

## WINDHAM HOUSING TRUST

## The Perfect Storm Creates a Perfect Headache For Many Local Homeowners

*WHT Homeownership Counseling Programs Keep Local Families Out of Foreclosure*



Open a newspaper, turn on your television or radio, or click on web news these days and you'll hear the same story over and over: Homeowners in financial trouble, at risk of losing their homes, caught up in the foreclosure crisis that's sweeping the nation.

While Vermont has fared better than most other states, the number of local homeowners seeking mortgage delinquency counseling through WHT's *HomeOwnership Center* has dramatically increased over the past year. In fact, the majority of WHT housing counseling time is spent assisting homeowners who are behind on their mortgage payments, are in or near crisis and scared stiff.

They've suddenly, and often with little warning, found themselves knee deep in financial trouble,

brought on in part by a set of economic circumstances—a perfect storm of sorts—beyond their immediate control. Frustrated, frightened and fraught with worry, they call us for help.

To fully appreciate their predicament, it's useful to understand the market trends that have converged in recent years to create this perfect storm. These conditions generally include: (1) a rapidly growing, unregulated market of predatory and subprime lenders—often making offers that are literally too good to be true and/or too expensive to be affordable over time; (2) easy access to credit in general, which cultivates a 'get-now-pay-later' mindset and ultimately strains family budgets; (3) a precipitous drop in the value

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## WHT Partnership Makes a Simple Dream Come True

Barbara Buttery is a Brattleboro homeowner who has worked hard all her life. She retired in February of 2007, and lives with her two adult daughters, Kelly and Amy, and grandson Aaron. Barbara purchased her two-story Victorian home in 1988.

In 2003, daughter Amy was diagnosed with multiple sclerosis. As her condition progressed she eventually needed a wheelchair to navigate around her home. The Buttery family rallied behind Amy. Kelly began to care for her sister, and is now her full time caregiver.

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of homes following a period of over-valuation in the housing market (less a factor here in Vermont); and (4) a general decline in the economy causing sharp increases in the cost of food, fuel and other necessities within a job market defined by stagnating wages.

STUDIES SHOW  
THAT HOMEOWNERS WHO  
HAVE RECEIVED PRE-PURCHASE  
EDUCATION AND  
COUNSELING—ESPECIALLY, ONE-  
ON-ONE COUNSELING LIKE  
THAT PROVIDED BY WHT'S  
HOMEOWNERSHIP CENTER—  
HAVE A REDUCED RISK OF  
DELINQUENCY AND DEFAULT

Together, these trends have proven lethal to many area homeowners who are literally in over their heads.

Like our clients, John and Mary Smith (not their real names). When John and Mary were shopping for their first home, they went to a mortgage broker they found advertised in a local real estate booklet. The mortgage broker offered them a loan through a subprime lender. Subprime mortgages have higher interest rates than conventional loans; they are generally intended for borrowers with a higher default risk due to factors such as low credit scores and/or a high debt-to-income ratio.

The Smith's mortgage had a starting interest rate of 11.75% fixed for the first two years, after which it would be reset into an even higher adjustable rate (compare

this to the 7% fixed prime rate at the time). Their mortgage payments were amortized over forty years, with a balloon payment due in thirty years.






The Smiths were told by the mortgage broker they were ineligible for a loan with better terms because Mary had a bankruptcy incident on her credit report from 9½ years ago (in reality, having a bankruptcy that old on her credit report should not have prevented the Smiths from getting a loan with better terms). The broker assured them they would be able to refinance into a better loan in six months after the bankruptcy no longer showed up on the credit report; she promised something she could not guarantee. The Smiths trusted their broker.

Prior to the closing, the Smiths were told their mortgage payments would be around \$1,100 (an amount that would be tight for them, but they believed they could manage it). At the closing, however, it was revealed that their mortgage payments (principal and interest) would actually be more than \$1,300! They were advised by their lawyer—who was referred to them by their mortgage broker—they could walk away from the deal, but would lose their deposit and all of the other money they had already paid out-of-pocket beforehand. Under extreme pressure, the Smiths gritted their teeth and decided to go ahead and close on their house. They hoped for the best.

