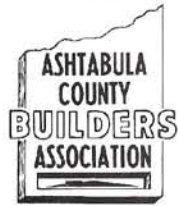


INTEGRITY



BUILDERS PLAN

November, 2008

P.O. Box 745

Ashtabula, Ohio 44005-0745

Telephone/Fax (440) 997-1866

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www.ashtabulacountybuildersassociation.org

ASHTABULA COUNTY BUILDERS ASSOCIATION

" The Voice of the Industry in Ashtabula County"

GENERAL MEETING

\$25.00 PER MEAL

INCLUDES:

Happy Hour, Choice of :

Prime Rib, Chicken or Fish with

Baked Potato, Vegetable, Salad and Roll

PRESIDENT'S COMMENTARY

IT WAS A "LANDSLIDE VICTORY "

"Candidates Nite" was a big victory for the builder's at our last meeting; it gave us a peek at the issue's and platforms. A great job was done by Bill Romanko on putting it all together. To all the candidates and their stand-ins who participated, a special thank you.

Now it's time! LET'S VOTE. I strongly urge you to get to the polls and make your voice and vote be heard during this most important time for us. Along that same line we have our own election coming. Our Annual Meeting is November 13th; this too I strongly urge you to attend as this is your association and it is by your voice and vote that we lead. So please come out and participate in your association's future. Once again we have set an agenda that will provide for information, discussion, nominations and voting. I look forward to seeing you there.

Frank

MARK YOUR CALENDAR

November 13th Annual Meeting/
Bring Halo Gift
Elks Club

January 8th Celebration
Elks Club

February 12th General Meeting
Elks Club

March 12th TBA
Elks Club

April 9th TBA
Elks Club

May 14th TBA
Elks Club

Happy hour is 6:00pm - 7:00pm
Dinner 7:00pm

RSVP by Monday prior to meeting date and if you need to cancel please call by Tuesday evening.

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Page 5	Fannie, Freddie Economists Say Housing Slump Bottom Is Near, Continued

**NOVEMBER 13TH
ANNUAL MEETING**

AGENDA

1. President's Comments
2. Director's Report
3. Treasure's Report
4. Report on Code's
5. Old / New Business
6. Nomination's
7. Voting

PLEASE REMEMBER TO BRING A KIDS TOY FOR HALO SINCE THERE IS NOT A MEETING IN DECEMBER.

THANK YOU.

**FOR YOUR
INFORMATION**

BOARD OF TRUSTEES

Officers

Frank Curtin, President
Rick Miller, Vice-President
Paul Crease, Immediate Past President, Treasurer
Bill Romanko, Secretary

Trustees

Bill Claycomb
Bill Douglas
Gayle Loftus
Mike Redmon
Terry Strong
Dan Theiss
Rich Vanek
Tim Vogel

Director

Michelle Laveck

**CHECK OUT THE WEB PAGE
THERE HAS BEEN MANY
CHANGES MADE RECENTLY.
SEND US A PICTURE, WE'LL
ADD IT!**

NEWSLETTER

**If you have any updates about your
company or any articles you would
like to see featured in the newsletter
please e-mail
ashtabulacountybuilders@alltel.net**

Housing Stimulus 'Sorely Needed' As Downside Risks Pile Up, NAHB Chief Economist Says

October 22, 2008 - Congress should consider providing further “sorely needed” economic stimulus to encourage homeownership and limit foreclosures in order to pull the U.S. economy out of recession, NAHB Chief Economist David Seiders said today at the association’s Fall Construction Forecast Conference.

The steep decline in sales of new single-family homes should be coming to an end in early 2009, Seiders said, setting the stage for “tepid” improvement in new residential construction later that year. However, he warned, that outcome has grown increasingly uncertain in light of the turmoil that has gripped world financial markets.

“Things are a lot worse than any of us had anticipated six months ago,” Seiders said, and the nation’s housing market – which is the root cause of the collapse in confidence among lenders – has continued to spiral downward. “Risks are piling up on the down side. These are tough times, no question,” he said.

While remaining reasonably optimistic that a housing recovery is beginning to take shape, “the uncertainties out there are unprecedented,” Seiders said, and there is a growing risk that today’s major housing contraction could get even worse.

