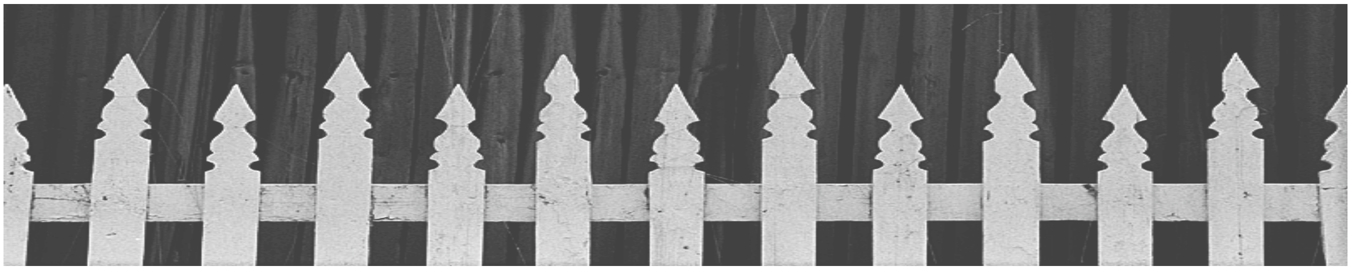

Mortgage Foreclosure Emergency Prevention Program (MFEPP)

Manhattan Community District 9: Risk Assessment and Recommendations

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Background

Recently New York City's local legislative leaders have begun to fear that the city's low- and middle income homeowners are at serious risk of foreclosure due to increased use of mortgage products (sometimes known as "boutique mortgages") with terms that turn out to be unaffordable for this group of borrowers. Products that have affordable introductory interest rates or payment obligations frequently become unaffordable due to high interest rates, increased monthly payment obligations, or other changes in the loan terms. Ultimately lower income borrowers who secured such mortgages find themselves experiencing financial strain and at risk of foreclosure. When foreclosure occurs, the community also faces a loss as wealth is depleted in home-owning communities. To address their concerns, the New York City Council sponsored the Mortgage Foreclosure Emergency Prevention Program (MFEPP) in the city's 2006-2007 fiscal year.

The purpose of the MFEPP is to approach the issue of local foreclosures simultaneously on many levels including providing immediate nonprofit counseling assistance to homeowners in distress; enhancing nonprofit organizations' capacity to process intake requests and applications for assistance and provide financial analysis; and conducting extensive outreach and research to define follow-up intervention strategies with approaches customized to problems identified and encountered in each neighborhood.

The Council's concerns are well placed, as foreclosure rates have been rising steadily in recent years, and sharply in the past two. According to the Mortgage Bankers of America 2006 National Delinquency Survey, in 2006 foreclosure was started on nearly 800,000 homes. The same survey also reports that the foreclosure inventory in the last quarter of 2006 contained more than 100,000 more homes than in the last quarter of 2005. Some neighborhoods are more at risk than others. In New York, specific neighborhoods such as Bedford Stuyvesant, Brownsville, Bushwick, Hunts Point/Longwood, and Jamaica/Hollis have the highest rates of foreclosure notices.[1] Not only are homeowners losing their homes and suffering financial and emotional damage, but whole neighborhoods must bear the blight and crime often accompanying foreclosed properties.

While the financial strain that leads to foreclosure can arise due to a number of different life circumstances, subprime loans are frequently associated with such strain. According to The Wall Street Journal, "roughly 13% of subprime loans stand in or near foreclosure".[2] In New York City, the percentage of subprime home purchase loans has more than tripled in recent years, rising from 6.5% of loans in 2002 to 22.9% of loans in 2005.[3] Rates of subprime refinance lending have risen similarly and in 2005 accounted for nearly a third (32.1%) of all loans in the city.[4]

The MFEPP targets local neighborhoods that have high rates of homeownership and which therefore may be at high risk for losing wealth created through the accumulation of equity. Where applicable and where funding is available, local groups will be trained to do more than just assist in outreach, intake and processing; they will eventually be able to assist in credit counseling, refinancing, loss mitigation, predatory lending remediation, deed theft counseling and the like. Different partnerships were established throughout the city between the Parodneck Foundation and a variety of non-profit organizations for a wide range of neighborhood specific efforts.

