



The Housing Herald

Newsletter of The Housing Coalition of Central Jersey, Inc.

OCTOBER 15, 2005

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**Want a Workshop
or Training on a
Housing Issue?
Contact one of our
staff!**

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**VOLUNTEERS
NEEDED!!**

WE WANT YOU!!
Call 732-249-9700

"When mediation works (at least sometimes!)"

Reverse Mortgage Counselor

At HCCJ one of the activities that take place a lot during our counseling services is mediation. It can be difficult at times, and it always requires patience, perseverance and a bit of faith.

Such case was the situation of a senior I recently counseled on reverse mortgage as a financial option to address her rising living expenses. The client eventually decided to do the mortgage, so she went forward with it. However, an unusual situation arose: at closing the borrower was presented with (and signed) mortgage papers that gave her a specific amount of money to use. A short time after the closing, the lender informed the borrower that upon review by their processing (or other) department, that a mistake was caught in the interest rate that had been used, and that they had to correct it. Now, the new interest rate was just a bit higher than the one used for the paperwork shown at closing. Bottom line, with the correction in place, our senior lady (who is very bright, and outspoken too!) was set to receive a bit less money than what she would have received with the first signed set of mortgage papers.

Needless to say, the borrower felt wronged and unfairly affected by a mistake that –even the lender itself acknowledged- had been made by somebody at the lending institution. The client called me, presented the situation to me and asked me the magic question that sometimes I get: "Gio, is there anything you can do about this?".

Thankfully, both borrower and lender agreed on the necessity (and the fairness) of doing something to make things right again. After making some phone calls, pitching an idea about reimbursement, and some patience and enough time, eventually the senior homeowner received from the lender a check in an amount that satisfied the senior's desire for justice and fairness.

All it took was for HCCJ to work with the two parties and facilitate moving toward a solution that would be agreeable to both.

When it works mediation can be real good.

Fair Housing

"Equal access to rental housing and homeownership opportunities."

Fair Housing Counselor

Housing discrimination is illegal in the state of New Jersey. The Fair Housing Act and the New Jersey Law against discrimination prohibit discrimination in housing because of:

- Race or color
- National origin
- Religion
- Sex
- Familial Status (including children under the age of 18 living with parents or legal custodians; pregnant woman and people securing custody of children under 18)

The Fair Housing Act covers most properties. There are some exemptions under the Act: Owner-occupied buildings with no more than four units, single family housing rented or sold without the use of a broker and properties operated by organizations and private clubs that limit occupancy to members.

Under the New Jersey law against discrimination, we have two extra protected classes:

- Sexual orientation
- Source of income

What behaviors could be considered illegal in the sale or rental of housing?

- Deny that a dwelling is not available
- Not renting to members of certain groups
- Setting more restrictive standards, such as higher income for certain tenants
- Refused to accommodate the needs of a handicap renter, such as allowing a guide dog in properties where there is a no pet policy

Upcoming Events:

Each Thursday from 11am-12:15pm

- Permanent Housing Counselor Outreach at Elijah's Promise, 18 Neilsen St., New Brunswick

September 2005:

- A presentation on Housing rights, New Brunswick Adult Learning Center, 268 Baldwin Street

October 2005:

- Sat October 22nd 10:30 a.m. – 12:00 Introduction to Homebuying

Emanuel's Financial Literacy Program At Middlesex County College, New Brunswick Center, 140 New St., New Brunswick, NJ
OPEN TO ALL – no registration needed

Housing Coalition of Central Jersey, Inc.
100 Bayard Street, 3rd Floor
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Hours: 9am to 5pm,
Monday - Friday

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We're on the Web!
<http://www.hccj.org>
Please visit our webpage for upcoming events

- Having an inconsistent policy such as setting different terms for some tenants or responding to late rent payments. Tenants might be evicted for discriminatory reasons.
- Refuse to sell or rent housing
- Not providing the same housing services or facilities
- Set different terms, conditions or privileges for sale or rental of a unit.
- Under false terms, deny that a property is available for inspection, sale or rental.
- For profit, convince owners to sell or rent (blockbusting)
- Not allowing any individual access to membership in a facility or services (multiple listing services) pertaining to the rental or sale of housing

In mortgage lending: No individual should take any of the following actions based on: national origin, color, race, religion, sex, handicap or familial status.

- Refused to provide information regarding loans
- Impose different terms or conditions on a loan, for example different interest rate, points or fees.
- Refused to purchase a loan
- Not imposing the same terms and conditions for purchasing a loan
- Refuse to make a mortgage loan

It is illegal for any individual to:

- Intimidate, coerce, threaten or interfere with any person exercising a fair housing right or helping others who exercise that right
- It is illegal to display any advertisement that indicates a limitation or preference based on race, national origin, religion, color, sex, familial status or handicap
- It is prohibited by law discriminatory advertising and this would apply to single family properties and owner occupied housing that is otherwise exempt from the fair housing act.

The Value of Mortgage Counseling

Homeownership Counselor

In mid-2003, a counselor in our office worked with Juan to educate him about mortgage options and assist him as he bought his first home. She told him to call us if he ever had questions about refinancing. About 1.5 years later he found himself in need of some funds and received an offer to refinance with a different lender. He decided to seek our counsel in evaluating whether the offer was a good one. We determined that the offer he had was for an adjustable rate mortgage--if interest rates rose, his payment could become unaffordable. The mortgage he currently had was fixed for 30 years at a low rate. We suggested that he contact his existing mortgage lender, tell them about the offer he had received, and see what they could do for him. They were able to give him the funds he needed with a home equity loan, and also discovered that he had enough equity in his home that they were able to waive the PMI (private mortgage interest) requirement, saving him close to \$100 each month. He called back to thank us, noting that the costs associated with the home equity loan were \$2,000 less than what he would have paid to refinance his first mortgage.

First Home Club

Pre-purchase Counselor

The First Home Club is a partnership with the Housing Coalition, **Magyar Savings Bank**, and the **Federal Home Loan Bank of New York**. The First Home Club assists first time homebuyers through education, counseling, and financial Assistance. Participants commit to a savings plan with Magyar Savings Bank and attend group and individual counseling sessions with the Housing Coalition staff. The Federal Home Loan Bank of New York provides participants with a match of \$3.00 for every \$1.00 of savings (up to \$5,000.00) for down payment and/or closing costs for a first home. To qualify for the matching funds, participants must be enrolled for at least 10 months.

Applications and further information for this program can be found at:

Magbank. Com

