

# CONDO CATASTROPHE

**Part 1: Condo owners seek justice, Six-year battle over crumbling wall plunges homeowners into bankruptcy**

*By Laurel Bill  
Staff writer  
The Anchorage Chronicle*

**Kelly Ramharter and her mother, Ilene, felt pride of ownership when they bought their first home six years ago. Now it's an albatross around their necks that's forced one of them into bankruptcy and placed the other in a financially precarious position.**

In 1998, the Ramharters pooled their savings to purchase a home in the Century Townhouse Condominiums Association off Lunar Drive in East Anchorage. Kelly Ramharter, who works for ACS Communications, and Ilene Ramharter, a cocktail waitress at Ted Stevens International Airport, thought they'd done everything right. They'd gone through a real estate agent, had the unit inspected and read through the minutes of past association board meetings to see if anything was amiss. Little did they know that their Vista Real Estate agent, Nancy Held, eventually would be indicted and convicted for real estate fraud in other cases. "She told us we'd get \$25,000 back as first-time homeowners if we stayed for so many years," Kelly Ramharter said. "She said that money would go a long way toward fixing this place up." The women later found that Held had lied. They also learned that the home inspector, recommended by Held, didn't do a very good job of inspecting their property, and that the condo association board of directors had a history of withholding information about flooding problems.

## **Disaster strikes**

"The condo needed some work," Kelly Ramharter said of the unit built in the early 1970s. "But Nancy Held talked us into it. She said it was a good starter home, and we'd make a few dollars after a couple of years." The women spruced up their three-story home with new carpeting, paint and bathroom fixtures charged to Ilene Ramharter's credit cards. But when a wall of water burst into their basement in the spring of 1999, soaking everything in four feet of water, it destroyed all their hard work on the lower level. "It was clear water," Kelly Ramharter said as she pulled an engineering report from a one-foot-high pile of legal documents sitting on her dining room table. "We thought it was a broken pipe, so we called a plumber." It wasn't a broken pipe. A contractor, hired by the Ramharters, found substantial cracks in the condominium's concrete block wall that allowed water from a natural spring to rush into their basement.

The Ramharters said they contacted their self-managed condominium association president and vice president. "They told me to put all my boxes up on two-by-fours," Ilene Ramharter recalled. "What's a little water?" they said." It soon came to light that many people had known there was a flooding problem in the Ramharters' unit. "I knew the basement flooded," said neighbor and Century Townhouse condominium owner Joyce Vance. "Billie (Claire Lewis, the previous owner of Ramharters' unit) would come over and tell me. She got tired of the basement flooding and not getting any help from the board."

### **Ramharters file lawsuit**

The Ramharters filed an insurance claim with Allstate Insurance Co., even though they said they were advised by board members not to do so. "As soon as I made the claim, (Allstate) dropped the policy. They said it (damage to the wall) was earth movement (and not covered)," Kelly Ramharther said. The Ramharters then sought to fix their crumbling wall problem through negotiations with Lewis, who did not disclose the flooding problem as mandated by law, Nancy Held at Vista Real Estate, who acted as a dual agent, and Century Townhouse Condominiums Association board members. When the negotiations failed, the women filed suit against the aforementioned parties in December 1999.

As their lawsuit wound its way through the legal system, another disaster hit the women. In September 2001, a fire destroyed much of their upstairs living space. "The fire department pulled a ball of wire from my granddaughter's bedroom wall," Ilene Ramharther said. "In the pipeline days, excess wiring was never cut away. Just stuffed in." "We lost everything," Kelly Ramharther said. "New carpeting, bedroom sets, bathroom vanities. Thousand of dollars, no insurance, gone." The women shook off their hard luck, regrouped and redecorated their unit. And when their 1999 lawsuit ended in an award of about \$50,000 in March 2003, the women felt comfortable that the association would fix their wall by the court-ordered date of June 30, 2003. Thirteen months later, the wall still isn't fixed.