This report describes the work of one such partnership between the Parodneck Foundation and the CUNY Graduate Center. The goal of this partnership was to provide a foreclosure risk assessment analysis and follow-up recommendations for a specific targeted neighborhood, Manhattan Community District 9 (CD9).

I. Rationale for CD9 as Target Neighborhood

Manhattan Community District 9 encompasses West Harlem in northwest Manhattan. Its boundaries are 110th Street on the south, 155th Street on the north, Manhattan and St. Nicholas Avenues on the east, and the Hudson River on the west. The Parodneck Foundation focused on Manhattan CD9 as its initial target and study area due to the fact that CD9 has such a rich array of housing types and forms of homeownership–large, conventional cooperatives and condominiums; a substantial and over-representative number of low income Housing Development Finance Corporation (HDFC) Cooperatives[5]; large multifamily dwellings of more than five units and many one-to four family homes (over 300 tax lots are zoned as 1-2 unit homes). The full support and cooperation of the Community Board and many potential project partners, including but not limited to the HDFC Council, the Hamilton Heights Homeowner Association, the Hamilton Terrace Block Association and the Harlem Congregations for Community Improvement (HCCI)

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[1] The Furman Center for Real Estate and Public Policy (2006). *2006 State of New York City's Housing and Neighborhoods.* Accessed on June 28, 2007 at http://furmancenter.nyu.edu/SOC2006.htm.

[2] Hudson, Michael. "How Wall Street Stoked the Mortgage Meltdown." *The Wall Street Journal,* June 28, 2007.

[3] *2006 State of New York City's Housing and Neighborhoods.*

[4] *2006 State of New York City's Housing and Neighborhoods.*

[5] Urban Homesteading Assistance Board (UHAB) Frequently Asked Questions. HDFCs are special New York State corporations provided in the NYS Private Housing Finance Law; most but not all are organized as co-ops. HDFCs are required to provide housing that is affordable to low-income people. Accessed on June 28, 2007 at http://www.uhab.org

also made CD9 a feasible and productive area for study.

II. Purpose of Research

The purpose of our research was to both to look for early warning signs of oncoming foreclosure, and to learn about how to reach residents most at risk of foreclosure. By reaching such community members we hoped to gain more in-depth knowledge of their awareness of trouble in the community in terms of difficulty making ends meet, becoming overburdened by housing-secured debt (e.g. home equity loans, multiple refinances), and predatory or abusive lending. Because of the many HDFCs in CD9 we also had a special focus on financial, legal, and governance issues faced by resident shareholders.

III. Methodology and Analysis

The methods used in this project include: intensive research of financial and title records, a comprehensive confidential survey to solicit more detailed and specific information on the levels and kinds of debt households are carrying, as well as the physical condition of properties and the level of affordability for the varying classes of homeowners; local educational and outreach forums to provide information about predatory practices that can both cause household financial distress and deplete community wealth; and a homeowner focus group to illuminate the challenges faced by homeowners in the community.

To conduct financial and title research we used a block and lot homeowner address list supplied by The New York University Furman Center for Real Estate and Urban Policy. Employing an online property report website, www.propertyshark.com, which collects various city wide building, homeowner, and tax information, we developed a coding system to identify indicators of financial and homeownership risks. We conducted title research on 533 residential properties in CD9, which represents approximately 27% of the 1,996 1-2 family residential, mult-family residential, and mixed resdiential/commercial lots in the area.[6]

We also contacted 277 HDFC shareholders and 131 homeowners in order to inform and invite CD9 residents to three public forums and one homeowner focus group. At the first Community Board 9 meeting, we asked homeowners and HDFC shareholders for their comments about the survey and concerns they have as residents. We revised the survey according to their input and held two community forums in order to give back some information to residents for their participation in the survey. The first was a homeowner forum that provided information about predatory lending, mortgages, interest rates, and foreclosure. At our last forum, we invited HDFC shareholders to learn about and discuss the regulatory practices and concerns inherent in HDFCs. More than 70 people attended the HDFC forum.

