

ENFIELD LOAN REVIEW COMMITTEE
Regular Meeting
Virtual
Tuesday February 2, 2021
6:00 PM

A Regular Meeting of the Enfield Loan Review Committee was held virtually on Tuesday February 2, 2021.

CALLED TO ORDER

The meeting was called to order at 6:01 pm by Michael Ludwick.

ROLL CALL

Present: Paul Coffey, Deborah Giddings, Jennifer Casalone, Michael Ludwick, Gina Cekala, Philip Kober

ALSO PRESENT:

Nelson Tereso, Deputy Director of Economic & Community Development/Staff Liaison
Kristy Koistinen, Accounting Clerk Office of Community Development

ABSENT:

None

APPROVAL OF MINUTES

A motion was made by Paul Coffey seconded by Jennifer Casalone to approve the minutes from December 1, 2021. **The December 1, 2021 minutes were approved, 4-0-1.**

NEW BUSINESS

• **Review of First Time Homebuyer Loan Program Guidelines & Application**

Nelson Tereso stated that his office has reviewed some First Time Homebuyer applications and think it's a good time to review/update the guidelines. He stated they had an applicant who previously owned a mobile home and the guidelines are unclear if they would be eligible or not due to the guidelines' definition of a "first time homebuyer". The guidelines state the definition of a first time homebuyer is, "Any Applicant who has not owned real estate for their primary residence or any other real property in the last three years". The state's definition of a first time homebuyer indicates that, "An individual shall not be excluded from consideration as a first-time homebuyer on the basis that the individual owns or owned, as a principal residence during the three-year period, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations". He stated he wanted to get the input of the Loan Review Committee to see if any changes to the definition or guidelines including removing the Helpful Definitions and \$250,000 sales price limit would be helpful for future applicants.

Michael Ludwick opened the conversation to the committee members.

Jennifer Casalone stated that the condos, single family and two family homes will probably stay at or under the \$250,000 price range and larger unit homes at that price would probably need more work and we don't know if we would be setting up the first time homebuyer for failure or success. She would be open to removing three or four family homes if the committee agrees. She thinks the \$250,000 sales price limit is fair for up to two family homes. She questioned if the definition is changed to include applicants who owned mobile homes or some sort of property within the three-year period, are you changing the first time program and aspect of them owning real property?

Paul Coffey stated that including three or four family homes isn't really concerning for him. He feels that the \$250,000 sale price limit is reasonable for a first time homebuyer and doesn't feel a need to change it. He would be open to changing the definition and he recommends that the guidelines conform with CDBG Federal and State. Before making any changes, he would like to see a benchmark done comparing other town's programs to make sure our stipulations and definitions are more agreeable.

Deborah Giddings brought up a situation to think about regarding someone who is divorced and owned a home either on the title or not.

Nelson Tereso stated the State's definition also includes an individual who is a displaced homemaker or single parent so they could look into that.

Gina Cekala suggested that the name "Helpful Definitions" should be replaced with something like "Definitions" or "Index" but the definition section is needed. She suggested that the definition of an eligible piece of property should be added that would include the states definition. She stated that she doesn't feel three or four family homes need to be removed with the sales price limit of \$250,000.

Philip Kober stated that he agrees with Gina Cekala and that the definitions are important. He questioned where the first time homebuyer definition came from. Nelson Tereso stated that it came from the previous administration in the Community Development office. Philip Kober agreed that the State's definition could be used and also review other town's guidelines. He states that the sales price limit of \$250,000 is more than reasonable. He also agreed with modifying the first time homebuyer definition and cleaning up the helpful definitions.

Michael Ludwick stated he wants to see more homeowner in town and that he agrees that the definition could be more flexible to include situations like mobile homes and divorces. He is more open to a sales price limit of \$250,000-\$275,000 as long as they are required to live in the home for the length of the loan for three or four family homes. They will learn to take care of a multifamily home and learn a little business sense.

Nelson Tereso agreed with Michael Ludwick on being more open with three or four family homes and the sales price limit being higher. He suggested keeping the \$250,000 limit for condominiums, single family and two-family homes and increase limit to \$275,000 for three and four family homes.

Paul Coffey stated that for three or four family homes, if someone has steady income coming from the home, they may not stay living in the home and there isn't a very good policing mechanism to make sure people are still living in these homes so they would be harder to keep track of. He also suggested that for four family homes, there should be something in writing regarding a Nondisplacement Policy that the owner signs saying they will not displace any current tenant for whatever the typical length of time is.

Michael Ludwick questioned if there was a reason the lending institutions that decided not to join the program when it was reintroduced gave a reason why they didn't want to join. Nelson Tereso stated they were just not interested in participating. He stated that applicants are required to go through our suggested lending institutions, they can use whoever they'd like.

Nelson stated that he will make some modifications to the guidelines that will be subject to the Loan Review Committee member's review and approval at the next meeting.

OLD BUSINESS

- None

COMMITTEE COMMUNICATIONS

- None

ADJOURNMENT

- A motion was made by Paul Coffey, second by Deborah Giddings to adjourn the meeting. The meeting adjourned at 6:41 pm. **All in favor, motion carries 4-0-0.**

Submitted by:

Kristy Koistinen, Accounting Clerk Office of Community Development