Dear Friends,

The past year has been one of anxiety and difficulty for many homeowners. Unfortunately, sub-prime and adjustable rate mortgages have priced many families out of their homes.

The good news, however, is that less than one percent of our self-help families ever lose their homes due to foreclosure. We spend a great amount of effort in ensuring up-front that participants in our programs get the best possible mortgage for which they qualify. The United States Department of Agriculture/Rural Development, the Department of Housing and Urban Development and the California Housing Finance Agency are key partners in providing affordable long-term financing for stable homeownership.

We know that the real result of our investment in homeownership is seen in the lives of our participants, the future of their children, and in stronger, more productive communities. That is why, for 43 years, sustainable homeownership has been central to our mission. It is now more important than ever. People are counting on us!

- Peter Carey
CEO

SHE staff recently had the pleasure of visiting with the Adame family (above) during a screening of the film Six Houses/Six Homes which features Elijio and Sally Adame and their daughter Connie as they built their own Self-Help home as part of the original building group in the Cutler-Orosi area in 1965.
Self-Help Enterprises pioneered the concept of mutual self-help housing construction in the 1960's. With skilled onsite supervision by SHE construction staff, families participate directly in the construction of homes for themselves and their neighbors. The cost savings – “sweat equity” – provides the downpayment on each home.

SHE staff locate and/or develop building lots, provide homeownership training, assist applicants with loan applications, assemble families into effective building teams, and provide technical assistance and construction supervision to the groups. The affordable mortgages are provided by the USDA/Rural Development 502 loan program or through the California Housing Finance Agency with funds from statewide housing bonds Proposition 46 (passed in 2002) or Proposition 1C (passed in 2006). Self-Help Enterprises also coordinates access to deferred payment secondary financing when needed to assure affordable and sustainable homeownership for very low-income families.

Since its inception, SHE has completed construction of homes with over 5,500 hard-working families, all built under the mutual self-help method of construction, with homeowners providing over 70 percent of the construction labor. Participants and their helpers provide a minimum of 40 hours of labor each week during the 9-11 month construction process, and no family moves in until all of the homes in the group are completed.
2007 Housing Rehabilitation and Homeownership Update

Growing To Serve

In supporting our organization’s mission to improve the living conditions of low-income families throughout the San Joaquin Valley, we continue to provide the following services throughout SHE’s eight-county service area:

- Housing rehabilitation, reconstruction, and emergency repairs
- Secondary financing for low-income homebuyers
- Homeownership counseling and education
- Federal and State housing grant management for cities and counties
- Servicing housing loan portfolios for city/county partners

In 2007, we experienced considerable growth: our loan servicing portfolio increased from 900 loans to 1500 loans, the number of partners for whom we provide grant management increased from 18 to 20, and the number of first-time homebuyers that received counseling and education increased from 159 to 313. In addition, we received the Joe Serna, Jr. Farm Worker grant for housing rehabilitation, and were funded for the second time for the USDA’s Household Water Well Systems grant and the USDA RD 525 Homeownership Counseling and Education grant.

Continued growth drove the need for innovation and improvement in both productivity and efficiency. To address these needs, staff was added in Homebuyer Counseling and Education, Grant Management, and Support Services and Loan Processing implemented a new software-based loan processing program to improve efficiency in document development, file processing, and loan tracking.

As we move forward we anticipate continued growth and progress in our efforts to assist low-income families to improve their living conditions in partnership with Valley cities and counties.

Home Improvements
$8.2 Million in Grant Funds

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresno County</td>
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</tr>
<tr>
<td>Kern County</td>
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<td>Madera County</td>
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<tr>
<td>Merced County</td>
<td>5</td>
</tr>
<tr>
<td>Stanislaus County</td>
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<tr>
<td>Tulare County</td>
<td>37</td>
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<tr>
<td><strong>TOTAL</strong></td>
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</table>

Homeownership Assistance
$9 Million in Grant Funds

<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
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</thead>
<tbody>
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<tr>
<td>Kern County</td>
<td>6</td>
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<tr>
<td>Kings County</td>
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<tr>
<td>Madera County</td>
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<tr>
<td>Merced County</td>
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<tr>
<td>Tulare County</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>99</strong></td>
</tr>
</tbody>
</table>

Homeownership Counseling / Emergency Assistance

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Families Counseled</td>
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</tr>
<tr>
<td>Emergency Assistance</td>
<td>38</td>
</tr>
</tbody>
</table>
2007 Multi-Family Development and Asset Management

The mission of the Multi-Family Housing Program is to provide decent, safe, affordable and well-managed housing to lower income families.

New Projects Opened in 2007
Biola Village - Fresno Co. ...........................................44 units
Lincoln Plaza - Kings Co. ............................................40 units
TOTAL NEW RENTAL UNITS 84 units

Total Rental Residences - 1,062 at 21 locations

Projects Currently in Development
Lamont Village - Kern Co. ...........................................44 units
Parksdale Village - Madera Co. .................................48 units

Resident Services Provided for Families and Children
After-School Programs
Computer Lab with Computer Skills Workshops
English as a Second Language
Neighborhood Watch
Health and Safety Fairs
Family Literacy
Summer Lunch Programs
Free Tax Preparation
Youth Leadership and Activities
Head-Start Programs and Pre-school
Homebuyer Education and Counseling
Campfire Boys and Girls
Boy Scouts
Business Education Workshops
Educational Tutoring
Nutrition Classes
Education Workshops - College Prep, GED, Literacy Classes
Vocational Training Workshops
Life-Skills
Parenting Classes
Financial Management
CPR

Resident Services Partnerships
CSET-Community Services Employment Training
One by One Leadership, Care Fresno
Community Action Partnership of Kern
Madera Community Action Agency
Tulare Office of Health and Human Services
Family HealthCare Network
Cesar Chavez Education Institute
College of the Sequoias
Madera Unified School District-Adult School
Food Link
Proteus
Metro Services of Bakersfield
Lemoore Naval Air Station-Toys for Tots
Tulare County Office of Education
Health Net
Poder Popular
2007 Community Development Milestones

Over the past four decades, the Community Development (CD) department has helped over 130 communities throughout the SHE service area obtain clean water and sanitary sewer systems. The CD staff helps communities review their options for obtaining clean water and sewer, apply for and obtain project funds and go through the process of construction and connection to the new systems. Typically these water and sewer project takes three to ten years to complete from start to finish!

