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With a little help, they have home of their own

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BY BILL FREEHLING

Courtney and Samuel Parker are raising five children between the ages of 10 and 15, so they know all about the need for space.

The Parkers have been renting a roughly 1,800-square-foot house in Fredericksburg's Mayfield neighborhood. It has four bedrooms.

Thanks to a new program authorized under the Housing and Economic Recovery Act of 2008, the Parkers and their children now have more space.

The Parkers recently decided to buy a home at 812 Myrick St. in Mayfield. The price was \$119,094, but thanks to a combination of local, state and federal grants, their mortgage is for \$93,000.

"We're excited," Courtney Parker said. "We definitely needed the space."

The Parkers' five-bedroom, 2,500-square-foot new home sold for \$287,300 in December 2005, according to city property records. It went into foreclosure three years later. The assessed value is now \$197,900.

The Central Virginia Housing Coalition purchased the foreclosed home from the Bank of New York in September for \$95,000. The money came out of a \$5 million grant that the CVHC got earlier this year from the Virginia Department of Housing and Community Development to help revitalize eight Fredericksburg-area neighborhoods hit hard by foreclosures (see box).

The DHCD took in \$38.7 million in federal funds for the Neighborhood Stabilization Program. Virginia's grant money is going mostly to Northern Virginia, Richmond and Hampton Roads.

The homes are being sold to people with low to middle incomes. DHCD Director Bill Shelton called the program a way to "create additional sustainable, affordable housing solutions in Virginia."



Courtney Parker and daughters Caterah Mayfield (left) and Shamia Mayfield stand outside their home in the Mayfield neighborhood.



Richard Beland of Gasque Construction works on a home in Lake Land'Or in Caroline County for the Neighborhood Stabilization Program.

The Parkers are the first Fredericksburg-area residents to buy a home under the NSP.

"We're glad to be the first," said Courtney Parker, who works at a group home for at-risk youths in southern Stafford County. Her husband is on disability.

The Parkers moved into the house last week, but the actual closing was delayed several times due to last-minute problems with the home inspection. The heat wasn't on when they first moved in, and there were a few maintenance issues. But Courtney Parker said her family is thrilled about the new home.

Because the Parkers are first-time home buyers, they'll be able to get an \$8,000 tax credit authorized in the federal stimulus package that President Obama signed in February. They say they'll use that to furnish and decorate the home.

The nonprofit CVHC hired local firm Parker Contracting (no relation to the buyers) to make about \$24,000 worth of repairs at the Myrick Street home. That paid for new roofing, appliances, windows and other work. In most cases, \$25,000 is the most that can be spent on repair costs under the NSP.

The Parkers' sales price was the sum of what the CVHC paid for the house plus the repairs.

The Parkers were required to put 1 percent of the \$119,094 sales price into the home. That money must come from the buyers' own funds and can't be part of the loan. They were also required to go through pre- and post-purchase counseling.

The grants covered the Parkers' down payment and closing costs, which are secured by a lien that prevents the buyer from using it as collateral for a home equity loan. The Parkers must reside in the home for 10 years or risk having to pay back some of the grant money.

Because of all these requirements, said CVHC housing programs manager Mary Anne Bryant, the foreclosure rate for buyers through such special programs is typically much lower than average. She knows of just one buyer who has defaulted on a home purchase through the CVHC in the past eight years.

The CVHC estimates that each of the houses it buys, fixes up and resells under the NSP will reduce the \$5 million in grant funds by about \$25,000, mostly in the form of closing fees, discounts passed along to the buyer and administrative costs. Thus Bryant estimates that the CVHC may be able to do 200 home transactions during the life of the five-year grant.

The organization is contracted to do 32 transactions before Sept. 17, 2010. It's targeting two neighborhoods each in Fredericksburg, Spotsylvania, Stafford and Caroline that were selected in conjunction with local management teams of staff and elected officials.

Marne Sherman, Fredericksburg's community development planner, said her department helped the CVHC identify the neighborhoods to target and has been working with the buyers under the program. Other area planning departments are similarly involved, and the George Washington Regional Commission also has been playing a role.

Each of the neighborhoods was chosen because of its high foreclosure rate. The intent of the program is to improve the neighborhoods to the point that their resale markets can stand alone without government assistance. The program also reduces the number of homes on the market and provides work for area contractors.

The CVHC works with potential buyers--the organization has a list of about 17 people in some stage of pre-approval--to select the homes it purchases. The organization has to this point purchased six additional homes that will be resold.

C&F Mortgage and BB&T are providing financing for buyers.

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People interested in buying a home through the Neighborhood Stabilization Program can contact Mary Anne Bryant at 540/604-9943, ext. 11, or mbryant@centralvahousing.org.

The Central Virginia Housing Coalition is targeting the following eight area neighborhoods through this program:

SPOTSYLVANIA

Breezewood Forest

Cedarbrook

FREDERICKSBURG

Mayfield

Central Park Townhomes

STAFFORD

Courthouse Square

Hickory Ridge

CAROLINE

Lake Land'Or

Lake Caroline

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