We relied on the Furman Center address list to mail the one page survey to residents. The survey asked respondents questions about how their finances worked out each month, the type and amount of debt they carried, the type and condition of their housing, and general questions about their income and employment status. Forty out of 624 homeowners from Community District 9 responded to the mail survey, an approximately 6.5% response rate. This return rate is average for surveys of medium length that do not offer an incentive. We did one follow-up mailing shortly after the initial mailing to encourage recipients to complete the survey.

To gain a more in-depth understanding of the issues that homeowners face in CD9 we held a homeowner focus group. The focus group was audio recorded and participants were assured that their confidentiality would be protected. Participants in the focus group received a meal and a $25 travel reimbursement. Seven homeowners participated in an hour and a half discussion of homeownership concerns and personal accounts of the community. The focus group methodology is useful to pair with more quantitative research methods such as surveys because they can be used to gain understanding of the emotions, stories, and diversity in thinking that groups of people have about a topic. The fact that they are a socially grounded research method means that they can create

[6] Manhattan Community District 9 profile, from http://www.nyc.gov/html/dcp/pdf/lucds/mn9profile.pdf, accessed June 28, 2007

situations that provide broader insight into a topic than a survey methodology alone.

The focus group and resident forums were analyzed using on site reflection, listening to and viewing recordings, and creating themes and major points from the conversations. Data from the closed ended survey and financial and title records was entered into SPSS (Statistical Package for the Social Sciences) and used to generate descriptive statistics for our sample.

IV. Findings

Homeowners

Overall, the various research methods we employed revealed that CD9 is undergoing a good deal of change, but we did not find a high risk of foreclosure. However, changes in the community, combined with the age and condition of the housing stock, may make some community residents targets for predatory lenders and contribute to a heightened risk of foreclosure in the future.

The 2006 State of New York City's Housing and Neighborhoods report by the NYU Furman Center for Real Estate and Public Policy indicates that CD9 (Morningside Heights/Hamilton) had the third highest proportion of subprime purchase (2.3% of all purchase loans) and refinance (10.4% of all refinance loans) loans in Manhattan behind East Harlem (4.1% of purchase loans and 10.8% of refinance loans are subprime) and Central Harlem (3.9% of purchase loans and 30% of refinance loans are subprime). Subprime loans are a cause for concern because many predatory lenders operate on the subprime market. Such loans are often disproportionately concentrated in high-minority neighborhoods[7] such as CD9, which has a 30% African-American and 29% Hispanic population[8], and are associated with substantial increases in foreclosure when compared to prime loans.[9] Furthermore CD9 had a 2005 rate of foreclosure of 13 in 1000 properties, more than twice the rate of Manhattan overall (5.3 per 1000 properties) and Central and East Harlem (7.3 and 9.1 per 1000 properties respectively)[10], which is also cause for concern about wealth depletion in the Morningside Heights/ Hamilton community.

Housing price appreciation in CD9 has been astronomical. In the homeowner focus group participants spoke of their property value increasing four times in the past two years, and also discussed property flipping (where the same house is bought, sold, and resold multiple times for profit). Participants described cases where homes sold three times in one year, with the price doubling each time. Participants also spoke of homes selling for a million dollars despite needing to be gut-renovated by the new residents after purchase. The Furman Center report confirms the observations of the focus group participants: for 5+ family buildings, CD9 had the highest home price appreciation in New York City in 2005, with values increasing more than sevenfold since 1994. Because the housing stock in CD9 is also old (85 years, on average) and the median income is approximately 80% of the citywide median income,[11] homeowners may draw on their equity to pay for renovations and repairs. This is a situation that can be ripe for predatory lenders, particularly those who engage in equity stripping (multiple refinances that eventually leave the homeowner with little or no equity in the home) who target longtime homeowners (usually senior citizens).

