

UNPA

university neighborhood preservation association



UNIVERSITY NEIGHBORHOOD PRESERVATION ASSOCIATION NEWS AND EVENTS

SPRING/SUMMER 2007

UNIVERSITY NEIGHBORHOOD HOME IMPROVEMENT LOAN Interest Rates as Low as 2.99% (APR* 3.07%) FOR ELIGIBLE HOMEOWNERS!

Your University Neighborhood Home Improvement Loan is an affordable way to quickly access the money you need to make exterior home renovations and repairs ... even if you have built little or no equity in your home.

This loan program offers you:

- Financing of up to \$10,000 (determined on a case by case basis)
- No Income Requirements
- Low interest rate and closing costs
- Low fixed payments
- No pre-payment penalty
- Your choice of contractor (must have general liability and worker's comp insurance)
- Most exterior home renovations and repairs are eligible

*You are eligible for this program if you own and occupy a property in the boundaries of the UNPA Home Buyers Assistance Program Area (See map or call (315) 474-1939 x241 for more details). Eligible participants must also be current on their property taxes and water bills.

Apply today by filling out the application**. The process can start in as little as 24 hours, if you make sure to also include the following documentation:

- Recorded deed to your home
- Current homeowners insurance stating period covered and amounts of coverage
- Proof of income for applicant (copies of three current consecutive pay stubs, SSI benefit letter, social security, pension, unemployment, etc.)
- Last year's federal tax return (if filed)
- Driver's license or other form of picture identification
- Lead test results for children under seven who reside in the home

Mail, drop off, email, or fax your application to:

Home HeadQuarters, Inc.
124 E. Jefferson Street
Syracuse NY 13202
Fax: (315) 474-0637
Phone: (315) 474-1939
Email: info@homehq.org

Your University Neighborhood Home Improvement Loan will not only make a lasting impact in your neighborhood, it also leverages other community development dollars that guarantee continued funding for revitalization and growth in Syracuse.

The interest rate for Home HeadQuarters' FlexFund Home Improvement Loan is 6.99%. With funding provided by The University Preservation Association (UNPA), the 6.99% interest rate is reduced to a 2.99% rate (3.07% APR) for a period up to 7 years.

You may also qualify for other Home HeadQuarters' products and services including the NYSERDA Home Energy Loan and Grant program.

*Annual Percentage Rate

LEAD PAINT LEGISLATION EFFECTS ON REAL ESTATE VALUES ...

Excerpts from John Byrne, President & Owner of Rynne Murphy & Associates of Rochester NY, NY Real Estate Journal, July 18-24, 2006

New York City and Rochester are two of the new NYS municipalities which have enacted strict lead paint legislation. The latest law in Rochester took effect on July 1st. There are a growing number of municipalities considering similar legislation because of the potential hazard lead paint has to young children. We all want to protect the children. However, has government overreacted with "superadequate" legislation which may result in some substantial valuation and supply/demand issues?

In 1996, federal law made seller disclosure mandatory in the sale or rental of residential real estate. Under this law, the seller must disclose whether the property has lead paint. If no testing was ever done, the tenant or buyer is put on notice and presumably assume the risks of lead paint. This in combination with the municipal certificate occupancy and Section 8 guidelines was very effective. In fact, the existing programs in Rochester resulted in reductions of 88% between 1994 and 2005 of harmless lead levels in children under three.

Based upon this progress, it appears that intensive lead paint legislation will be superadequate and at the same time harmful to the multi-family housing stock. Any residential one-family and above which is not owner-occupied will have to conform. Rochester's anticipated hard and soft costs are estimated to be \$3,300-6,600 per unit and as high as \$9,000-12,000 per unit. Some

projections have estimated the total cost to be \$550 million. In some low income neighborhoods, this could be as much as a 25-50% decrease in value for some properties.

LAWMAKERS TRY TO BAN INSURER BIAS AGAINST AGGRESSIVE CANINE BREEDS ...

Excerpts from The Post Standard, Moneywise, July 3, 2006

If you are a dog-lover, contemplate this distressing scenario: the family of a 6-year-old, 135-pound Rottweiler was forced to part with their pet when their insurer said it would cancel their homeowner's policy if they kept the dog.