### **Ramharters' attorney speaks out**

"I'm very angry about what happened to them," said Richard G. Haggart, a lawyer who represented the Ramharters in their legal action. "In this case, multiple people are responsible - Lewis, the real estate agent, the association." Haggart said the Allstate policy, which insured the Century Townhouse Condominiums during the time leading up to the discovery of the crumbling wall, specifically excluded water damage. "We sued the board of directors for negligence for how they handled the matter," Haggart said. "Under officers' and directors' liability." The attorney added that the directors failed to act on the water flooding problem and actually tried to cover it up to protect their property values.

"As long as the condo association didn't get involved, everybody could sell their units," Haggart said. "None of the people in that association can sell their condos now." He thinks one answer to help others avoid what happened to the Ramharters is to have more and better inspections of common areas in Anchorage's condominiums. "If you don't have a way for middle-class people to find redress when they've been cheated in a real estate transaction, you haven't accomplished anything," he said. "The only right they've got now is to go to court and sue."

### **Other owners suffer**

The Century Townhouse Condominiums development is comprised of four residential buildings, each of which contains four units. The unresolved problem of the Ramharters' wall is adversely affecting many of the other condo owners, too. Ulber and Urime Ferati, who live in the same building as the Ramharters, are concerned for their family because the wall keeps deteriorating and shifting. "I sleep with one eye open, one eye closed every single day," said Ulber Ferati, who lives with his two children and his parents in addition to his wife. "The building is not safe."

Next-door neighbors Nelson and Lisa Bruce are suffering, too. Their unit is developing cracks in its walls. "In the spring of 2003, we found water and mud pouring in," Nelson Bruce said as he points to a multitude of cracks in his basement wall. "We pulled the sheet rock and insulation off and found the whole foundation was crumbling." Bruce said he also noticed that some of the insulation covering some of the cracks was newer than the rest of the insulation. "It wasn't disclosed (that there had been a water problem in his unit)," Bruce said of the home he purchased in the fall of 1999. "We sank all our money into buying this place." The Bruces also have another serious problem. Raw sewage regularly burps up from a hole in their basement floor. They said the condo association failed to adequately address the problem, and they had to gut a fully finished basement. The Bruces now operate an air purifier 24 hours a day in their home to make the stench from raw sewage bearable, they said.

### **Caught in a nightmare**

The Ramharters, Feratis and Bruces all say they are living a nightmare. And no one can sell or move until the condos' issues are resolved. Ilene Ramharter filed for personal bankruptcy last month. Her plan to live in the condo for a few years, redecorate it and then sell it for a profit went down the storm drain along with the water two sump pumps suck out behind her unit every day, 24 hours a day, 365 days year. The Feratis say they feel trapped, too. "I want to move on with my life," Ulber Ferati said. "I want my kids to be safe in my house," said Urime Ferati.

Nelson Bruce recently filed for bankruptcy, too. He lost his job in September 2003 after an on-the-job accident forced him to quit work as a steward at Hiland Mountain/Meadow Creek Correctional Center. And his wife had to leave her job at The Alaska Club this spring to fight ovarian cancer. "We can't sell," Bruce said. "We're going to lose \$60,000 in equity. It's just sickening." His wife said the couple recently applied for public assistance, but were turned down. Ironically, they were told they had too many assets. "Unsellable assets," Lisa Bruce said, looking around her home and out the window at the couple's older vehicles. "If we could sell, our \$60,000 in equity would keep us from being a burden on society for a while."

The Bruces are currently working with their lender, Wells Fargo Bank of Alaska, to see if something can be done to keep them in their home. "If they kick us out, they'll quickly realize that they have real estate that is unsellable," Bruce said on his way out the door to polish a 1986 Volkswagen van, a vehicle he hoped to sell to pay bills.

