



1913 Turnbury Dr.
Greenville, NC 27858
Ph: 252-756-7915
Office Hours:
M-Th: 7:30am-5pm
Friday: Closed

Inside this issue:

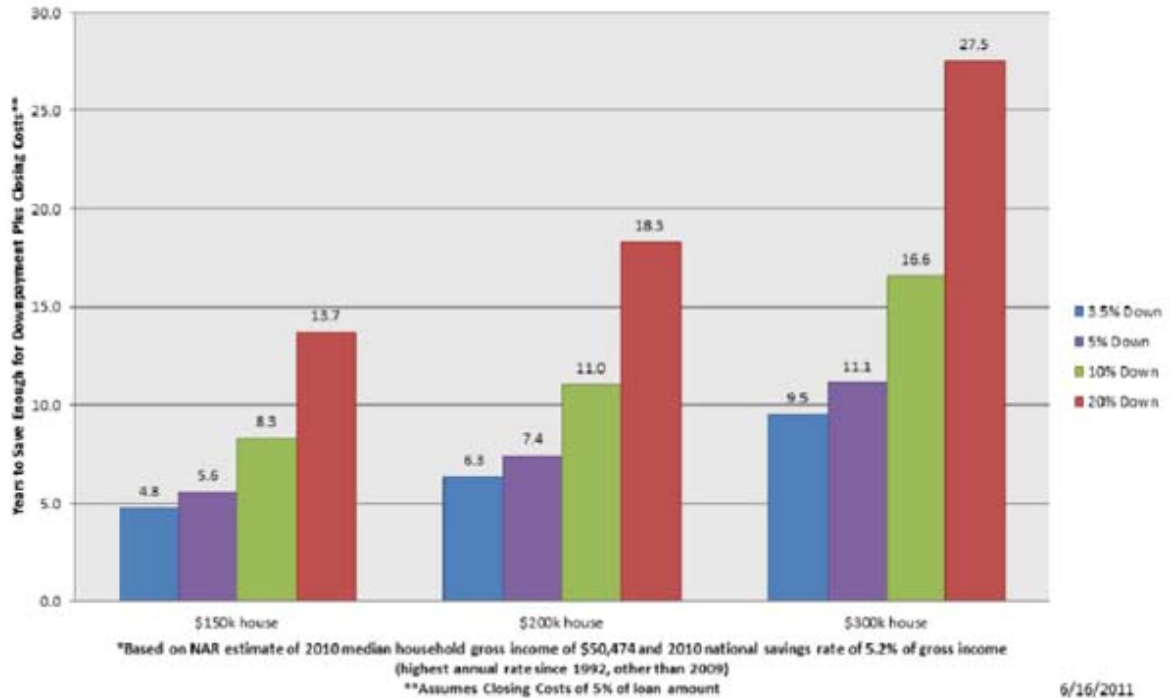
- Restrictive Mortgage Lending Rule 1
- Bipartisan Senate Bill Would Extend Conforming Loan 3
- September Membership Meeting Date Change 5
- Welcome New Members 6
- Membership Renewals 7
- 55+ Builders More Optimistic About Multifamily Rentals than New Home Sales 8



August 2011

NAHB Asks for Restrictive Mortgage Lending Rule to Go Back to the Drawing Board

It would take more than a decade for the median American family* to save enough for a 20% downpayment on even a modest home



In its [Aug. 1 comments on the Credit Risk Retention rule proposed](#) jointly by six federal agencies in March, NAHB suggested that the regulators should go back to the drawing board to come up with a plan for mortgage lending that would not hinder the housing recovery that is slowly beginning to materialize.

Drawing the most concern from home builders are the rule's proposed underwriting standards for a qualified residential mortgage (QRM), which would be exempt from a requirement in the Dodd-Frank Act passed last summer for loan originators and securitizers to hold at least 5% of the credit risk of a mortgage between them.

Loans that don't meet the QRM standard would be significantly less favorable for borrowers than those that do, NAHB said, which would seriously disrupt the housing market by making mortgages unavailable or unnecessarily expensive for many creditworthy borrowers.

