

HJ63

CLAIMS COMMISSION
LAVONNE C. WOMACK, file no. 21053
March 17, 2008

Good afternoon. My name is Jack Logan. I reside at 318 Hartford Ave., Wethersfield. I am appearing as an interested fact witness for Mrs. Womack. I am doing this on a volunteer basis and have not received any personal compensation in the past nor will I in the future.

I retired from the business world in 1991. For most of my career I worked at Connecticut Bank and Trust Co. and Society for Savings in Hartford as a Vice-president in real estate lending.

I have always had an interest in making a contribution of my time and experience with non-profit, affordable housing organizations. I have been serving for over 20 years as a member of the board of directors of Broad-Park Development Corp. and Connecticut Hosing Investment Fund, both based in Hartford. I also am a volunteer member of the Fair Housing Task Force on predatory lending and I do volunteer mortgage delinquency counseling.

From 1995 until 2000 I worked as a paid independent contractor for the New Britain Lead-Based Paint Hazard Reduction Program as the grant coordinator. This was a \$2.2mm program sponsored by the Federal Office of Housing and Urban Development (HUD) and the State Departments of Health and Economic Development. With a total of \$10mm in federal and state funds, five towns, Hartford, New Britain, Waterbury, Norwich and New London were given grants.

HUD guidelines required that the funds be used for lead paint remediation in houses occupied by residents whose annual family income did not exceed 80% of the area's median income. My job was to take the individual applications from New Britain residents, and review their pay statements and tax returns to determine eligibility for the grant program. To be sure that the house or apartment continued to be occupied by residents making no more than 80% of median income, the property owner would sign an Agreement and a Notice of Lien, a copy of which I have attached to my remarks.

The Notice of Lien was then filed by me on the land records. It's sole purpose as it states, is to be sure that, for the next ten years, if the property is sold to someone who does not qualify for the program's income limits, then the balance of the grant must be re-paid.

If a repayment was made, DECD allowed the balance of the HUD portion of the funding to be retained by the City for re-use in the lead-abatement program.

The program was designed as a health measure. Lead paint, as you know, is detrimental to the health of a child. It was a grant and not a loan program. This is an important factor in Mrs. Womack's petition to you.

If it was a city or state sponsored loan program for property repairs or purchase, then the applicant would have undergone a much more rigorous loan review process including a credit report, a title search and a property appraisal before any funds were advanced.

In 1998, three years after the lead abatement program started, and I had processed the applications of 24 eligible property owners, I began to receive phone calls from three of the program participants who wanted to refinance their home mortgages. Since the attorney representing the mortgage lender in doing his title search would find the recorded 'Notice of lien,' I would be requested to give the lender a Subordination Agreement, thus allowing the new mortgage to appear as the first lien on the public land records.

The lead abatement program's governing committee, which met weekly, and was headed by the New Britain Health Director, authorized, at my recommendation, the granting of the Subordination. Since the lead abatement program was a grant and not a loan repayment program, I was instructed by the program's director to have the subordination signed by the Mayor of New Britain as the chief elected official.

This I did for the first two requests and sent the signed subordinations to the mortgage lender's attorney.

The third subordination was reviewed by the City Corporation Counsel who wanted to get an okay from DECD as they were named in the Notice of Lien. DECD initially said no to the request as their standard loan repayment programs did not allow subordinations. The home owner protested- first to DECD and then to the governor's office and she obtained her subordination.

Then, in 2000, Lavonne Womack needed a Subordination to refinance her mortgage. She will address her efforts to get it, but she was unsuccessful and instead on June 1, 2000, at her mortgage closing, she paid off the balance of the grant, with her attorney's check, in the amount of \$ 6,938 to the City, and another check to DECD in the amount of \$11,241.

The 'Notice of Lien' was then released from the land records.

I felt badly, as I had explained the program's requirements to her. Because neither a title search nor an appraisal was required, I never thought the City or DECD would object to a subordination request. I told her she was being badly abused and suggested she hire an attorney.

The law firm she hired filed the suit in New Britain Superior Court in October 2000. The reason the State was not named as a defendant was that by then DECD was letting the City make the decisions on subordination requests. The program did not involve any City funds, yet the City, like DECD had, was treating this grant program like their other payable loan programs that were fully underwritten with credit reports, title searches and property appraisals.

During her years of struggle, the DECD could have solved the problem simply, as it had been suggested, by returning to Mrs. Womack's her \$11,241 check and re-filing a 'Notice of Lien'. A simple solution, but it was not done.

Perhaps the best way to describe what happened is to quote an unnamed author who commented: "Bureaucracy makes an effective political forum for redressing grievances next to impossible."