Although the Smiths knew they would also have to pay taxes and insurance on their property, they had no idea how much their property taxes would be until they received their first bill about a month after they closed on the house. They had not anticipated their taxes would be so high.

After laying out more than \$13,000 at their closing (which included several excessive fees paid to the broker and lender) they had no money left to pay their taxes, so they quickly fell behind. Six months later, when they tried to refinance, they were unable to do so; they have attempted numerous times, unsuccessfully, ever since. In a desperate effort to keep current on their mortgage payments, the Smiths fell far behind on their car payments. Their car was recently repossessed.

Although the Smith's story is unique to them, many of our clients who have had trouble keeping up with their mortgage payments share some commonalities, such as:

-  Working with a mortgage broker who used deceptive practices and pressure tactics;
-  Getting approved for mortgages with payments that were unaffordable from the start;
-  Not receiving disclosures and other important paperwork revealing the true costs of the loan until closing;
-  Not having enough information about their total housing payment, including the mortgage principal and interest, taxes and insurance; and
-  Not sufficiently analyzing their budget situation before committing to their monthly housing payments.

Other common traits? Neither the Smiths nor any of WHT's other clients who are behind on their mortgages received any pre-purchase education or counseling. They simply did not know what they were getting themselves into, nor did they know what key questions to ask or which red flags to look for during their home-buying or home-refinancing process. Had they been through WHT's comprehensive Homebuyer Program, chances are they would have

demanded different information and made very different choices.

In fact, studies show that homeowners who have received pre-purchase education and counseling—*especially, one-on-one counseling like that provided by WHT’s HomeOwnership Center*—have a reduced risk of delinquency and default. Educated and informed homebuyers are better prepared for the added costs and responsibilities of homeownership, and tend to avoid getting into high-cost, subprime loans.

For those WHT clients needing to repair their credit and/or save more money, our housing counselors encourage them to wait on buying a home until their financial situations have sufficiently improved. In other circumstances, WHT clients come to the conclusion that homeownership is not right for them after all. To our knowledge, none of our pre-purchase clients who have gone on to buy homes have fallen behind of their mortgages.

It’s like the old saying, “an ounce of prevention is worth a pound of cure.” Homebuyer education and counseling are preventative measures that help people prepare for homeownership and ultimately to get mortgages they will be able to keep for the long term. As for the Smiths, WHT is still trying to come up with a resolution that can keep them in their house. Sadly, they may wind up needing to sell—preferably before they become another foreclosure statistic.

For more information about our homebuyer, pre-purchase counseling, and delinquency intervention services, please visit [www.windhamhousingtrust.org](http://www.windhamhousingtrust.org), or call 802-246-2102. 🔑

The Butterys adapted a first floor room for Amy’s bedroom, which helped to ensure Amy’s easy access to her home’s living and dining areas. Unfortunately, the second floor bathroom—the only bathroom in the house—had increasingly become an insurmountable challenge.

ONE OF THE  
MOST VALUABLE ASPECTS  
OF OUR SOUTHEASTERN  
VERMONT REHAB LOAN  
FUND PROGRAM  
IS OUR STAFF

Amy called the Vermont Center for Independent Living (VCIL) for assistance. VCIL provides grants to homeowners for ramps and other necessary access modifications. Adding a first floor bathroom seemed the best solution, but the cost of building an exterior addition to add the bathroom was too expensive for VCIL. VCIL recommended the family apply to Windham Housing Trust’s Southeastern Vermont Rehab Loan Fund. Tara Brown, WHT’s loan administrator, received Barbara and Amy’s application, quickly processed it, and facilitated its approval by WHT’s all-volunteer loan committee.