### **Down but not out**

Kelly and Ilene Ramharter recently filed a breach of contract lawsuit against Century Townhouse Condominiums Association, its board members and Hoffmann Commercial Inc. Management Co., which took over management of the condominiums earlier this year. Kelly Ramharter said her mother's and Nelson Bruce's bankruptcies are "a direct result of the Association not repairing and not being responsive to our need to repair the damaged foundation and wall in our buildings."

Hoffmann Commercial Management did not return telephone calls from The Chronicle in inquiring about the wall repair issue. Century Townhouse Condominiums Association Vice President Richard Guzy, however, offered this response: "It's a long story," Guzy said in a telephone interview. "A lot of things have come up. One owner has been suing the condo association."

Guzy, who has served on the association's board for several years, said that Hoffmann Commercial took over management of the association and is trying to take care of the problem. "The woman who originally moved in caused a lot of the trouble, and although the suit has been settled, she's dragging it on," he said. "If she stopped, it might get fixed."

But Kelly Ramharter said she will not stop trying to seek justice as long as she has to look at a 15-foot-deep trench just outside her dining room door, a spot where a deck should be sitting. "They've had six years," she said. "I'm not going to give up without a fight."

### **Permit fell through cracks**

Meanwhile, Grant Morley of G.A.M.E.S. Architectural Design Services checked into the Century Townhouse Condominiums Association wall problem as a favor to Ulber Ferati. Ferati, who owns Fiori D'Italia in Spenard, wanted to know how Morley got a permit from the city to build an addition to his restaurant in just six weeks. "(Ferati) said, 'How come our condo association couldn't get a permit (to repair a wall) in four years?'" Morley said.

The city did not respond to The Chronicle's request for information.

After searching through 83 pages relating to the Ramharters' problem the crumbling wall in a file at the municipality's code enforcement office, Morley said he thinks the lack of action stemmed from a lack of communication between all parties, including the homeowners, board members, contractors, engineers and architects. "Everyone was looking for the others to fix the problem," Morley said. He added that no one took the leadership role to do the work. "No one applied for a permit (to move forward with the repair process once an engineer had completed the scope of work in 2000).

The city's extensive file on the Ramharters, which dates to late 1999, started when the women initially filed their complaint with the municipality because the wall was not being fixed. That led to inspections, stop work orders, dangerous building findings, notices of code violations and a host of other actions that created a pile of documents, but didn't get the cracks in the wall fixed. "It's a mess," Morley said.

### **Wall repair may be on track**

Morley recently obtained a permit from the city to repair the wall. But he says he's sure that bids for the work will come in well above the Ramharters' \$50,000 judgment. "The city changed to the international building code in 2003," Morley said. "Instead of just designing for gravity load, we now have to design for seismic, snow and wind loads for repair work."

He said the north wall of the Ramharters' building also is out of alignment by about an inch, and he thinks contractor bids will come in substantially higher than what the condo association has set aside for this repair. Where will the extra money to repair the crumbling wall and foundation come from? "We'll (the homeowner's association) have to get a loan," Kelly Ramharter said. "The board wants to assess everyone (about \$10,000), but no one has any money." If the board chooses a contractor, Morley said he thinks repair work could begin by Sept. 1 and be completed by Oct. 31. Meanwhile, repairs to the Bruces' now crumbling wall and sewage problem have yet to be addressed.

Next week: Real estate experts share tips on how to avoid the kinds of problems in home-buying that now plague the Ramharters, Feratis and Bruces.

# CONDO CATASTROPHE

**Part 2: Buyers Beware, Some Mortgage Loan Officers in Alaska are Ex-Cons and Worse. "Predatory lending is increasing and becoming more and more of a problem here."-Barb Worley, director of lending at Anchorage Neighborhood Housing Services.**

*By Laurel Bill  
Staff writer*

*The Anchorage Chronicle-August 19<sup>th</sup> 2004*

**Kelly Ramharter said her blood started to boil when she saw an advertisement in a local paper recently advertising a business run by Nancy Held. Held is the real estate agent who sold her a condominium six years ago that has forced Ramharter's mother into bankruptcy and pushed her own finances to the brink. Now, Held is dealing in mortgages.**

"I can't believe it," Ramharter said as she looked at Page G2 of the Aug. 13 classified section of the Anchorage Daily News. "After what she's done to me and my mother, that she's still in the business. I just can't believe it."