To help meet this need our Community Development department has expanded from a staff of 2 to 5. With the addition of these three new staff members the CD department is poised to serve even more communities.

Arvin Water Project Funded

The Arvin Community Services District has accepted $4.5M in state funds to replace and/or treat wells that do not meet the new state arsenic drinking water standard. These water system upgrades will allow the District to annex and supply water to the Edmundson Acres Water Project. Like Arvin CSD, the low-income community of Edmundson Acres is supplied with a well that does not meet the new arsenic drinking water standard.

Rexland Acres Construction Begins

The residents of Rexland Acres have struggled for years with failing septic systems and contaminated groundwater. Ten years of hard work by community residents, especially the Rexland Acres Committee, along with Kern County staff, past and present County Supervisors, former Congressman Bill Thomas and an additional $1 million grant from the USDA/Rural Development (RD) has allowed construction to start. The project costs of $9,145,100 were funded with a combination of grants from USDA/RD ($2 million), EPA ($1.4 million), State Small Community Wastewater Program ($2 million), State Workforce Housing Grant ($468,500), County CSA ($126,000), a $5,000 grant from the Federal Health and Human Services agency and a $3,112,000 USDA/RD loan. The project will serve 688 users with about 2,900 residents, a school with 700 students and several small businesses and churches.

Construction Complete in Rancho Seco

Out with the 50-year-old leaking, steel lines and tanks and in with the new water system! After over a year of construction and almost eight years of preparation, the Rancho Seco community water system is now complete with new storage and pressure tanks, and waterlines. The dedicated work of Rancho Seco Inc. Board President, Dawn Martin, husband Jack and Boardmembers Sam Andrus and Larry Leger has borne fruit for this rural community of 65 residents located in the Mojave Desert east of Jawbone Canyon. The water project was financed with a USDA/Rural Development loan and grant along with additional support from the mutual water company.
THANK YOU FOR YOUR SUPPORT

Since the publishing of the 2006 SHE Annual Report, we have received contributions at the following levels:

COMMUNITY BUILDER

Bank of America Foundation  Fannie Mae Foundation  Union Bank of California
Citigroup Foundation  Rabobank, N.A.  Wells Fargo Foundation

HOMESTEADER

Maria H. Bacigalupo  Blanche and Irma Weill Foundation

CORNERSTONE

Peter & Cathy Carey  The Gindick Family Foundation  The PAM Company
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Linda Craig  Karl & Sally Halbauer  Sherry & Frank Tietjens
Domus Management Company  Maureen Kennedy  Jackie & Dick Ursitti
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Dick & Do Dooley  Jim and Pat Holly  Jean Toinini

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Anonymous  Will Cooper, Sr. - WNC & Associates, Inc.  Van E. Holkeboer & Linda Bachelder
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Graydon Nichols
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Rudy Quintana
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San Jose Friends Meeting
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Sherald and Mary Ellen Sluka
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Anne & Kirke Wilson
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William & Gloria Powers
Richard Predmore
Michael and Izvara Predmore
Dora Prescott
Carmen Prieto
Charles & Nancy Richard
Servicemaster by Benevento
Adrienne Shilton
Helen Stanton
Jonnie & Don Stone
John and Chris Sundstrom
Julia Tan
Lee S. Tesdell
Dave Warner
Lee and Scott Slater
Eileen Woods
Liz Wynn
Henry and Jenny Yang
Randy and Faye Zeeb
Peggy Zens

GIFTS WERE RECEIVED IN MEMORY OF

Ralph Baiz, Jr.
Jo Anne Bennett
Frances Honse
Everett Krackov
Richard J. Margolis
Bard McAllister

GIFTS WERE RECEIVED IN HONOR OF

Olga McAllister
Nancy McLaughlin

I want to help Self-Help Enterprises in its efforts to meet the housing needs of the San Joaquin Valley by making a gift of $ ________ to the Washburn Fund.

Community Builder......$10,000 or more
Homesteader...............$3,000 to $9,999
Cornerstone...............$1,000 to $2,999
Architect...............$500 to $999
Builder...............$100 to $499
Artisan...............Gifts up to $99
Lender...............Loans of $1,000 or more

Name ____________________________

Address ____________________________ City ____________ Zip ______

Please print your name the way you would like it to appear in the SHE newsletter

Name ____________________________

Annual contributors of $500 or more receive a recognition plaque

Please make checks payable to:
Self-Help Enterprises
P.O. Box 6520 • Visalia, CA 93290 • 559-651-1000

Thank you!
All donations are tax deductible

Self-Help Enterprises
Annual Report 2007
SHE Honored by Hispanic Chamber

2007 Community Organization of the Year

Tom Collishaw, Vice President and Director of Development, accepts the Tulare Kings Hispanic Chamber of Commerce award for Community Organization of the Year on behalf of Self-Help Enterprises.

43 years of service in the San Joaquin Valley

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Vice-Chair................................Ray Chavez

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Program Director.....................Doug Pingel
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Layout.......................................Ethan Dutton

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