One of the most valuable aspects of our Southeastern Vermont Rehab Loan Fund program is our staff. At no charge to the Butterys, Jerry Freeman, our rehab specialist, quickly went to work to get a contractor on board for the Buttery project and approve the plans for their addition. He was able to assist the family by

inspecting the construction of the addition and processing the paperwork to ensure the contractor was paid while the addition was being built. Both Jerry and the contractor pushed to build the new addition over this past winter. Although the conditions were less than ideal, they were able to find a few forty degree days to pour the foundation and get started.



l to r: Paul, Jerry, Tara, Melanie, and Cathy

The Southeastern Vermont Rehab Loan Fund was first established in 2005 to assist low- and moderate-income homeowners in Windham and Windsor Counties with essential home repair needs (WHT also serves homeowners in Readsboro, Searsburg and Winhall). The program is funded with grants from the Vermont Community Development Program and several area towns. To date WHT has assisted more than 121 individuals with low-interest loans for a wide variety of repairs, including plumbing and electrical, roofing, heating system upgrades, weatherization, septic and well improvements, and much more.

For the Buttery family, WHT was able to provide them with loan funds at 2% interest, which ensured their loan was affordable over time. Working together, Windham Housing Trust and the Vermont Center for Independent Living made their simple dream for Amy a reality. 🔑

# WHT Projects In Progress

Name: **THE DALY SHOE BUILDING**



Location: Birge Street, Brattleboro



**Units:** Twenty-nine apartments, ranging from studios to a four-bedroom apartment, plus Windham Housing Trust's new offices.

**Timeline:** Completed. The Windham Housing Trust moved its offices here in December 2007, and tenants started moving in on March 1st. Full rent-up will be completed by July of 2008.

**Unique Features:** While preserving its historic features, including its post-and beam construction, large windows, high ceilings and original wood warehouse floors, WHT incorporated many special energy-saving technologies and systems, which will help to save energy, water, and money.

**General Contractor:** Baybutt Construction

**Architect:** Williams & Frehsee Architects

**Engineer:** Stevens & Associates

**Development Consultant:** J.D. Kantor, Inc.



Name: **TONTINE BUILDING**

Location: Algiers in Guilford

**Units:** Seven one and two-bedrooms apartments

**Timeline:** Construction is underway and is slated to be completed by September of 2008.

**Unique Features:** Located at the corner of Guilford Center Road and Route 5, renovation of the Tontine Building represents Phase One of the community's Master Plan. Initially

constructed in 1819, the building is one of several surviving structures built or owned by an early group of entrepreneurs who utilized available water power of the nearby Broad Brook.

**General Contractor:** Ingram Construction

**Architect:** NBF Architecture

**Engineer:** Stevens & Associates

**Development Consultant:** J.D. Kantor, Inc.



Name: **192 CANAL STREET**

Location: Canal Street, Brattleboro

**Units:** Four units (studio to three-bedroom) and laundry facilities for WHT tenants.

**Timeline:** This renovation began in February and should be completed by September of 2008. The building is in good condition, with most of the proposed renovations on the first floor.

**Unique Features:** This project represents WHT's longstanding effort to revitalize and support the residential character of the Canal Street corridor. Until recently, 192 Canal Street served as the Trust's offices. Reconfiguration of this property will create four affordable apartments, ranging in size from a studio to three bedrooms, as well as shared laundry facilities for residents of 192, 188, and 182 Canal Street.

**General Contractor:** Ingram Construction

**Architect:** NBF Architecture

**Engineer:** Stevens & Associates

**Development Consultant:** J.D. Kantor, Inc.

SASSY, MUSICAL, POLITICAL SATIRE!

# SAVE THIS DATE!

**Sunday, September 14, 2008**

**7:30 pm at the Latchis Theatre  
in Brattleboro**

## **An Election Year Bonanza!**

The Capitol Steps performed in Brattleboro in 2006 & 2007 to a raucous, sold-out crowd. A 2008 election-year show promises to be even wilder, crazier, and sassier! This is a show you don't want to miss (more details to follow in our summer mailing).