However, despite the relatively high rates of subprime lending and steep housing price appreciation, our title

[7] Gruenstein Bocian, D., Ernst, K.S., and Li, W. (2006). Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages. Center for Responsible Lending, May 31, 2006. Accessed on June 28, 2007 at: http://www.responsiblelending.org/pdfs/rr011-Unfair_Lending-0506.pdf.

[8] *2006 State of New York City's Housing and Neighborhoods.*

[9] Immergluck, D. and Smith, G. (2005). Measuring the Effect of Subprime Lending on Neighborhood Foreclosures: Evidence from Chicago. Urban Affairs Review **40**(3), pp. 362-389.

[10] *2006 State of New York City's Housing and Neighborhoods.*

[11] *2006 State of New York City's Housing and Neighborhoods.*

and tax research did not indicate that homeowners in CD9 are unable to cover their current housing costs. Of the 533 properties we did title and arrearage research on, 80% had no record of tax arrearage. Among those who had, 8% had only been in arrears during one quarter and 5% had been in arrears during two quarters. Five percent had been in arrears from 3 to 10 quarters, and the remaining 2% had been arrears anywhere from 11 to 34 quarters. Among those homeowners who had a record of tax arrears, the median amount of arrearage was $479.55.

Our title research did show that there is some mortgage behavior in CD9 that bears observation for signs of trouble in the future. While 68% of the sample had none or only one deed transfer within the last 10 years and most of the sample—82%-- had no record of a deed transfer within the last two years, almost half (45%) had three or more mortgages in the same amount of time. When the same owner takes out multiple mortgages or refinances several times, this can be an indicator of financial distress on the part of the homeowner, or a sign that equity stripping is taking place. When taken together with the fact that 10% of refinance loans in CD9 are subprime[12], this mortgage activity may be a cause for concern.

The survey and homeowner focus group demonstrate that owners in CD9 do face high costs for upkeep, maintenance, repairs and renovations to their home. This can sometimes create financial strain or the need to take out loans to pay for such work. While respondents to the homeowner survey were disproportionately highly educated (median level of education was a completed graduate degree) and high income (median income was $70,000-$100,000) for the area, nearly a third (27.5%) had home-secured debt in the form of a home equity loan and nearly three quarters (72.5%) indicated that they had experienced major costs associated with their home, such as repairs to the plumbing or electrical system, foundation, or roof. Focus group participants confirmed that large, old multifamily dwellings in the area are in need of constant upkeep and repair. In particular, they noted that the architectural style of their homes (often classic multifamily brownstones from the late 1800s and early 1900s) means that even simple upkeep, such as painting a room, is often quite expensive. For local homeowners of more moderate income than the survey respondents and focus group participants we heard from, leveraging the equity in their home against the cost of maintaining their home may be their only option to make costly repairs. Given the skyrocketing home values in CD9, as the housing stock there continues to age, lending and borrowing behavior for refinance and renovation loans should be monitored for signs of abusive or predatory lending in order to preserve the wealth accumulation in the area and prevent foreclosure.

To research and provide information to homeowners beyond the survey and focus group we also held a homeowner forum. Forum panelists from citywide housing nonprofits presented information on types of predatory practices, the intricacies of interest rates, differences and dangers in mortgage types, and options to prevent foreclosure. While few homeowners attended the forum, representatives from a variety of community-based organizations were present. Hence the forum became an opportunity to "train the trainers" on predatory lending and foreclosure prevention. The presentations were clear and useful and the video footage from the forum is currently available through the Parodneck Foundation website.

HDFC Shareholders

We also held a forum for HDFC shareholders. An HDFC allows residents of modest resources in New York City to become homeowners because they are initially purchased at nominal cost and New York City regulations require that units in the building be resold at a price affordable to low- and moderate-income people. Creation of an HDFC usually provides other benefits including the rehab of the building and a reduction of real estate taxes. However, as rents and real estate values rise, affordable housing is in rapid decline. When residents purchase shares in their HDFC they become the cooperative owners, or shareholders, of their building. With ownership comes the responsibility of managing and maintaining the HDFC and part of that responsibility is keeping the building affordable for each shareholder, his or her neighbors

[12] *2006 State of New York City's Housing and Neighborhoods.*

and future residents. Many attendees at the forum expressed a great deal of interest and need for information on HDFC financial and regulatory issues.

