

Not too Cool for School

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BY JULIETTE FAIRLEY

June 19, 2004 -- Yolanda Revilla and her husband Francisco dreamed of owning their own home, but didn't have the knowledge or confidence to secure a mortgage. For six years, they lived on one floor of a three-family home, until Yolanda, who worked as an advertising salesperson, received a phone call out of the blue: Neighbors Helping Neighbors contacted her firm to place an ad.

"They started telling me about their home-buying program, and I enrolled immediately," she says.

After six months of free mortgage classes at the Sunset Park office of Neighbors Helping Neighbors, the Revillas bought a one-family brick house with four bedrooms and a backyard in Marine Park.

Their mortgage payment is \$1,900 a month, a giant step up from the \$875 rent they paid previously. "We felt insecure about making such a big mortgage payment, but the classes gave us a plan and the support we needed to do it," she says.

FIRST CLASSES

Neighbors Helping Neighbors is one of eight community groups working with the nonprofit New York Mortgage Coalition (NYMC) to help prepare moderate-income New Yorkers to buy their first homes.

The NYMC program targets clients with incomes below \$65,000 in New York City, and below \$79,000 in Long Island.

A series of five classes over five weeks covers everything from income credit and assets, home inspectors, choosing a bank, and how to budget and prepare your credit.

"People signing up for these classes are younger and younger -- the majority are younger than 30," says Pat Julien, homeowner services supervisor and mortgage counselor for Pratt Area Community Council, one of the community organizations that offers the lectures in Brooklyn.

Prior to taking classes at the Pratt Area Council, Ian Thornell, 38, had a laid-back approach about paying his credit-card bills on time. All that changed after the creative director for a fashion company learned how important credit scoring is in the home-buying process.

"I started making an effort to pay my bills on time," he says. "The information I got from the classes kept me focused during the two-year process of preparing."

The studying, saving by not eating out and working more hours paid off. In January 2004, Thornell became a proud owner of a four-family brownstone in Clinton Hill, Brooklyn, after plunking down a \$29,000 down payment, which he saved up for two years. The house cost him \$600,000, with a \$3,300 mortgage payment; it was recently re-appraised at \$900,000.

TRACK RECORD

Since inception in 1993, NYMC has helped 3,265 renters to purchase their first homes, while 20,193 New Yorkers have received homeownership counseling. "It's a successful program. The only downside is there's not enough affordable housing for the amount of ready borrowers we create," notes Julien.

Indeed, Ronald McGrew, 31, waited a year and a half for a brownstone to become available for him to buy. After taking classes in 2001, he closed on a \$600,000 four-family home in Clinton Hill in October 2003.

"It was frustrating to wait. I had my down payment ready and all of my papers in order, but nothing to put the money down on," McGrew says.

More affordable housing is on the way, according to Carol Abrams, spokesperson for the New York City Department of Housing Preservation and Development. She notes Mayor Bloomberg has backed a \$3 billion plan to create more housing. "More than 10,000 new homes are already in the development pipeline," Abrams says.

GETTING GRANTS

Taking mortgage classes can sometimes qualify you for matching or free money from participating banks, depending on your income. Applicants cannot exceed a salary of \$50,250 (for a family of four) to qualify for financial assistance.

Maria Genao, 44, received closing-cost assistance of \$6,000 on her \$285,000 Borough Park two-family home.

"They found a bank for me and helped me with the paperwork," says Genao, a secretary. "They are like a protective parent who has your best interest in mind and not the bank's best interest."

Among grants available for those completing the NYMC's first-time home-buyer education are the First Home Club and the HomeFirst Program.

The First Home Club gifts \$5,000 in a 3-to-1 match from participating lenders for those who save \$1,667 over a 10-month time frame. The HomeFirst Program offers up to \$10,000 to low- and moderate-income New York home buyers of one- to four-family units.

The only catch is that buyers must live within certain targeted neighborhoods. These include Bushwick, Bedford-Stuyvesant, Williamsburg and Greenpoint in Brooklyn; University Heights/Fordham in The Bronx; Morningside Heights and Washington Heights in Manhattan; and Long Island City in Queens.