

# Too-good-to-be-true loan?

**Posted: Friday, June 21, 2013 10:46 am**

Owning a home has long been part of the American dream. Keeping that home in good repair can be a nightmare, as anyone who's ever kept up with repairs knows.

Home fixes are expensive. And even when money isn't a major issue, choosing a contractor, explaining the job, and agreeing on what constitutes good work are stressful. Thing is, there's a housing renovation program going on in Palmyra and Riverside that deals with both issues — it provides money for home repairs and the hand-holding by experts to manage the work.

You'd think residents would be shoving one another out of the way to get in line for it at the municipal buildings. They aren't. And not for a lack of the towns' pitching the opportunity.

Part of the reason for the ambivalence might have to do with the fact that when I first read the terms of the program to a colleague in the newsroom, he lifted his head from the work he was doing at his desk, looked over the glasses on his nose, and asked me to repeat them.

"Sounds too good to be true," he said, and went back to work.

An administrator of the program wasn't surprised when I relayed as much to her. When something sounds too good to be true, it so often is, she conceded. Smart people are wary. Smart seniors, especially, and they are the ones who could most benefit from this help. She keeps pitching. Over the course of 10 years, 73 homeowners have been assisted in Palmyra. The Riverside program is newer.

I called Corrine Markulin, housing production manager for the consulting firm Community Grants Planning and Housing based in East Windsor, after reading on the website for one of the towns that the maximum household income to qualify for the no-interest home improvement loan had been slightly raised.

CGP&H is paid by municipalities across New Jersey to administer affordable housing programs, and I immediately wondered if the pots of money for renovations in Palmyra and Riverside were part of the pot of affordable housing dough Gov. Chris Christie seeks to grab to balance his budget. Millions managed by the Council on Affordable Housing have been sitting in a lot of county coffers unused. The state Supreme Court recently ruled that the gov will have to hold his horses before collecting it from there. County officials and affordable housing advocates have said the money languished because there hasn't been clear direction on how it can be used.

The funds in play in Palmyra and Riverside are something else entirely, but don't kid yourself. It won't last forever. There are too many needs to fill all over the state to let money rest.

The home improvement program provides up to \$15,000 in Riverside and \$20,000 in Palmyra for repairs to major systems in your home. A mix of state and federal funding.

In addition to skepticism about the ease of the loans, homeowners no doubt look at a six-page loan application and feel discouraged, Markulin acknowledged. She swears up and down it's the hardest part of the process.

Here's how it works.

A household of four with a maximum income of \$63,450 is eligible for the help. Live alone with an income of \$44,350? This could work for you, too.

These are no-interest, deferred loans. Nothing due back until you sell your home. No fee to apply, and in Palmyra, if you don't sell for 10 years, half the loan is entirely forgiven.

"It's a very good program," said Markulin, who has been administering these kinds of initiatives for 15 years and has seen a lot of them. She sees seniors and first-time homebuyers as particularly good candidates. In the case of the latter, there's money to buy an older fixer-upper, but nothing left to do the fixing.

Think roof, foundation, plumbing, heating, electrical, water and sewer hookups. Need improved windows and insulation? Lead-based paint remediation in a home built before 1970?

Who would do the work? CGP&H writes up a technical bid for the work and awards to the lowest responsible bidder. The "responsible" thing keeps contractors from lowballing. CGP&H encourages homeowners to suggest local contractors, and the homeowner is included in the choosing. Go with the lowest responsible bidder and you're done. Choose another and just pay the difference. CGP&H inspectors sign off on the work when it's done.

Payment is made by the town when the contractor gets the all-clear after inspection.

That the municipality is the conduit should be another comfort, Markulin said.

If you have questions, the local administrator to talk to in Riverside is Meghan Jack at 856-461-1460, ext. 4. In Palmyra, it's John Gural at 856-829-6100. You can also speak directly with the case manager at CGP&H at 609-371-1955 or email [Gina@CGPH.net](mailto:Gina@CGPH.net).

While Riverside's pot of money potentially could be renewed if there is ample interest, the money in Palmyra provided through a regional contribution agreement no longer will be offered in the state, Markulin said. When the current pot is gone, the program is over. There are nine more \$20,000 loans available there.

In Riverside there were 10 loans available. Three homes are under construction. One is under contract.

An improved home isn't just an advantage to the single homeowner but to the whole neighborhood, Markulin preaches. Something to think about.