I would urge the committee to apply the statutory interest rate allowable for this wrongful detention of money by the state.

Thank You.

John J. Logan

NOTICE OF LIEN



KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Lavonne C. Womack of the City of New Britain, County of Hartford, and State of Connecticut, (hereinafter referred to as "grantee") has received or is now receiving a grant-in-aid from City of New Britain, provided with funds of the State of Connecticut, and the U.S. Department of Housing and Urban Development (HUD), in the amount of twenty-two thousand , seven hundred and twenty-five dollars (\$22,725.00) in conformance with and under the provisions of Section 8-219e of the Connecticut General Statutes, as from time to time amended.

NOW THEREFORE, in exchange for said grant-in-aid, grantee hereby gives a LIEN upon the real property described below for the aggregate amount of said grant-in-aid made to or on behalf of said grantee; and these presents shall and do constitute a LIEN in favor of the City of New Britain in the amount of eight thousand six hundred and seventy-two dollars (\$8,672.00) and the State of Connecticut, Department of Economic and Community Development, its successors or assigns in the amount of fourteen thousand and fifty-three dollars (\$14,053.00). Said LIEN shall guarantee the affordability of said property and shall guarantee to HUD repayment of the grant, as set forth below, if the property is sold or rented within ten years of the date hereof to a Buyer or tenant who does not qualify as to the maximum allowable income as established and periodically changed by the Federal Department of Housing and Urban Development (HUD), under the Residential Lead-Based Paint Hazard Reduction Act of 1992 (P.L. 102-550).

CITATION:

Being known as 28 Wallace Street, City of New Britain, County of Hartford, State of Connecticut, and more specifically described in Schedule A hereto.

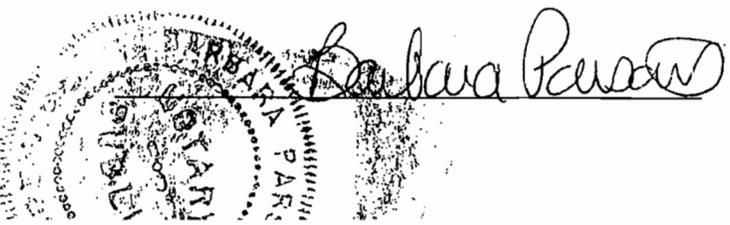
The City of New Britain and The Connecticut Department of Economic and Community Development hereby agree that on each anniversary of the date hereof, the balance due hereunder shall automatically be reduced by ten percent (10%) of the original amount and said LIEN shall fully expire, by its terms, ten years from the date hereof.

IN WITNESS WHEREOF, the grantee has executed, these presents, on this 14th day of November 1997, at New Britain, Connecticut.

Signed, sealed and delivered in the presence of:

[Signature]
WITNESS

[Signature]
BY: Lavonne C. Womack



Edward LaChance

03/22/2000 08:56 AM

To: Elliot Stone/ECONDEV
cc: Richard Cofrancesco/ECONDEV@ECONDEV, Terrie Alderman/ECONDEV@ECONDEV
Subject: Re: Loan Payoff

The Womack's have requested that a DECD and City lien relating to a lead paint project be subordinated so that they can refinance. Rich Cofrancesco already gave the City the go-ahead to subordinate our portion of the of the lien. The problem is that the City Development Department is now holding up the subordination while we're somehow still getting blamed for holding it up. I'll call the mortgage company and let them know, but I don't think there's anything for us to do.

Elliot Stone



Elliot Stone

03/21/2000 04:41 PM



To: Edward LaChance/ECONDEV@ECONDEV
cc:
Subject: Loan Payoff

Hi Ed!

Terry Alderman in our Fin. and Adm. Div. was called about a loan payoff of a lead loan in New Britain for the following people:

William and Lavonne Womack

Please contact Conesco Finance at 1-800-323-2107 and ask for Melissa in order to arrange what needs to be done.

Thanks.

Called 3/22/00

Spoke on 3/27/00

Claim Commission #21053

Lavonne Womack

March 17, 2008

Good afternoon Madam Chair /Mr. Chair and member of the committee. My name is Lavonne Womack of 28 Wallace Street, New Britain, CT. My problem began back in 2001, but previously in 1999, as a homeowner making less than 80% of the area median income for a family of four, I was eligible for, and received, a grant of \$22,500 for lead paint abatement for my house. In New Britain the program was carried out under the direction of the City of New Britain Department of Public Health. My husband was laid off from the Hartford Insurance in that same year, which made us become eligible without his salary.