This practice is spurring rising complaints by dog owners that their homeowners' and renters' policies have been dropped or they have been denied coverage, because their dogs are on the "vicious breed" list. They say the rules unfairly link well-behaved family pets with aggressive animals and their owners responsible for high-profile attacks. The list includes some popular pure and mixed-breeds including German Shepherds, Alaskan Malamutes, Doberman Pinschers, Chow Chows, Akitas, Pit Bulls, and Siberian Huskies. At least 9 states, including Kentucky, Maine, Michigan, New Hampshire, New Jersey, New York, Tennessee, Vermont, and Wisconsin, have bills pending that would stop insurance companies from dropping or refusing customers because of their dog's breed.

HOME INSURANCE TIPS FOR DOG OWNERS ...

American Kennel Club

1. Shop around. Ask you dog owning friends which company they use and if they have had problems. A kennel club may have suggestions.
2. Go to the state. Contact the state insurance department. You can find a list of all insurance companies doing business in New York at www.state.ny.us. If your insurer has cancelled your policy or refused to renew it, you can file your complaint with the state insurance department.
3. Try different agents. Agents within the same company may have different policies. Talk to more than one representative for a particular carrier before giving up.
4. Pet training. Show that the dog has completed some type of obedience training program.
5. Buy a rider. As a last resort, consider buying a separate liability policy or separate rider to your existing policy that is specifically directed toward your dogs.

GROUP FIXES UP HOUSES NEAR SU ...

Home Headquarters (www.homehq.org) and the University Neighborhood Preservation Association (www.unpa.net) recently started shopping for 10 run-down houses to buy in the neighborhood just east of Syracuse University. They plan to fix the houses up and sell them to new owners at subsidized prices. Citizens Bank is donating about \$65,000 to the cause, which will be used to subsidize the cost of the renovated houses for buyers, said Kerry Quaglia, executive director of Home Headquarters. The average subsidy is expected to be about \$6,500, he said.

This project follows the pattern of purchase-and-rehab programs HomeHeadquarters has undertaken in other parts of the city. One key difference, though, is that homebuyers in the University area will not have to qualify based on income, because the subsidies come from private bank money, not government program money. That's appropriate, Quaglia said, because houses in the University neighborhood tend to cost more than what low-income buyers could afford. "Some of the properties can cost \$80,000 to \$90,000, and then they need some work. You're not going to get a low-income family to qualify for a mortgage to buy one of those," he said. "Our goal is to purchase properties that we can rehabilitate and therefore leave better than we found them."

As of July 2006, properties on the 900 Block of Lancaster Avenue, 600 Block of South Beach Street, and 100 Block of Fellows Avenue have been addressed.

UNPA will help locate houses for the program, and help market the opportunity to prospective owner occupant home buyers. The program will focus on UNPA's target neighborhood, which extends roughly from Comstock Avenue east to Cumberland Avenue, and from East Genesee Street south to East Colvin Street.

LOANS CAN HELP PAY FOR INSULATION ...

Tim Knauss, Real Estate Notebook, March 5, 2006

Citizen Bank offers low-interest weatherization loans to low- and moderate-income homeowners. In the Syracuse area, the loans are intended for families with incomes of about \$46,520 or less. If you qualify, you can borrow \$1,000 to \$3,000 at 1 percent interest for up to 7 years or you can also borrow \$3,001 to \$10,000 at 3 percent interest for as many as 7 years. The monthly payment on a \$1,000, 3-year loan at 1% is \$29.20. The monthly payment on a \$10,000, 7-year loan at 3% is \$132.13. The money can help homeowners insulate their houses, upgrade furnaces, install storm windows and doors, or make other energy-related improvements. For information about the loans, call 1-888-304-5400.

People who qualify for the loans would also qualify for the state's **Assisted Home Performance with Energy Star program**, which can provide grants up to \$5,000.

Go to www.getenergysmart.org or call 1-877-697-6278 for information about Assisted Home Performance program.

NATIONAL DO NOT CALL REGISTRY IS OPEN FOR BUSINESS ...

The Federal Trade Commission, Federal Communications Commission and the states are enforcing the National Do Not Call Registry. The Federal government created the registry to make it easier and more efficient for you to stop getting telemarketing calls you do not want. Placing your number on the registry will stop most, but not all, telemarketing calls. If you are a consumer interested in signing up for the registry, visit www.donotcall.gov or call (888) 283-1222. Registration is free.

PMI COULD BECOME DEDUCTIBLE ...