Over 70 people attended the forum. Most attendees were shareholders and came because of personal outreach a week before this forum. We called over 200 HDFC shareholders and community leaders to personally invite them to the forum and tell them about the topics to be covered. Many shareholders expressed interest and even had immediate questions over the phone. For example, shareholders asked who HDFC community leaders are, if other HDFCs were experiencing the same management problems as theirs, and if the recent news on mortgage foreclosure in the popular press was really true. At the forum, a panel discussion included speakers from Community Board 9, Department of Housing Preservation and Development (HPD), Brooklyn Law School, Urban Homesteading Assistance Board (UHAB) and other community organizations. The panelists spoke about the history and importance of HDFCs, the statutory and regulatory framework of HDFCs, general operating issues, and tax amnesty programs from HPD.

After the panel discussion, many shareholders responded with questions and concerns. The questions generally fell into four categories: membership rights, board responsibilities and oversight, regulations affecting HDFCs, and knowledge transfer.

Many of the membership rights individual HDFCs have depends on the terms of their proprietary lease. A proprietary lease is a lease given by a corporation that owns a cooperative apartment building to the shareholder for the shareholder's right as a tenant to an individual apartment. HDFC shareholders needed information about the lease ranging from where it was kept, how one could build changes into it, how it could be used to keep costs low, how it could stipulate what is included in maintenance fees, and all the pros and cons associated with these decisions. Shareholders also wanted to know who needs to approve or govern lease changes, what city agencies are involved, if there are legal costs for drafting and writing new changes, and if there are rules about how often a proprietary lease can/should be reviewed and updated.

The question of who is responsible for lease amendments is one component of the need for a better understanding of HDFC board responsibilities and oversight obligations, and the roles of individual resident shareholders. Each HDFC resident shareholder has a role to play, including electing a board and being responsible for apartment-specific repair, while being an HDFC board member entails building-wide management and maintenance responsibilities. Many of the issues that arose at the forum revolved around who is accountable for making decisions that affect the building, and for the outcome of those decisions. Some HDFC shareholders seemed ill-informed as to their rights and responsibilities and how to run their "business" most effectively. Others brought up the need for independent oversight of HDFCs by a regulatory agency as a means of working toward more successful governance and economic outcomes.

In order to better inform existing shareholders and ensure that new ones have access to the information they need to best run the HDFC in future generations, there needs to be a better system of knowledge transfer. As many first generation HDFC shareholders are aging, a major issue is how to ensure that their knowledge and experience is communicated to younger people moving in who are the new generation of HDFC shareholders. The need for effective knowledge transfer and concerns over responsibility and oversight are important issues to consider for the health and longevity of low-income housing. If HDFC management deteriorates, repairs and upkeep in a building decline and current and potential shareholders suffer from poorly maintained buildings and high housing costs. Therefore, as HDFCs move into the next generation, they must also consider how to transfer responsibility and participation in order to preserve this unique form of ownership.

V. Conclusions

Our research did not find CD9 to currently be at high risk of foreclosure. The community appears to enjoy a mix of several factors that could serve to protect it from the steep climb in foreclosures that have occurred locally and nationally. The combination of home price appreciation, high population density[13]

[13] *2006 State of New York City's Housing and Neighborhoods.*

, and the wide array of local housing and community development services in the area might contribute to a more close-knit community of homeowners motivated to protect their investments and the character of their neighborhood. Thus individual homeowners that might otherwise be vulnerable to isolation and victimization, such as senior citizens, may be less vulnerable to foreclosure than similar populations in other parts of New York City, for example Jamaica, Queens.

