CALCULATING EQUIVALENT UNITS AND SECTION 523 GRANT FUNDS EARNED

Section 523 Grant Funds ($300,000 for 12 homes which equals $25,000.00 per home)
(See 1944.405 for authorized use of Section 523 funds)
Minus Audit Cost Est. = $3,000 for grant ($3000/12 homes = $250 per home) $250.00 audit cost
Value of an EU for the purpose of operating the primary self-help program $24,750.00

Section 523 grant funds available for (grantee) to operate the self-help program-providing direction coordination and guidance to enable the families to build their homes. Therefore for helping the families build their homes, (grantee) would be allowed $24,750/home. This means that although the value of one EU for the entire grant is $25,000, the value of an EU for the purpose of operating the primary self-help program is $24,750.

E.U.'s are earned as follows:

.1 E.U. is earned for applicant eligibility (.1 X $24,750) $2,475
.1 E.U. is earned for closed loan (.1 X $24,750) $2,475
TOTAL earned for eligibility and closed loan for one family $4,950 which leaves
.8 E.U. grantee is able to earn for guiding the self help program through the construction phases for one family (.8 X $24,750) $19,800.00
1 E.U. for eligibility/loan closing and construction $24,750

The following is an example of calculating E.U.'s for two closed loans where the construction is 60% completed (.8 X 60% = .48 E.U. earned) on one home and 40% completed (.8 X 40% = .32 E.U. earned) on second home:

.2 E.U. earned for eligibility= 2 families X $2,475 $4,950
.2 E.U. earned for loan closing= 2 families X $2,475 $4,950
.48 E.U. earned for construction progress on 1st home (.48 X $24,750) $11,880
.32 E.U. earned for construction progress on 2nd home (.32 X $24,750) $7,920
1.2 E.U. earned for eligibility/loan closing and construction activity through the reporting period ($24,750 x 1.2 E.U.'s) $29,700

If you have questions please contact:
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