Held, who encouraged the Ramharters to purchase a faulty unit in the Century Townhouse Condominiums Association in East Anchorage in the late 1990s, has been linked to several cases that involved creating false documents in order to get HUD-insured loans for home buyers. But Held said she did not deceive the Ramharters and did not know about the flooding and foundation problems. "I'm a realtor, not a home inspector," she said in a telephone interview Monday. "That's why I hired a home inspector."

A grand jury indicted Held for allegedly falsifying tax returns for a potential buyer in 2001. When her client couldn't come up with two years of documented income in 1996, Held and a loan officer named Delynn Brouillet, of now-defunct City Mortgage, created false tax returns for 1994 and 1995, according to charging documents. In June 2003, Held was convicted of making false statements in other cases involving falsified records. According to federal court transcripts, Held, again working closely with Brouillet, "phonied" up rental agreements to boost the income of clients so they would qualify for HUD-insured loans.

## **Ex-realtor now in mortgages**

Two months ago, Held turned in her real estate license. But she apparently is still working in the real estate business. Only now Held doesn't have to work with an allegedly shady loan officer. She works directly in the mortgage business, herself. A phone call to Anchorage Home Mortgage Co., owned by realtor William B. Minuse, revealed that Held is working there, offering to find low-interest, no-down-payment loans for folks who have been through bankruptcies, have high debt or are credit-challenged.

"What I was convicted of has nothing to do with my job as a realtor," Held said. "It had everything to do with what the loan officer did."

But during Held's trial, homebuyer Joseph W. Albrecht testified, that it was Held who handed him a folded piece of paper that only showed a signature line while he signed documents related to the purchase of his new home. When he asked her what the paper was for, Albrecht testified that, "She kind of laughed and said, 'well, you ... you don't want to know.' " Albrecht said when he opened the paper, he saw it was a fictitious rental agreement for his old house with a tenant he'd never heard of. Albrecht told the court that he had never talked about renting his old house. But the false information provided on the rental agreement boosted his income enough to qualify him for a loan insured by the U.S. Department of Housing and Urban Development.

HUD looks for a benchmark ratio of 29 percent when it divides mortgage payments by total income on applicants' loan applications. When unscrupulous mortgage brokers inflate people's income in order to qualify them for loans, they put buyers in a potentially devastating position where they can't make mortgage payments or keep up with other debt.

A jury found Held guilty of making false statements last year, but during the sentencing phase in March 2004, the court took into account Held's ill health. Instead of prison time, she got four months confinement in her own home, two years probation and a \$5,000 fine.

"I wish they'd called me to testify," Ramharter said, as she looked out her dining room door at a 15-foot deep trench - a six-year reminder that Held sold her a home with a crumbling wall and foundation. "She still gets to make money while we're stuck in this hellhole."

### **No license required in mortgage business**

"I think she's (Held) walking a fine line," said Margo Mandel, an investigator with the state Department of Community and Economic Development Division of Occupational Licensing who accepted Held's surrendered realtor's license on June 2.

Since the state of Alaska currently does not require licenses for mortgage brokers, Held's newfound career doesn't fall under state scrutiny, Mandel said. However, the Anchorage Mortgage Bankers Association currently is working toward developing legislation that would regulate mortgage companies and require licenses for brokers. "We would like to be licensed as an industry," said the association's out-going president Hilde Stappgens, an employee in the home mortgage department of Wells Fargo Bank Alaska. "But any kind of licensing adds a burden on the state. We need to plan carefully, so the cost of monitoring is easily absorbed by the industry itself."