The diversity of the housing stock—which includes many 1-4 family homes, 5 family dwellings, larger multifamily homes, and condominiums and co-ops (both older buildings and some new construction)—and the presence of alternative forms of ownership, e.g. limited equity cooperatives, may be a combination that works to insulate against foreclosure. For example, many large historic homes in the area have been renovated and restored and are being well-maintained by residents who bought homes in the area before property values skyrocketed, or who got landlord-abandoned property at little or no cost through city programs, e.g. HomeWorks, adding to the wealth in the community. Also, shareholders in limited equity co-ops can buy into the cooperative for prices that are far below market rate, and they share the costs of building maintenance and building mortgages to finance things like major repairs. The collective governance system also provides a forum for group problem solving. The nonprofits that assist limited equity cooperatives provide the professional information and support services that inexperienced individual homeowners may have difficulty accessing.

Because the housing stock in CD9 is close to a hundred years old on average, it requires a good deal of maintenance. A homeowner focus group participant spoke of how such homes appear beautiful and inviting but have many hidden costs related to repairs and upkeep. The age and condition of the housing stock may force homeowners without surplus income to make home repairs with money obtained through leveraging their home through refinanced mortgages or home equity loans. Indeed, while survey respondents had a median income that was 200% of the median in CD9, more than half (52.5%) indicated that they had barely or not enough money to make ends meet at the end of the month. Homeowners of more moderate income may therefore experience more difficulty, especially paying for major costs associated with their homes. This can create a situation where they resort to drawing on their accumulated equity to cover such costs.

Refinancing, home equity loans and lines of credit, and repair and renovation borrowing activity in CD9 all warrant watching because the population there (30.8% African-American, 28.9% Hispanic and 34% born outside of the United States)[14] may appear as a prime target to predatory lenders. An extensive study by the Center for Responsible Lending found that with most kinds of subprime loans minority borrowers were 30% more likely to receive a high interest rate than white borrowers.[15] One survey respondent observed that “I have received many solicitations from brokers/mortgage providers eager to offer 'deals'. The sooner they are stopped—the better.” This indicates that there are already potentially unscrupulous financial institutions operating in the area, but it also shows that there is some awareness about such practices among community residents.

Despite the possibility for a rise in foreclosure in CD9 due to the high costs of home maintenance and the potential for predatory lending activity, the community is also home to a number of community organizations and has a history of housing activism by residents working with such groups. Organizations like the Hamilton Heights Homeowners Association, the Hamilton Terrace Block Association, the Ecumenical Community Development Corporation, HCCI and UHAB are all community resources available to homeowners who need assistance. These organizations also have links to other nonprofits like the Parodneck Foundation as well as the local government, e.g. Councilmember Robert Jackson in CD9. However, our research indicates that nonprofit community organizations can strengthen their outreach efforts, particularly to older homeowners.

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[14] *2006 State of New York City’s Housing and Neighborhoods.*

[15] Unfair Lending: The Effect of Race and Ethnicity on the Price of Subprime Mortgages.

VI. Recommendations

We recommend that outreach and information be provided through personal contact; and that it be sensitive to the psychological aspects of feeling threatened with losing one's home. Homeowners and HDFC residents alike positively respond to personal outreach. The personal phone calls to HDFC shareholders contributed to a large turnout at the forum as well as a sense of trust created between residents and community leaders. During the HDFC forum, those researchers who talked one on one with HDFC shareholders were able to put names with faces and immediately inform community leaders about who in the room may need specific help. The components of this research that did not utilize personal outreach, e.g. the homeowner survey and the homeowner forum, benefited less from the involvement of community residents.

Previous national research conducted through the CUNY Graduate Center[16] found that the issue of financial trouble and the threat of losing a home is a sensitive topic. It can be difficult for researchers and nonprofits to connect with people in financial trouble and those facing the threat of foreclosure because those in trouble may be reticent due to shame, denial, and insensitive treatment by lenders, collectors, and even those in a position to help, e.g. welfare agencies and nonprofits. Reaching those who need help requires an understanding of their reluctance, and what channels they may be comfortable using. For example, we found that a combination of personal outreach and providing information to the community may provide a better sense of the issues that residents are experiencing, and encourage them to participate in other parts of a research project such as filling out a survey. Also, well publicized community meetings, personal reminder phone calls and post-meeting follow up with concerned residents can create trust among community leaders and residents as well as increase community involvement.