Kenneth Harney, Syndicated Columnist for *Nation's Housing*

Prospective home buyers struggling to scrape together a down payment could get a little help from a tax deduction under consideration in Congress. The tax break would allow homeowners to deduct the cost of private mortgage insurance (PMI) which is charged by banks and lenders when the home buyer cannot amass a down payment covering 20% of the purchase price. Homeowners can already claim a tax deduction on mortgage interest paid during the year. Advocates say the PMI tax benefit could help younger home buyers and lower income families afford a house. For the first time homebuyers, getting that initial down payment is usually the single highest hurdle. The Mortgage Insurance Companies of America said more than 12 million people who pay PMI could be helped.

PRESIDENT BUSH PROPOSES ZERO DOWN PAYMENT ...

Kenneth Harney, Syndicated Columnist for *Nation's Housing*

What do you say to zero down on your first home purchase? And how about rolling your closing fees into the mortgage itself, giving you a home loan that costs you virtually nothing out of pocket upfront? That intriguing offer could become a standard, government-backed option for an estimated 150,000 or more first-time homebuyers if Congress approves a new “zero down” program to be proposed by President Bush. FHA officials say the zero down payment features adds an extra layer of risk of potential default to any loan, but the agency expects to manage that risk with slightly higher insurance premiums than charged on standard FHA program. Instead of the current 1.5% premium upfront on a 3% down FHA mortgage, zero down borrowers will pay 2.5%. But the premium will be rolled into the principal balance and financed over the life of the mortgage. The zero down payment option will also require a slightly higher monthly premium payment than the traditional 3% down program – effectively adding a one-quarter or 1% “bump” onto the loan rate during the first five years of the mortgage. The program will not be available for re-financings only applicants buying their first homes.

COR WORKS WITH HOUSING PARTNER AT CHERRY HILL ...

By Mike Fish, *The Post Standard*, December 2005

A Manlius developer and a Syracuse nonprofit housing agency revealed plans to tear down the 30-year old Cherry Hill complex and build a \$15 million townhouse project for low and moderate-income families. The new complex, called Maple Heights, will accommodate 50 families in 12 townhouses containing 50 units with one to five bedrooms in each unit. Housing Visions is a partner with COR Development Co. Maple Heights will be COR's first venture in housing. Housing Visions has extensive experience with this type of housing. Maple Heights will be available only to low and moderate income families. For example, a family of four with an annual household income of \$34,440 or lower will qualify. A family of eight at or below \$45,480 will qualify. Because of federal housing tax credits, the monthly rent structure is going to be significantly below market rents. The Empire State Development Corporation has designated the partnership of COR and Housing Visions to build the new complex. They will spend more than \$1 million to demolish Cherry Hill. Construction of the new complex is slated to start by the Fall of 2005 and be ready for occupancy by the Fall of 2007. Interested? Contact Housing Visions Unlimited Inc. at (315) 472-3820.

NUISANCE PARTY ORDINANCE PASSED ...

South East University Neighborhood Association (www.seuna.org)

On November 7, 2005, the Syracuse Common Council unanimously passed a new Nuisance Party Ordinance giving the city new tools to control parties that get out of control anywhere in the city. Under this ordinance, city police can immediately break up a party that meets the criteria of a "nuisance" party and hold the organizers of the party accountable. Both tenants and property owners may be cited under the new ordinance and fined up to \$500 and/or imprisoned for up to 15 days. Getting this ordinance passed was a cooperative effort between SEUNA, Syracuse University, and the Syracuse Police Department. Credit for the work of actually drafting the ordinance goes to the Common Council's Public Safety Committee chaired by Bill Ryan. Ryan says his committee worked with the Corporate Counsel to examine other Nuisance Party ordinances and court challenges to these ordinances in other municipalities, and then developed the current ordinance using this information.

SONYMA CHANGES ITS RULES

From Tim Knauss, Real Estate Notebook, May 2005

The good news: the State Of New York Mortgage Agency better known as SONYMA, has raised the maximum prices that first time homebuyers can pay for houses and still qualify for low interest mortgages. The bad news: SONYMA has reduced the amount it will pay toward closing costs. Previously loan recipients could qualify for closing cost assistance up to \$5,000 or 5 percent of the mortgage. That was recently reduced to \$3,000 or 3 percent of the mortgage. For more information go to www.nyhomes.org or call (800) 382-4663.

