



STATE OF CONNECTICUT
GOVERNOR DANIEL P. MALLOY

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Gov. Malloy Proposes Creating State Loan Program to Support Northeastern Connecticut Homeowners Confronting Crumbling Foundations

Legislative Proposal Would Help Homeowners with Some Costs to Remedy the Ongoing Problem, and Also Waive Fees Associated with Permit Applications

(HARTFORD, CT) – Governor Dannel P. Malloy has submitted a legislative proposal to the Connecticut General Assembly aimed at helping homeowners in northeastern Connecticut who are facing ongoing problems due to the deterioration of the concrete foundations of their homes by creating a state program that will assist those who would otherwise have difficulty getting a loan to repair their properties.

“Homeowners in the region are being severely impacted by what appears to be a natural disaster and are understandably seeking any bit of relief they can to mitigate this problem,” Governor Malloy said. “This is a difficult time for the families whose most valuable assets are at risk. This proposal does not represent the totality of the state’s assistance for affected homeowners, but it’s one piece of our joint efforts with local, federal, and private sector partners to provide some amount of respite for this serious situation.”

“In conjunction with the funding that will help offset the cost of testing, these are good steps toward helping homeowners who are dealing with crumbling foundations,” Lt. Governor Nancy Wyman said. “The stress and fear these residents are living with is making living a normal life very difficult. We must continue to create opportunities for them, and help them find the solutions that will help rebuild their homes and their lives.”

The legislative proposal calls for the creation of the Collapsing Foundation Interest Rate Reduction program, which would be administered by the Connecticut Department of Housing and provide credit enhancement to homeowners in the form of interest rate subsidies for qualifying loans. Participating municipalities, through the Connecticut Health and Educational Facilities Authority (CHEFA), will be able to borrow funds at lower costs with a state guarantee to help them raise funds for the development and deployment of financial assistance, including through credit enhancements, loan guarantees, and procurement of construction equipment.

The Governor is also proposing to allow municipalities to waive the fees associated with building permit applications for homeowners facing this problem.

The legislation was prompted by the large number of homes in the region that have suffered damage due to what appears to be the result of a natural disaster – specifically the reaction of a naturally occurring mineral, pyrrhotite, to oxygen and water. Pyrrhotite is an iron sulfide mineral, and its exposure to oxygen and water leads to a chemical reaction that results in deterioration of concrete foundations. The presence of pyrrhotite indicates the potential for concrete deterioration, but its existence alone does not necessarily cause it. For homes with existing deterioration, the existence of pyrrhotite can – in some circumstances – be determined by visual inspection alone, chiefly because this kind of deterioration forms a unique map-cracking pattern.

Based on complaints received by the Connecticut Department of Consumer Protection, it has been determined that homes built after 1983 with aggregate from Becker’s Quarry in Willington are at risk. The radius of impact is 20 miles from the quarry.

The best available solution known at this time is a complete replacement of the foundation, which could cost roughly \$75,000 to \$150,000, depending on the size of the house.

Last month, Governor Malloy **[approved the release of \\$5 million in state funding \(/Office-of-the-Governor/Press-Room/Press-Releases/2017/01-2017/Gov-Malloy-Announces-State-Funding-to-Conduct-Foundation-Testing-For-Homes-in-Northeastern-CT\)](#)** to assist potentially affected homeowners with the cost of testing for the deterioration. Under that program, homeowners are eligible for a 50 percent reimbursement – up to \$2,000 – for the testing of two core samples from the foundation. Homeowners who have visual testing conducted by a licensed professional engineer are eligible for a 100 percent reimbursement – up to \$400. The Capitol Region Council of Governments is administering the funding and will be providing reimbursement to homeowners. Information for homeowners interested in seeking reimbursements under this program will be announced in the coming weeks. It is expected that the testing will help to better inform federal agencies about the scope of the situation and garner support for additional aid.

The Governor’s legislation is **[Senate Bill 794](#)** (**https://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Bill&which_year=2017&bill_num=794**), *An Act Assisting Homeowners with Crumbling Foundations*. It has been referred to the legislature’s Planning and Development Committee, where it is currently pending for consideration by lawmakers.

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