## MAKE YOUR TICKET PURCHASES COUNT!

Be sure to purchase your Capitol Steps tickets only through the Windham Housing Trust—all profits support our housing work.



# WHT Welcomes New Staff

## HELP WHEN YOU REALLY NEED IT!

WHT Office Assistant, **JEN SHORT**, is the kind of person you want around when things get hectic. Kind, calm, and more than willing to jump in wherever needed, Jen helps to manage WHT's busy front desk work, answering phones, assisting residents, and helping Lorelei process rental applications.

Jen came to WHT several years ago as an intern through Vermont Adult Learning, and has continued on a part-time basis ever since. A native of Putney, Jen went to Putney Central and Brattleboro Union High School; in addition to WHT, she works as a salesperson at Basketville.

Jen lives on the land where her mother and grandmother grew up and where she is raising two girls of her own, Sara (age 8) and Kali (age 5). Her busy family life includes lots of soccer, rooting for the Red Sox, art, music and NASCAR. Jen most enjoys spending her free time with her kids and her extended family that live in the area.



JEN SHORT & LUCY TELL

## PROPERTY MANAGEMENT IS GROWING!

**LUCY TELL** has hit the ground running as WHT's newest property manager, working alongside Deb, Tom, and Lorelei, with a focus on renting up the twenty-nine apartments here at the newly completed Daly Shoe Building on Birge Street.

While new to WHT's staff, Lucy has been involved with the Windham

Housing Trust for many years. She worked for Morningside Shelter for the past eight years, helping homeless families and individuals find housing (often WHT housing) and working hand-in-hand with them to integrate them back into the community. In 2006, Lucy spearheaded the Life Skills Program on Oak Street—a partnership program between WHT and Morningside Shelter that serves single mothers with children who are homeless or at risk of becoming homeless.

Lucy graduated from Marlboro College in 1982 with a BA in Creative Writing and Literature. She and her husband, Matt, have been building a new home in Marlboro for the past year, and look forward to putting some seeds in the ground now that all the snow has melted. 🗝️

## THOMAS THOMPSON TRUST MATCHES GENEROUS YEAR-END GIVING WITH \$10,000 GRANT

The Thomas Thompson Trust challenged us to raise more. In turn, we challenged you to give more. And together we did it! We raised more money than ever before—more than \$54,000—through our 2007 year-end appeal, all of which will help support our affordable housing work. We thank you, Thomas Thompson Trust, for your \$10,000 challenge grant, and thank our friends throughout Windham County and beyond.

## WHT AWARDED \$25,000 RURAL CAPACITY-BUILDING GRANT FROM ENTERPRISE

WHT has been awarded a \$25,000 operating grant from Enterprise Community Partners. Grant funds will be used to strengthen WHT's capacity to advance the development of affordable housing projects throughout Windham County, by supporting essential predevelopment work carried out by the Trust's housing development staff. Thank you, Enterprise, for supporting our community development work!

## WHT RECOGNIZED AS MOST OUTSTANDING RURAL NONPROFIT IN 2008

Windham Housing Trust was awarded the James Leach National Achievement Award as the most outstanding rural nonprofit for 2008 by the National Community Reinvestment Coalition (NCRC). Connie Snow, Windham Housing Trust Executive Director, received the award in Washington D.C. on behalf of the organization on March 14th. Nominated by the Vermont Housing and Conservation Board, WHT was honored for its commitment to rural community and economic development through the production of affordable housing solutions.

## CHECK OUT OUR NEW WEBSITE! [www.windhamhousingtrust.org](http://www.windhamhousingtrust.org)

Along with our new name and logo, we've developed a brand new website—filled with colorful photographs, easy to use links, and a snappy, fresh look! We thank the creative staff of Woodward Design for their hard work and fine-tuned attention to detail. You've helped us shine!

# Celebrating Staff Milestones

In 2007, Windham Housing Trust celebrated 20 years of affordable housing success. Behind that success are hard working, dedicated staff, some of whom recently reached important employment milestones.