LENDERS SEEK OUT IMMIGRANTS

By Holden Lewis, Columnist for Real Estate Watch / Scripps Howard News Service

Immigrants are increasingly getting the message, "Welcome to America, now go buy a house." The federal government's policy is to raise the homeownership rate, and the most efficient way to do that is to concentrate on minorities and immigrants. The white homeownership rate is almost 75 percent. A little less than half of black and Hispanic households own their home, and the Asian rate is a big higher than 50 percent.

For years, mortgage lenders have had programs for minorities, especially blacks, that involve relaxed credit standards and neighborhood outreach. Now those efforts are being tweaked and expanded for immigrants. There's a good reason for that: Immigrants head more than one in three new households, according to the Harvard Joint Center for Housing Studies (www.jchs.harvard.edu). More than 1.2 million immigrants have arrived every year since 2000. Immigrants are where the housing growth is.

The nation's largest mortgage lender, Countrywide (my.countrywide.com), markets aggressively to immigrants. "The major challenge when we're dealing with multicultural markets is the educational aspects," says Rudolfo Saenz, Countrywide's Executive Vice President of Multicultural Markets. Many immigrants do not know much about this country's banking system. "They don't really know what questions to ask, how to select the best product, what papers and questions will be part of the application."

Last year, Countrywide introduced its Optimum Loan program, under which borrower education is just one facet. Optimum combines disparate features of many loan products into one: allowing low or no down payment, supplementing the credit record with "non-traditional" credit, recognizing cash income and rent from housemates, and permitting the pooling of money for down payment and closing costs. Mortgages with low or no down payments are relatively common nowadays. Optimum's three other features are relatively unusual.

Take the nontraditional. A lot of immigrants don't have extensive credit histories in the U.S., both because they don't have many car loans and credit cards, and because they just haven't been in the country long enough to establish a track record. Countrywide and other companies (such as credit scoring Fair Isaac) are creating ways to augment meager credit histories with records of utility payments, rent and even money sent to families abroad. They are finding ways to confirm cash income from services such as child care and landscaping. Rent paid by long-term boarders is counted as income. Down payment money from multiple sources is allowed. This last item is important for immigrants with extended families.

CONSIDER GIVING A GIFT OF PROPERTY

Property donations to UNPA have benefits for everyone. As a nonprofit institution dedicated to the mission of promoting the University Neighborhood and increasing owner-occupancy, UNPA has a special interest in donations of property. A gift of real property can generate many benefits. By transferring property directly to UNPA, you, the donor: avoids potential capital gains tax that might occur from property sale, takes an income tax deduction for the full fair market value* of the property, and will eliminate property tax burdens and maintenance costs. Donated properties

will be rehabilitated and sold to owner occupants to generate income for UNPA to help bridge the financial gap that often occurs between cost of property rehabilitation and sale of property. To discuss a potential donation, please contact Joanne Stewart, UNPA Executive Director at (315) 476-5228.

* Fair market value of appreciated real estate must be determined with a qualified appraiser. There are specific IRS requirements for such appraisals and for reporting gifts on your tax return. Please check with your own financial and legal advisors before taking any action on the above.

WARNING ABOUT A POTENTIAL FIRE HAZARD!

This is one of those messages that if you didn't send it, rest assured someone you know will suffer for not reading it. The original message was written by a lady whose brother and his wife learned a hard lesson this past week. Their house burned down ... nothing is left except ashes. They were sick when they found out the cause of the fire. The insurance investigator sifted through the ashes for several hours. He had the cause of the fire traced to the master bathroom. He asked what was plugged in the bathroom. She listed the normal things ... curling iron, hair drier, etc. He kept saying to her, "No, this would be something that would disintegrate at high temperatures." Then she remembered she had a plug-in air freshener in the bathroom. The investigator said that was the cause of the fire. He said he has seen more home fires started with the plug-in type room fresheners than anything else. He said the plastic they are made from is a thin plastic. He also said that in every case, there was nothing left to prove that it even existed. When the investigator looked in the wall plug, the two prongs left from the plug-in were still there. The lady said the plug-in had a small night-light built in it. She said she had noticed that the light would dim and then finally go out. She would walk into the bathroom a few hours later, and the light would be on again. The investigator said that the unit was getting too hot, and would dim and go out rather than just blow the light bulb. Once it cooled down it would come on. That is a warning sign. The investigator said that personally he would not have any type of plug-in freshening device in his house because he has seen too many homes that have been burnt down due to them.

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