

By Ed Rosenberg
same class at
NYU.

How to buy on a CUNY salary

By JOHN TARLETON

Affordable housing is out there

In 2006, Martha Nadell was paying \$1,450 per month to live in a cramped basement apartment in Windsor Terrace.

But shortly before she was forced to move, Nadell spotted an ad for an affordable housing lottery in her neighborhood newspaper. Sponsored by the Fifth Avenue Committee, a Brooklyn non-profit, the lottery offered aspiring first-time homebuyers a shot at purchasing a three-story brownstone in Park Slope that would normally be far out of their price range.

"I didn't think I'd be able to afford to buy anything in New York, but also thought I'd never qualify for an affordable housing program," said Nadell, an associate professor of English at Brooklyn College. "But I did qualify, and I won!"

After she was tapped in October 2006, Nadell entered a whirlwind process that culminated in her becoming the new owner and landlord of a brownstone priced at \$460,000 in June 2007. Since then she has become something of an evangelist about such programs, spreading the word to other CUNY faculty and staff about how they can navigate the system and become homeowners in New York City.

GOOD ODDS

The odds in her housing lottery were far better than Lotto. "I won it by being number 40 in a list of a few hundred who applied," Nadell told *Clarion*. "In a recent Fifth Avenue Committee lottery with an income cap of \$96,000, only around 30 people applied - and one of those 30 won."

Income caps vary. In some recent



Martha Nadell at home in Brooklyn.

lotteries for affordable housing home sales, maximum incomes ranged from \$30,000 to more than \$150,000. There are also lotteries for affordable rental units under programs like Mitchell-Lama, where some recent income caps ran from \$26,000 to \$53,000. You can sign up to be notified by e-mail about new affordable housing lotteries for both home purchase and rental programs.

"It's a matter of tracking down these programs and not assuming you won't qualify," said Nadell.

After winning her lottery, Nadell still had to establish that she was fully ready to assume the burdens of home ownership before the Fifth Avenue Committee (www.fifthave.org) would sell her the house. Nadell compares the process to "learning a new language." First she had to submit salary stubs and tax returns and

go through a rigorous credit check. She then took a class from Neighbors Helping Neighbors (www.nhnhome.org), another Brooklyn-based non-profit, which helps prepare would-be homeowners. She learned the details of how to obtain a mortgage, how to acquire a loan for closing costs, making a down payment, signing a contract, budgeting for home ownership and more.

"One of the great things about this process is that they were not going to just sell me the house and have me lose it," Nadell said. For example, "they wouldn't offer me the house unless the [monthly] cost would be no more than 30% of my income."

Nadell also took courses on property management from the City's Department of Housing Preserva-

tion and Development and on landlord/tenant law from BMCC so that she could rent out the top two floors of her house in a responsible way. Money from renters is what made Nadell's purchase affordable: rent covers almost half of her monthly home-related costs of \$3,500.

ALTERNATIVES

Robert McCool, Nadell's instructor at Neighbors Helping Neighbors (NHN), said prospective home buyers who receive training from non-profits like NHN don't experience the kind of manipulation and deception that became commonplace in the commercial mortgage industry. "Don't use anyplace that's not a non-profit," Nadell said.

"It pays to dig around to look for favorable mortgage products," she added. With help from NHN, she received a fixed-rate, 30-year mortgage at 5.625% interest. She also had to make a down payment of 5% and pay \$23,000 in closing costs, which she covered by taking on a second loan for 10 years at 4% interest.

Banks have tightened their lending practices since September's financial meltdown. Higher credit scores and larger down payments are now being demanded of mortgage applicants, said McCool. Where Nadell was able to buy her home with 5%

down, banks would now expect to see 10% or even 20%. "On the low salaries we get at CUNY, even putting down 5% can be a stretch," commented Nadell. Some programs offer assistance with down payments.

McCool emphasized that it is crucial for prospective home buyers to be realistic about what they can afford

There is non-profit help for first-time buyers.

Dave Sanders