John Carman of Homestate Mortgage Co., the association's president-elect, agreed. He said the lenders group is looking to see what other states have done. Alaska's mortgage companies need to be regulated, Carman said, because right now, anyone can start a company and offer mortgages. "New ones (are popping up) all the time," Carman said. "The best thing to do is ask someone who has experience, like a realtor (that you trust, before you choose a mortgage company)." He said people should be leery of advertisements that offer loan fixes to those who have less-than-perfect credit.

"Those loans are always available, but they always come with a high price," Carman said. "Be cautious that you don't get in over your head."

### **Predatory lending**

Predatory lending is on the rise in Anchorage, according to Barb Worley, director of lending at Anchorage Neighborhood Housing Services. Worley, who is a member of the local Predatory Lending Task Force, said only three active cases of predatory lending were reported in Anchorage in 2001, but that Consumer Credit Counseling had 38 clients report abuses in 2003, and during the first five months of 2004, its clients reported another 24 cases.

"We're seeing the same lenders being involved, but different business names," Worley said. "Predatory lending is increasing and becoming more and more of a problem here."

Predatory lending involves engaging in deception or fraud, manipulating a borrower through aggressive sales tactics, or taking unfair advantage of a borrower's lack of understanding when it comes to loan terms. Most of the people who become victims to predatory lending practices are those who lack financial sophistication, Worley said. Minorities, women, disabled persons and the elderly bear the brunt of abusive mortgage lending practices, particularly those with lower incomes and less education who do not qualify for the prime mortgage market.

"There's little lender abuse with those who have A-plus credit and have had four loans before," Carman said. "But if it's difficult to get credit, the more likely they are to take any deal that's offered."

# CONDO CATASTROPHE

## Part 3: Water hazardous to buildings; Water-related problems prevalent in Anchorage buildings

*By Laurel Bill  
Staff writer  
The Anchorage Chronicle*

### **“Moisture holds no bias for the type of structure it will affect.”-Kevin Jones, Quality Home Inspections**

If Kelly Ramharter had known that the townhouse she purchased in the Century Townhouse Condominiums Association in East Anchorage in January 1998 was going to flush her and her mother's finances down the storm drain, she never would have bought it. But no one disclosed the fact that her basement regularly flooded. Ramharter learned she had a problem when a four-foot wall of water rushed into her basement in the spring of 1999 and destroyed carpeting, furniture and fixtures. Six years later, Ramharter still waits for her self-managed condo association to fix her crumbling cinder block wall.

When she first learned about the cracks, Ramharter called Building Analysis Inc., the company that initially inspected her home prior to purchase. She was told to call her real estate agent if she had a problem. Back in 1998, home inspectors didn't have to possess a special license. But as of July 1, 2004, individuals must pass a state examination and get a state home inspection license. "The Anchorage Board of Realtors and home builders fought for three years to get that law passed," said real estate agent Eva Loken, who is also president of the Realtors' board. "Prior to that, anyone could buy a \$25 business license and call themselves a home inspector."

### **Water No. 1 problem**

To help avoid what happened to the Ramharters, the longtime Realtor said buyers should insist on seeing the home inspector's state license, and that any good home inspector will provide it. Names of qualified inspectors are available at local real estate agencies, mortgage companies and banks.

Home inspector Kevin Jones, owner of Quality Home Inspection Service, said moisture is the No. 1 problem he sees in Anchorage buildings. "Ground water, poor grading, moisture," are the prevailing areas of concern, Jones said. "Out toward Arctic and 76th, Baxter Bog (where Ramharter lives), all built on unsuitable soils. Moisture holds no bias for the type of structure it will affect."

He said he often finds non-vented roofs, which trap vapor, in older homes, too. "All problems come back to good old H<sub>2</sub>O," Jones said. Jones, who is past president and current vice president of the Alaska chapter of the American Society of Home Inspectors, said inspectors don't typically look at common areas in condominium structures.

