How Ed & Alanna bought Their Own Home
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We would like to thank the following people for making this possible:

- Jenny Mateer, Case Manager, Washington County
- Lisa Glasspoole, Case Manager, Washington County
  - Washington County Community Services
- Melody Bialke, Executive Director, Cooperating Community Programs
Ed and Alanna St. Amour are a developmentally disabled married couple who receive waivered services from CCP Community Services, a Co-operating Community Program.

A few years ago Ed and CCP Community Services were involved in a "Person-Centered Agency Design Project" which helped social service agencies throughout Minnesota become more person-centered. Ed's "wish list" included owning a home of his own in the Cottage Grove area.

Through the Person Centered Agency Design Project, CCP and Ed learned of other people with disabilities who had purchased their own homes. Most of the homes purchased were in the price range of $15,000 to $45,000 and were situated in rural areas. Ed and Alanna wanted to live closer to the Twin City metro area, and consequently, would need to spend more money on a home.

As Ed and Alanna became excited about the idea of buying their own home, CCP started getting information on home-ownership for persons with developmental disabilities, including information from the National Home for Your Own Alliance in New Hampshire.

Much of the information consisted of the Alliance's philosophy on why people with developmental disabilities should buy their own homes. The New Hampshire Project had money to help defray the cost of a down payment for persons with disabilities who lived in the New England area. Unfortunately, we had no leads or information on where to get help in Minnesota.

Eventually, we discovered a pilot program that helps people with developmental disabilities get mortgages. This program was developed by Arc Minnesota, Fannie Mae, the Department of Human Services (DHS), and Firstar Home Mortgage Corporation. Ed's Case Manager and CCP's Program Director and Executive Director attended regular housing subcommittee meetings at Arc Minnesota.

We gathered a lot of information at these meetings and met people who could help us. Ultimately, Ed and Alanna became the focus of a case study conducted by Firstar Home Mortgage Corp. and Fannie Mae.

This case study was reviewed by people at Firstar, Fannie Mae, and DHS, who thought that Ed and Alanna would be eligible for the
"American Dream Mortgage Program": a program that helps people with disabilities get mortgages by requiring them to pay only 2% of the mortgage for closing costs.

We completed the mortgage application and were pre-approved by the bank. Then we started looking for a home for Ed and Alanna. We looked at quite a few houses, and St. Mane’s eventually found a place in Newport in their price range.

Ed and Alanna’s dream of buying a home took almost three years to become reality, mostly because the professionals did not know where to begin.

Since CCP was able to help Ed and Alanna achieve this goal, we wanted to develop a guide with Minnesota resources, names, and numbers to help others with developmental disabilities make homeownership a reality. Hopefully, the information in this booklet is all you need to get started.

THERE’S NO PLACE LIKE HOME

Alanna St. Mane is a study in determination. With a proud tilt to her chin, she tells why she and her husband, Ed, want to buy a home.

“It shows that we can earn; that we work hard to buy a house.” If they reach their goal, the St. Manes will have accomplished what few others with developmental disabilities have.

The St. Manes have been talking about buying a home for two years. With support from their families and staff, Ed and Alanna developed a plan to help them accomplish their considerable goal. For the next four months, they will work on establishing a credit history. They plan to buy furniture on credit and attend classes on how to buy a house and manage their money.

They have saved one thousand dollars, which is a “huge accomplishment,” according to CCP staff. Next, they will learn about applying for a mortgage and the numerous hoops they'll have to jump through.

But despite all the help from people who have pledged their support, Ed and Alanna have many obstacles to overcome. When they buy their home, the St. Manes will need to make accommodations for live-in staff. They will have to figure out how to license the home, so that it is in compliance with state regulations. They may want to buy a duplex instead of a single-family home. But if they buy a duplex, how will they charge rent? How much money can they save for a down payment so it won’t jeopardize their SSI benefits?

Buying a home is difficult, but for a person with Mental Retardation,
it seems nearly impossible.

This year is a learning year, for both Ed and Alanna and their staff. Although they have not begun looking yet, Ed and Alanna have definite ideas about where and how they'd like to live. A manageable household is important to Alanna. When asked what-type of house she'd like to buy, Alanna says without hesitation, "One-story. It would be less work."