In 2001, I was in need of funds to pay for an unexpected expense and to make medically required property improvement for my son who is diagnosed as autistic and has a learning disability. The mortgage company required a subordination of the Notice of Lien that the program had place on my property with my permission.

I contacted John Logan, the person who took my application and had explained the New Britain Lead-Based Paint Hazard Reduction Program to me. He informed me the City of New Britain and DECD had previously subordinated the notice of lien requested by another homeowner in the program. I was shocked when I was told by the local DECD representative that DECD would subordinate only if the City would, and that the then Mayor of New Britain refused my request.

I spoke to several people at the City of New Britain and was advised that they refused my subordination because our family income was now, two years later, above the 80% median income for the lead abatement program. I cannot believe that the City of New Britain and the state DECD would want me to remain at the 80% median income for ten years. Mr. Logan assured me there was nothing in the agreement to restrict my family earning power for the next ten years, the HUD required period for the Notice of Lien. He also said the City's position was draconian. I was not trying to move or do anything illegal. I was just trying to provide a safe and secure home for my autistic son and pay a few bills that were behind, due to my husband being laid off. I then paid the price by delaying my plans for my family's future by paying the balance of the grant off, getting the Notice of Lien released and closing on my new loan from the mortgage company.

Mr. Logan told me I was entitled to the subordination and he suggested I should engage an attorney. My attorney told me we couldn't sue the state without their permission and it was the City that was the problem. Prior to the filing of the lawsuit, I asked for help from my local Alderman Tim O'Neil, Congresswoman Nancy Johnson, U.S. Senator Christopher Dodd, but to no avail.

Finally, in 2005 with the strong urging of Judge Robinson, the City of New Britain agreed to return my \$7,000 rather than go to trial. I then requested, for the third time, that the State DECD return my \$11,241.00 to me.

I asked state DECD Deputy Commissioner Angelo to look into returning my \$11,241.00, but he refused because he stated that the State of Connecticut was not a party either to the grant or the lien agreement with me, yet the Notice of Lien clearly states that the lien is in favor of DECD in the amount of \$14,053.00.

I am at the end of my rope. That is why I am sitting here before you today requesting your help. I have paid \$11,169 in attorney fees plus sacrificed several plans for my family, especially my autistic son who is still in need of services. Judge Robinson has ruled in my favor. Why can't the State of Connecticut do the right thing and return my money and reimburse me for my legal bills, copies of which are attached to my testimony?

Thank you,

Lavonne Womack

CLAIM

Return of check amount	\$11,241.
Allowable penalty interest 10% from 2000-2007	\$12,855.
Reimbursement of legal fees	<u>\$11,169.</u>
Total Requested	\$35,265.

CHRONOLOGY

May 2000	Check of \$6,938. to the City of New Britain Check of \$11,241. to DECD
October 2000	Lawsuit file against City of New Britain by Berman and Sable alleging Breach of Contract, Equitable Estoppel and Racial Discrimination
2002-2003	Two written requests and rejections by DECD for return of \$11,241.
May 2005	Jeffrey J. Drewniary, Esq. meets at Pretrial Conference with Hon. Richard Robinson.
July 2005	Rounded check in the amount of \$7,000. issued by the City of New Britain.
April 2006	Final request, based on City return of check, to DECD for return of check of \$11,241.
August 2006	Final rejection by DECD Deputy Commissioner Ronald F. Angelo.
February 2007	Filing of claim with Claim Commissioner.
September 2007	Rejection of claim by Claims Commissioner.
September 2007	Appeal to Judiciary Committee

Refer No. 2006 01 00055 Check Date 07/07/2005 Check No. 3016784 Claim Date 07/07/2005 Vendor No. N/A

Account No. PO No. Invoice No.	Description	Project	Amount
001-0300-0202-677	FISCAL YEAR END		7000.00



THIS CHECK IS VOID WITHOUT A BLUE & GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT AN ANGLE TO VIEW

CITY OF NEW BRITAIN

27 West Main St
New Britain, CT 06051
860-826-3434

PRESENT THROUGH

Banknorth
Glastonbury, Ct.

51/309
111

CHECK NUMBER

3016784

CHECK DATE

07/07/2005

CHECK AMOUNT

\$*****7,000.00

GENERAL FUND

Seven Thousand And No/100 Dollars

PAY TO THE ORDER OF: LAVONNE C WOMACK & JEFFREY J DREWNIANY ESQ
HER ATTORNEY

AUTHORIZED SIGNATURE
BORDER CONTAINS MICROPRINTING

⑈03016784⑈ ⑆011103093⑆ 4240158504⑈