### **Condo common areas**

"Whenever I get into a unit, if I find access to the crawl space, I'll get down there and look," Jones said. "You're inspecting what they're buying." Jones added that a buyer can request that the

inspector look at common areas, however that needs to be prearranged with the condominium association. "A lot don't want you up on their roof, for instance," Jones said, which might raise a red flag to the buyer about possible roofing problems.

Grant Morley, owner of G.A.M.E.S. Architectural Design Services, said potential homeowners also should ask for a city code compliance inspection report if they have any doubts about the condominium they are considering purchasing. "The buyer must get permission from the homeowner to allow the city to come out and inspect," Morley said. "If the homeowner won't, that's a red flag."

Ramharter said she has tips for potential condo-buyers, too. "Beware of buying in the winter," said Ramharter, who bought her townhouse when a thick layer of snow covered the grounds. "It wasn't until the snow melted that I saw the cracks in the driveway and sidewalk (and saw how the earth had shifted)."

### **Ramharter update**

Ramharter said she wishes she'd asked questions of neighbors prior to purchasing her condominium, because they would have told her that the previous owner complained constantly about flooding. And they would have told her that the association's board members had a habit of ignoring the problem. But her six-year battle with the condominium association, city and contractors to repair her building may be close to resolution. Officials at the Municipality of Anchorage Building Safety Division told The Chronicle that they are not going to give the Century Townhouse Condominiums Association any more extensions of time to get the wall fixed.

"We're working with the homeowners' association to repair (the wall)," said Ronald Thompson, director of the city's building safety division. "We've given them until the end of the month (August) to let the bid." Thompson said he could not address the reason why the Ramharter's wall-repair problem has taken so long to be resolved. But he said, that since he became director earlier this year, he's been working toward resolving the issue.

And if the homeowners' association does not keep up its end of the bargain and choose a contractor to get on with the work, Thompson said the city will step in. "If they don't let the bid, we'll remove these people at the homeowners' (association) expense and relocate them until it is fixed," Thompson said.

*Reprinted with permission from Laurel Bill*

### **Condo Association Check-up**

If you own a condominium, or are thinking of purchasing one, the following checklist might give you a good idea whether your homeowners' association, which is run by a board of directors, has any symptoms of potential future legal problems.

- **Legal.** Each board member is obligated to know the applicable law and to faithfully follow the governing documents of the association. Look at the association's budgets and financial statements to see if large sums have been spent on legal fees. That might indicate a problem with the board.

- **Documents.** Does the association have a complete set of its governing documents? Does the association give its membership up-to-date rules and regulations?
- **Annual meetings.** Are the annual meetings in compliance with the association's bylaws? Are there mechanisms in place to verify results of elections if balloting is in secret?
- **Board meetings.** Are the board meetings lawful? Does the board hold regular meetings, as defined by the association bylaws? Does the board meet in secret, perhaps by telephone, and make decisions without a meeting? Does the board keep detailed records of its deliberations and decisions?
- **Finances.** The board has a duty to collect dues and assessments from the homeowners to pay for the various expenses of operating association property. Do you know who has access to the association's funds? Are there adequate procedures in place to limit access and prevent unauthorized use of the funds? Are the financial records of the association available for view to the homeowners during reasonable hours as dictated by Alaska Statutes, Title 34, Chapter 8, Section 34.08.490, Association Records?
- **Business decisions.** Look at the business decisions the board has made. Does the board have uniform and objective standards for its decisions? Does it take care to make decisions in good faith? Are there any conflicts between board members and association members?
- **Maintenance obligations.** The board is responsible for the repair and maintenance of the association's common areas and building exteriors. Does the board plan for meeting those maintenance responsibilities, including inspections, reserves and bidding/contracting procedures?
- **Civil rights.** Does the association have procedures in place for compliance with the Fair Housing Act, the Americans with Disabilities Act, State Human Rights Statutes, and local ordinances regarding unlawful discrimination?