Ed would like to live in Cottage Grove, his hometown. Alanna favors Stillwater. Ed says that he'd like a garage for the car he hopes to buy someday. (He just obtained his learner's permit—another major accomplishment for the St. Manes.) Privacy and ample space are also important considerations. "I want two bedrooms," Ed chuckles. "One for her," he points to Alanna, "and one for me!"

The St. Manes met each other at Oakdale apartments seven and a half years ago. "She lived downstairs," Ed explains, "and I lived upstairs." They fell in love, and after a year of courting, married. After they married—a process their staff describes as harder than buying a house—Ed and Alanna naturally looked forward and identified their next goal: buying a house.

For the past year, Alanna has been working at Opportunity Services, doing janitorial work. A self-described artist, ("I draw pictures") she admits that she'd sometimes rather stay home and "watch soaps," but realizes that she must have a steady income if she wants to buy a house. Alanna plans to decorate her future home with some of her creations. Ed has worked at Pizza Hut for two years. He washes dishes, cooks, and makes pizza dough.

with home-ownership. "I (would be) happy owning my own house," Ed says.

Ed and Alanna say that the hardest thing about buying a house is saving money, while their staff says the hardest thing was "figuring out how the money works." Being patient, they all agree, is also tough. And the most exciting thing? "Getting a house," Alanna sighs.

Being their own landlords, something about which the St.

Ed, Alanna, and friends toast the purchase of their new home.

Like many other people who want to own their own home, a number of factors motivate Ed and Alanna. They would like privacy. They would like the freedom to arrange their home however they like; to paint the walls different colors. They would also like to know the gratification that comes

Manes have only dreamed, may someday become a reality. "I love my landlord," Ed points out, "but (I want to be) my own landlord." Persistence and determination have helped the St. Manes achieve insurmountable goals. It will, in the end, help them with this one.
At this early stage, it's best to get the clearest picture of what you want in a new home.

Below is a checklist Ed and Alanna used to determine if they could buy a new home.

- **Pros and cons of owning a home versus renting:**
  - **Pros:**
    - Ownership
    - Equity
    - Decorate/redo as you like
  - **Cons:**
    - House payment
    - Taxes
    - Major repairs cost a lot of money
    - Can't move often
    - Large down payment

- **Responsibilities**
  - Must pay house payment and bills
  - Won't have as much money for leisure
  - Yard work/snow removal
  - Must keep house maintained and clean
  - If pets ruin things, you have to replace them
  - Have to be a good neighbor
  - Have to keep steady job to pay bills

- **Budgets**
  - Licensed site vs. unlicensed site?

- **Other Considerations**
  - Location
  - Affordability
  - Jobs in close proximity to home?
  - What size town do we want to live in?
  - What do you need to be near (stores, restaurants, entertainment, family, public transportation)?
  - Do we want a condo/single family home?
  - What kind of social contact do we need?
  - Other lifestyle considerations?

- **Down Payment**
  Each person can have up to $2000 in savings/saved gifts. Other options include donations from family members, churches, civic organizations, loans that require little down payments, and contract for deed mortgages.

- **Is my support system for assistance from family, friends, church, case manager, provider in place?**

  The St. Mane's opened a savings account they called their "house
account" and had goals to deposit a fixed amount of money each month to save for their house.

Ed and Alanna were known for their reckless spending habits and would often spend their paychecks before paying their room and board and other bills. Buying their own home motivated the St. Mane's to make their payments on time. After two years, they managed to save $1800 and pay off their room and board bills to CCP.

When saving money, keep in mind that each consumer who receives benefits has a $2000 limit on the money they can have on hand. We opened two bank accounts in addition to the St. Mane's house account, so if Ed exceeded his $2000 limit, we could deposit money into Alanna's account.

In order to be approved for a home loan, you need to have an established credit history. This can be a catch-22 situation for many of the people we serve. To get a credit account, you must have a credit history; to have a credit history you have to have a credit account.

We resolved this dilemma by getting a loan from Ed and Alanna's bank. In the St. Mane's case, the bank would only approve a secured loan since Ed and Alanna had no credit history. So the St. Mane's applied for a $500 Certificate of Deposit at the bank, and used it as collateral to obtain a loan (for $500) from the same bank. Next, they purchased furniture with the loan money and paid the loan off over the course of their payment.