The level of confidence among builders surveyed in October for the monthly NAHB/Wells Fargo Housing Market Index fell to the lowest point since the series was started in 1985, he noted.

“The bottom line is that the financial crisis can’t get much better until the thing that started this thing off, housing starts, gets better,” said Maury Harris, U.S. chief economist for UBS, who also spoke at the conference.

On the brighter side, Seiders said that housing in the first half of 2009 should be helped by the \$7,500 tax credit available to first-time home buyers; legislative efforts to address foreclosures; the continuation of affordable mortgage rates; and the availability of fixed-rate mortgage financing through Fannie Mae, Freddie Mac, the Federal Housing Administration and the Department of Veterans Affairs.

Citing an increase in pent-up demand for housing, he added that declines in home prices and increases in personal income have helped to restore housing affordability to the more normal levels that existed prior to the peak of the housing boom.

However, even as the demand for housing begins to grow, housing production will be constrained by tighter credit for the loans builders and developers need to break ground on new residential projects, he said.

NAHB is forecasting 936,000 total housing starts for 2008, a 30.2% decline from the 1.34 million homes produced last year. Starts in 2009 are projected to slide 16.2% further, to 784,000 units, and 2010 would bring production up to the 1.0 million level.

Fannie, Freddie Economists Say Housing Slump Bottom Is Near

While acknowledging that the housing sector will face another tough year in 2009, the top economists at [Fannie Mae](#) and [Freddie Mac](#) who spoke at NAHB's Forecast Conference last week said that new housing activity is nearing the bottom of the current downturn.

New home construction and sales will bottom out in the first quarter of next year, though starts will remain flat for most of 2009, according to Doug Duncan, vice president and chief economist of Fannie Mae.

"A modest economic recovery will begin in the second half of next year, but that doesn't mean it pulls housing along with it," he said.

Frank Nothaft, chief economist of Freddie Mac, offered a similar assessment.

"We see starts bottoming out in the first quarter of 2009 and sales this winter," said Nothaft. "We're close to the bottom, but we're not quite there yet."

Nothaft noted that national figures mask regional differences.

"The middle part of the country is holding up pretty well in terms of home values, employment and prices," he said, adding that house prices will lag behind home construction and sales and won't hit their trough until 2010.

Both economists said that credit standards for home mortgages have tightened across the board but that funding remains readily available for credit-worthy borrowers who provide a downpayment, have good credit and can document their income.

Jumbo loans are more expensive and require additional underwriting, said Nothaft. "A few years ago the spread between the conforming and jumbo market was 30 basis points. Today, it's 125 to 130 basis points."

In recent years, the jumbo share of the market has closely tracked the housing market, hitting a peak of 33% in December of 2005 during the height of the boom period and plunging to an all-time low of 8% in March of 2008, he said.

A major impediment in today's market, Duncan said, is the huge excess inventory, which stands at a 10- to 11-month supply at the current sales pace.

Continued Page 5

Fannie, Freddie Economists Say Housing Slump Bottom Is Near, Continued

Though new and existing home sales are slowly whittling away the bloated inventory, Duncan said that prices will need to keep falling to make significant headway on the supply side and, like Nothaft, he expects price to continue to decline into 2010.

“The rate of foreclosures is twice the previous post-war high, adding to the supply problem,” added Duncan.

Though 2.35% of all home loans are currently at least 90 days delinquent or in the process of foreclosure, a closer examination reveals the foreclosure crisis can be traced to regional problems and loan types, the panelists said.

California, Florida, Arizona and Nevada have an excess supply of housing as a result of speculative building, Duncan said, while much of the upper Midwest is suffering the same fate because of population migration and manufacturing job losses. These are the areas that have been hit the hardest by rising foreclosures.

Meanwhile, 14 states reported flat or declining foreclosure starts in the [Mortgage Bankers Association's](#) latest quarterly survey results.

“Over the past two years, more than half of all loans entering into foreclosure have been subprime, even though they constitute only 12% of all loans serviced,” said Nothaft.

Duncan said that single-family mortgage originations will be down this year and next, continuing a trend that began in 2006.

Nothaft added that fewer refinancings and sales will result in a projected 25% drop in mortgage originations in 2008 and originations will probably hold at this year's level in 2009.