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**At last, in the driver's seat**

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Loan program for low-income people makes cars affordable

By EDWARD L. KENNEY Staff reporter

Some people might look at James Gadsden's '84 Mercedes Benz station wagon and see an old car. He sees a godsend, even with 263,000 miles on the odometer.

"The minute I got the keys to the car, a window of opportunity opened up to me," said Gadsden, 24, of Wilmington. "It's helped me so much."

Gadsden is one of 17 people who have been approved for car loans since the Ways to Work Family Loan Program shifted into gear in January, helping low-income clients buy wheels to get to work. An open house is planned Thursday to let others know about the loans, and some of the nine applicants who have already bought cars will show them off and answer questions.

Gadsden, who bought his car from a private seller for \$1,500 about three weeks ago, will be happy to tell anyone how he went without a car for 14 months, how he had to walk, ride his bike, take the bus or bum a ride to get to work cleaning a church about two miles from home.

"Thank God it's over," he said. "It's also helped me get other jobs in other places. I preach about the program to others now. I'm a believer."

The Ways to Work Family Loan Program is run in 48 communities nationwide, said Shannon Marchman, director of the program in New Castle County. The goal here is to help 60 low-income people get loans of up to \$4,000 to buy a used car or fix one they already have.

So far, Ways to Work in Delaware benefits only New Castle County residents, but Marchman said she hopes to expand the program statewide.

The **Nehemiah Gateway** Community Development Corp., which is affiliated with Shiloh Baptist Church in Wilmington, is handling the loan applications for the program. PNC Bank is the lender, said Mary Dupont, executive director of the corporation.

The loans are made at 7 percent interest, financed over 24 months. Payments for a \$4,000 loan would run about \$179 a month, and a \$2,500 loan would be about \$112 a month, said Norma Zumsteg, vice president of community development for PNC Bank.

"The people we're serving have a lot of credit issues," she said. "And as you know, people with credit issues end up with exorbitant rates, so this is a really good deal for them."

Most of the loans so far have been about \$2,500, Marchman said. Cars bought for that amount have included a 1995 Saturn with about 90,000 miles and a 1997 Pontiac Grand Am with 120,000 miles.

Because older cars often need work, Ways to Work provides a \$450 repair fund after a borrower makes six months of timely payments on the loan, Marchman said. Ways to Work also provides an additional car emergency fund for borrowers who show a willingness to save, by matching savings of up to \$300 a year, Dupont said.

And borrowers who make loan payments on time are further rewarded for the first year of the loan period with a \$75 a month contribution to their car insurance payments, which average about \$120 a month, Marchman said.

"Borrowers that we're working with have a very tight budget for the most part and we're trying to make car ownership affordable for them," Dupont said. "So that's why we're offering these incentives."

Money to help run the loan program comes from the national Ways to Work Family Loan Program office in Milwaukee and through grants provided by GMAC Bank in Delaware and by the Wachovia Regional Foundation in Philadelphia, Dupont said.

"I think there's a huge need for this," Dupont said. "Public transportation is very limited. Everything is not a 9-to-5 job and around the corner from where you live."

"The bottom line is making money," she said. "And let's not forget about the quality of life. Everybody in this world is entitled to a decent quality of life. It's like these basic things we take for granted. Without a car, what would you do?"

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Photo Caption:

The News Journal/BOB HERBERT

James Gadsden, of Wilmington, waxes and buffs the 1984 Mercedes Benz station wagon he bought for \$1,500 through the Ways to Work Family Loan Program. "I preach about the program to others now. I'm a believer," Gadsden said.

TO LEARN MORE

The Ways to Work Family Loan Program will hold an open house so borrowers can show off their cars Thursday from 6 to 8 p.m. at Concord Avenue and North Market Street in Wilmington. Bring two pay stubs to find out if you can be pre-approved for a car loan of up to \$4,000. Applicants must be New Castle County residents, have held a job for at least six

months, have at least one dependent and make no more than 80 percent of the county's median income, which means income cannot exceed \$56,500 for a family of four and \$45,200 for a family of two. For more information, call program director Shannon Marchman at 655-0803, ext. 13.

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