Minnesota had a subcommittee working on consumer-owned housing.

They were collaborating with Fannie Mae, DHS, and First Star Home Mortgage Corporation, trying to establish a program to make mortgages available to people with disabilities. Through Arc, we learned about who to contact at the bank and DHS, and we received information about guardianship issues.

We also met a father at the Arc subcommittee meeting who was trying to purchase a home for his son who was disabled. His biggest problem was that his son was not his own guardian, and therefore had difficulty getting a loan.

Ed, Alanna, and this man's son participated in a case study, providing information to Fannie Mae, Firststar Home Mortgage Corporation, the Department of Human Services. This helped us immensely because so many people reviewed the information from the case study and used it as a pilot project. Consequently, we developed a mortgage option that would work for Ed and Alanna.

During this process, we also talked with Firststar Home Mortgage Corporation.

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Getting Advice and Assistance

Even with the St. Mane's credit history established, we still had problems getting connected to banks, financial assistance, and information. At this time, Arc...
Corp. They thought they would be able to help Ed and Alanna obtain a mortgage.

Ed's Case Manager contacted John Hastings from the Department of Human Services to get information about the mortgage application and how the service agreement should look. Next, we met with Karen Phelps at Firstar and signed papers to be pre-approved for the mortgage.

Karen did a great job explaining the paperwork to Ed and Alanna. Alanna's conservator and Ed's Case Manager also attended this meeting.

When we applied for the mortgage, we needed to provide Firstar with the following information:

- Checking and Savings accounts statements
- Certificate of Deposits
- Any other account statements to show they had enough money for a down payment
- Copy of home ownership seminar attendance
- Pay stubs for last 30 days
- Copy of Room and Board payments to CCP for the last year and any balance owed
- Copy of readetermination letters for SSI and RSDI
- Letter from the county financial worker explaining SSI.

GRH, and how GRH rate may fluctuate, but the bottom line will always equal a set amount

- Copy of loan payment and balance

After about a month, Ed and Alanna were approved for a mortgage. Even though we were approved for a mortgage, we failed to alleviate all concerns about financial issues. So Ed and Alanna's support team arranged a meeting with the county financial worker and the licensors to discuss the pros and cons of living in an unlicensed versus a licensed home.

We discussed the financial implication of both models, licensing rules for live-in staff, developing a service agreement, and who would make the mortgage payment:

We chose a licensed site because we needed to have enough money in Group Residential Housing (GRH) to cover house payments and room and board expenses, and for CCP to provide the necessary support. This meant that Ed and Alanna would need to accommodate a live-in staff and still have the privacy they wanted in their own home.

We also decided that Ed and Alanna would have a service agreement with CCP, exchanging live-in quarters for adult foster care and routine maintenance.

The maintenance agreement allows CCP to make routine maintenance; Ed and Alanna take care of major repairs as any other homeowner would. CCP also set up an account into which Ed and Alanna would deposit $100 per month for major repairs.

The "major repairs" account is money set aside each month from their room and board income. If the St. Mane's chose to leave CCP, the money in this account would go with them, as would any appliances and furniture that did not have any outstanding lease payments.

If they need a major repair completed and do not have enough money, CCP may, at their discretion, lend the St. Mane's the money. The service agreement is updated annually. The major repairs account deposits will vary, based on property tax increases. CCP makes the St. Mane's mortgage payment. (For a sample copy, contact Melody Blalke at CCP.)
How Ed & Alanna bought Their Own Home

To be eligible for a mortgage, Ed and Alanna had to take a home ownership class. They enrolled in Homelinks' "Home Ownership and Mortgage Education Seminar." The class is free, unless you want to get a credit report, which is $12 for an individual and $18 for a couple. Carol Wiklund is the Homelink instructor.

The class met four times in the evening. Students were given a booklet of information and homework assignments.

Unfortunately, the class was not adapted to persons with developmental disabilities. Nonetheless, Ed and Alanna managed to learn some of the material with the assistance of staff who accompanied them to the classes and helped with the homework assignments.

(Arc Minnesota is also considering providing individualized financial counseling for persons with developmental disabilities who are interested in buying a home.)