**SANDY GARLAND** will celebrate 10 years as WHT's Finance Director in 2008, a decade marked by increasing complexity in WHT's financial management systems (imagine balancing 54 checkbooks and preparing 9 audits each year!). Hardworking and professional, Sandy always rises to the day to day challenges to ensure WHT's financial integrity.

**PHIL JONES**, Maintenance Technician, recently celebrated 10 years with WHT. Clever and creative, Phil is our organization's "idea man" and "problem-solver." He works hard to keep WHT buildings looking great and working properly.

**MOREY PAGE**, Maintenance Supervisor, supervises a staff of three and a very busy operation. He takes great pride in ensuring WHT properties are maintained to the highest standards, and does so with grace and good humor. Morey reached his ten year anniversary in 2007, although his relationship with WHT goes back even further, when he worked as a sub-contractor for our organization.

**KATRINA WILLETTE** is WHT's Office Manager, celebrating 10 years with the organization in 2007. Katrina coordinates many office functions, including book-keeping for WHT properties. Katrina is well known and liked by staff, residents and vendors alike, and is always willing to pitch in to get a job done.

**CONNIE SNOW**, WHT's first and only Executive Director, will celebrate 20 years with WHT in 2008! Connie has successfully navigated uncharted territory over the past two decades, steering WHT to success and creating a model affordable housing development organization that has been recognized time and again for its commitment to excellence. Connie's greatest strength is her ability to see beyond obstacles, reach past challenges, and envision a better world for us all.

Thanks, Sandy, Phil, Morey, Katrina and Connie for all your great work, and congratulations! 

## 2008 WHT Board of Directors

President  
Whit Wheeler, *Dummerston*

Vice President  
Ed Sensor, *Dummerston*

Secretary  
Evan Bolivar, *Brattleboro*

Treasurer  
Dick Heminway, *Putney*

Elizabeth Brown, *East Dover*  
Sarah Chipps, *Brattleboro*  
Kathleen Graves, *Brattleboro*

Moss Kahler, *Brattleboro*  
Sheri Keefe, *Brattleboro*  
Pindaro Lockhart, *Brattleboro*

Tom Martyn, *Brattleboro*  
Gene Peake, *Brattleboro*  
Jane Rosser, *Brattleboro*  
Jeff Shumlin, *Putney*

## WHT Staff

Tara Brown  
*Loan Administrator*

Hollis Burbank-Hammarlund  
*Director of Planning & Development*

Amy Coughlin  
*Staff Accountant*

Abby Fletcher  
*AmeriCorps Member*

Jerry Freeman  
*Specialist*

Melanie Gaier  
*Housing Counselor*

Sandy Garland  
*Finance Director*

Betsy Hall  
*Development Assistant*

Phil Jones  
*Maintenance Mechanic*

Roy Jones  
*Groundskeeper*

Scott Newton  
*Maintenance Mechanic*

Morey Page  
*Maintenance Supervisor*

Tom Powel  
*Property Manager*

Martha Ratcliffe  
*Senior Project Coordinator*

Cathy Semans  
*Director of Homeownership*

Jen Short  
*Office Assistant*

Lorelei Morrisette  
*Rental Agent*

Connie Snow  
*Executive Director*

Lucy Tell  
*Property Manager*

Isaac Wagner  
*Project Coordinator*

Katrina Willette  
*Office Manager*

Deb Zak  
*Director of Operations*



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HOUSING  
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Mark your calendar!  
**Save the date!**

You are cordially invited to  
join the board and staff of  
the Windham Housing  
Trust at the 21st Annual  
Meeting & Picnic



# We're Having a Picnic!

- WHEN** Wednesday, June 25, 2008 from 4:30 to 7:00 pm
- WHERE** Living Memorial Park, Brattleboro
- WHO** All Windham Housing Trust Members, Supporters & Residents
- WHAT** Food, Games, Live Music & Fun