built and sold on the market. This means that every client has equity of \$25,000 the day that they move into their new homes.

In Nancy's experience with her clients, "the woman loves the house, and the man loves the woman," so the female heads of the household fight for a beautiful house and the male heads of the household are supportive. These families are proud of their houses and love to show them off.

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