Ed's Case Manager arranged a conference call between herself, John Hastings at DHS and CCP to get information on the mortgage application and how the service agreement should look. John Hastings looked at the information from case study and told us how to complete the financial section on the mortgage application, and what to include in the service agreement. We then met with Karen Phelps at Firstar.

Ed and Alanna signed papers to be pre-approved for the mortgage, and we gave Karen all the information she requested. It took about a month before they found out if they were approved for a $75,000 mortgage called the "American Dream program".

Their closing costs were $1,500; or 2% of the mortgage. The St. Mane's also qualified for a second and third mortgage for the rest of the $40,000 needed for closing costs.

Next, we found a realtor to help Ed and Alanna buy their house. We used Ralph Peterson from Edina Realty who has helped CCP find homes in the past, and who is familiar with basic licensing requirements.

We also found out that under...
the waiver, there was a new amendment making it possible to use $500 per person for finding a home.

Ed's Case Manager put together a job description and list of requirements for this money. She then contracted with Lisa Kroese, who has a real estate license and has experience providing residential services to persons with developmental disabilities, to help the St. Mane's find and purchase a home.

(You can receive guidelines for using this money and a sample job description from Jenny Mateer, Washington County Case Manager.)

Ed, Alanna, and Lisa Kroese started looking for homes in the areas in which they wanted to live. Some of the issues we focused on included finding a decent home for about $75,000 and acting quickly enough to get it.

Because of Alanna's conservatorship status, and the Case Manager's interest in being a part of the decision-making process, we needed to contact the interested parties quickly. When a potential home was found, they, in turn, needed to be available to look at the property at a moment's notice. Eventually, the St. Mane's found a house in Newport and signed a purchase agreement, contingent upon the housing inspector and licensing approval.

Both the Fire Marshall and the County 203 licensor inspected the house to make sure it met licensing criteria, and recommended modifications to be completed before Ed and Alanna could move in.

A portion of the expense of the modifications was paid by CCP, and a portion was paid by the County, using adaptive equipment funds.

**Where Are Ed and Alanna Now?**

According to Mike McGee, Consumer Services Director for Washington County Community Services, Ed and Alanna St. Mane have been doing well since they moved into their new home.

Ed has a new job in Woodbury as an industrial dishwasher for Marriott. He says that he likes his boss and his new job. Ed's next goal on his "wish list" is to get his driver's license and to buy a car. He has been taking driver's lessons and regularly practices driving with his father. Ed puts aside $50.00 per month for the purchase of a new car, which he will buy if he passes his driver's test.

Alanna was hired by Old Country Buffet in March as a bus person. She likes her new job, and she particularly enjoys meeting new people at the restaurant. Alanna has made great strides in her cooking skills, and can now cook a number of meals independently. "She makes a mean stew!" Mike McGee says enthusiastically.

Since they bought their house in summer of 1996, Ed and Alanna have been improving their housekeeping skills. Ed does most of the exterior work on the St. Mane's home, while Alanna maintains her home's interior.

Ed recently purchased a set of home-improvement books, and has many ideas for renovation projects, such as installing new carpeting and vinyl flooring, and painting the interior and exterior of his house. The St. Mane's work with their staff to budget for these projects.

Although they receive frequent assistance from their staff, both Ed and Alanna continue to work towards becoming more independent, the most important goal on their "wish list".
Chapter Four:
Where to call for more information.

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900 Payne Ave.
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Firstar Home Mortgage Corp.
1550 E. 79th St. West, Suite 201
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(612) 852-6369

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Printed Resources:
A Guidebook to Consumer- Controlled
Housing for Minnesotans with
Developmental Disabilities.
Available from Publication Office, Institute
on Community Integration or Arc
Minnesota (see above). This guidebook, directed primarily to con-
sumers, parents, and friends, organizes
and summarizes some of the current infor-
mation and experience on consumer-
owned housing. This revised and expand-
ed edition was printed in May, 1994.

A Guide to Home Ownership (Sample Mae).
Available from Family Mae, Consumer
Education Group, 3500 Wisconsin Ave.,
This guide provides information on a wide
range of topics to help potential home
buyers obtain affordable housing. It con-
tains numerous worksheets to evaluate
available and needed resources.