Source: [Condolawyers.com](http://Condolawyers.com)

# CONDO CATASTROPHE

**Part 4; Research is key to buying property; Local real estate experts urge residents to become savvy buyers.**

*By Laurel Bill  
Staff writer  
The Anchorage Chronicle*

**"Ask, ask, ask. You can never ask too many questions."-Eva Loken, Prudential Vista Real Estate**

With more than 65 percent of its residents owning their own homes, Alaska now has the second-highest growth rate in home ownership in the nation. And with the average price of a single-family, entry-level home hovering around \$250,000, condominiums and townhouses are becoming attractive options for many people. Living in a commonly owned community is a nice way to avoid maintenance if the homeowners' association is healthy, but experts in the real estate market suggest potential buyers educate themselves before they buy.

"A condo is a viable form of ownership, it gives entry-level people a decent home," said Eva Loken of Prudential Vista Real Estate. "But they should look at what they're buying." Loken, who also is the current president of the Anchorage Board of Realtors, said potential homeowners need to look at the rules of the association, the dues structure and the maintenance of the buildings as well as the unit in which they're interested.

Buyers first should find out how many non-owners live in the complex, because that can affect what sort of financing will be available to them. And while people often are happy to see low monthly dues, they should consider what the homeowners' association is supposed to cover, and if that is a reasonable expectation for the dues quoted.

"Go find out why the dues are low. It is unlikely that \$60 a month or less can cover maintenance of buildings with reserves, as well as street maintenance and other common elements," Loken said. "Once the potential buyer knows what is covered, then they can make an informed decision about buying in the complex."

## **Disclosures**

By law, homebuyers must receive two important documents before the sale is finalized, Loken said. "You have to receive a resale certificate before you take title," Loken said. She added that the certificate gives information about the homeowners' association, budget, reserves and if the association is self-managed or employs a professional manager.

"State law requires disclosure of problems in The Prescribed Seller Disclosure Form," Loken said. "The penalty (of not disclosing problems) is three times the cost to cure under the law." Loken said

folks also have an avenue of recourse through the Real Estate Commission and Board of Realtors if they feel they've been duped by a real estate agent.

"They always have the opportunity to mediate through the Board of Realtors," Loken said. She said there's a surety fund, which Realtors must pay into annually, that covers investigations into wrong doings of agents. It will pay out to those who are deemed harmed after a thorough investigation and hearing or by the courts. But Loken stressed that potential condo buyers can avoid many problems if they just ask questions before purchasing any property. "A condo is not a bad form of ownership, but buyers should be educated," she said. "Ask, ask, ask. You can never ask too many questions."

### **Counseling services**

U.S. Department of Housing and Urban Development urges first-time homebuyers to meet with home counselors prior to plunging into home ownership. "Rather than calling a mortgage company, they should be contacting a counseling service," said HUD Public Affairs Officer Pamela Negri. "Counselors know of different programs available for grant money and how to qualify."

Local HUD-approved agencies include Anchorage Neighborhood Housing Services and Consumer Credit Counseling of Alaska. These organizations provide HUD-funded homebuyer education, which includes helping people make and live with budgets, purchase homes and avoid foreclosures. "We help them look at their budget and debt," said local CCC Director of Counseling Rick A. Thomas at his office at 208 E. Fourth Ave. "We put it together with them (clients) and see how much they can afford in a house."

Counselors then show the potential homeowner what is available for financing and help them get on their way to successful home ownership. The counseling service also helps hundreds of clients each year avoid becoming delinquent in their mortgage payments. "We don't want people to go delinquent," said CCC Housing Director Sharon Camarata via telephone from Fairbanks. "The bank doesn't really want back the home."

*Reprinted with permission of Laurel Bill, Staff writer, The Anchorage Chronicle*