We also recommend that specific outreach be conducted to targeted vulnerable populations, such as elderly homeowners of color. A modest number of older homeowners attended the forums and the events created a place for them to meet other similar homeowners in their community. A few older homeowners of color expressed concern for other homeowners like themselves. Older residents felt that there was a lack of networks to reach out to those who may be homebound or living alone. In 2000, 3.7% of residents in CD9 are 65 years or older and live alone.[17]

Elderly homeowners who have owned their home for decades are likely targets of predatory lending schemes and deed theft because of the large amount of equity built into their homes and the aging housing stock. Older low-income homeowners may only have their equity, and no savings, to pay for renovations and repairs. This puts them at risk for predatory lending and a general increase in debt. For older homeowners of color as well as HDFC shareholders and market rate homeowners it is critical to provide information on predatory lenders, and on the right ways to seek help. It is important to establish a well-publicized network within the community so that when those in trouble ask a friend or family member for help, they get steered toward someone who can actually help, like the Parodneck Foundation or another community homeownership advocate.

For HDFC shareholders, we recommend more and better support materials that are locally publicized and available. Many of the HDFC shareholders who attended the HDFC forum expressed the need for support and assistance in matters related to governance. A number of questions were related to the proprietary lease and other important documents. UHAB has an excellent website for HDFC shareholders, www.uhab.coop, with a library of guides and documents related to HDFC governance issues. The materials available are a good resource for HDFCs yet many shareholders may not be aware that they exist or how to access them. We recommend that UHAB locate these documents in a more central place on

[16] Fields, D., Libman, K., Saegert, S., Clark, H., Justa, F. (March 2007). Understanding Responses to the Threat of Foreclosure Among Low-Income Homeowners. Housing Environments Research Group. Available at http://web.gc.cuny.edu/che/hergproj.htm.

[17] New York City Department of City Planning (Dec. 2005). Accessed on February 10, 2007 at: http://www.nyc.gov/html/dcp/html/neighbor/neighb.shtml

their website, e.g. have a link for "Guide to the Proprietary Lease" on their homepage. HDFC shareholders who are less inclined to use the internet to meet their information needs would also benefit from having hard copies of the UHAB guides for their reference. Therefore we also recommend that the CB9 office create a library of these documents as a public resource for shareholders to refer to, and to publicize this community resource in their newsletter.

To speak to the desire among some HDFC shareholders for improved regulation and oversight, we recommend that community-based organizations should work closely with the city on qualifying HDFCs for existing tax incentive program for HDFCs to receive tax breaks in exchange for signing on for increased oversight and regulation by city agencies and creating new programs for this purpose if needed. Any work in this area should be undertaken by working closely with representatives from HDFCs throughout the city to ensure that the resulting program will work to enhance the effectiveness of HDFC functioning and not restrict their ability to govern themselves independently.

Finally, we recommend that local nonprofits and city agencies better disseminate information about the availability of low- or no-interest loans for repairs and renovations of older housing stock. A variety of such opportunities are available through Neighborhood Housing Services of New York City, the Parodneck Foundation, the NYC Landmark Preservation Commission, and HPD. Focus group participants and HDFC forum attendees were unaware of such resources, though our survey indicates that area homeowners frequently need to make costly repairs to their homes. Given the wealth that well-maintained homes bring to the community through increased property value, and the added expense of maintaining an aging and land-marked housing stock, are residents should be better informed about programs that might assist them with the financial burden of repairs and renovations. City- and nonprofit-sponsored low-interest loans have an additional benefit of serving as a protection against predatory lenders that specialize in repair loans. At the same time, if homeowners are more aware of such programs they might be more likely to keep their homes in a good state of repair and continue adding to the wealth and character of Community District 9.

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