Under an unduly narrow definition, QRMs would require a 20% down payment, impose very conservative debt-to-income ratios and be limited to borrowers with sterling credit histories.

NAHB has also joined with a diverse coalition of more than 40 consumer organizations, civil rights groups, lenders, real estate professionals, insurers and local governments in developing a [white paper](#) that presents a thorough analysis of the impact of the proposed definition of a qualified residential mortgage on the fragile housing market.

The coalition submitted this paper as a comment letter in which the regulators were urged to redesign a QRM so that it encourages sound lending behaviors that support a housing recovery, attracts private capital and reduces future defaults without punishing responsible borrowers and lenders.

The proposed rule includes requirements on Qualified Commercial Real Estate (QCRE) loans that would be virtually impossible to meet and would have a wide-spread and detrimental impact on financing the development of multifamily and commercial properties. (continued on page 2)

2011 Board of Directors

John Potter, *President*
Potter's Construction

Ashley Elks, *1st Vice President*
A Elks Construction Inc.

Troy Hardee, *2nd Vice President*
Hardee Construction

Lee Warren, *Immediate Past Pres.*
Lee Warren Homes

Susan Parker, *Secretary/Treasurer*
Prudential Prime Properties

Sharon Craft, *Executive Officer*
Greenville-Pitt County HBA

Daniel Bergevin, *Director*
Morris Agency

Todd MacKenzie, *Director*
MAC Homes

Jamie Harris, *Director*
Carpet Design Center

Billy Leudesdorf, *Director*
Ferguson Waterworks

Jennifer Jones, *Director*
Wells Fargo Home Mortgage

Eddie Chance, *Director*
Chance & Smith Builders

Rex Manning, *Director*
Overhead Door Company

Gray Blount, *Director*
Home Builders Supply

Charles Ainsley, *Director*
Ainsley Construction

John Tipton, *Alternate Director*
Tipton Builders Inc.

Mike Brown, *Advisor*
NC Licensing Board of GC

Les Everett, *Advisor*
City of Greenville Inspections

Billy Grizzard, *Advisor*
Pitt County Inspections

Commercial mortgage-backed securities that consist of QCRE loans would not be required to meet the 5% risk retention rule, and therefore would have more favorable financing terms.

NAHB told the agencies that the QCRE underwriting standards should be realistic and achievable and provide for a reasonable share of the commercial mortgage-backed securities market.

In the short term, the agencies proposing the credit risk rule have determined that [Fannie Mae](#) and [Freddie Mac](#) already meet the proposed risk retention requirement, and, therefore, loans sold to Fannie Mae and Freddie Mac will not be included in the risk retention requirement while they remain in conservatorship with explicit backing from the federal government.

This should cushion the blow from the proposed rule on the residential mortgage market and multifamily development.

In its comment letter, NAHB voiced concern "about the immediate impact this proposed rule will have at this precarious point in the economic recovery and the future implications of overly restrictive rules on future growth of the housing market and the entire economy."

NAHB urged the agencies "to take the time to carefully craft these new regulations so as not to have a negative impact on residential and commercial real estate financing," noting that residential investment and housing services have historically accounted for an average 17% to 18% of the gross domestic product.

"There is no denying that housing is a large portion of the national economy, and reworking the entire housing finance market should not be taken lightly," NAHB said. "With so much at stake, these regulations should not be rushed."

Qualified Mortgages

On July 22, [NAHB also provided comments](#) on the Federal Reserve Board's [Regulation Z – Truth in Lending](#) proposal, which would implement statutory changes made by the Dodd-Frank Act to provide consumer protections for mortgages.

The proposal expands the Truth in Lending Act's ability-to-repay requirement to cover any consumer credit transaction secured by a dwelling.

In addition, the proposal would establish a qualified mortgage (QM) standard for complying with this requirement.

Of the two alternatives proposed for meeting the QM standard, NAHB urged the regulators to establish a bright line safe harbor to define the QM to best ensure safer and well documented and underwritten loans without limiting the availability of credit or increasing the costs of credit to borrowers.

The comment letter stresses a QM safe harbor definition that promotes liquidity by providing consumers stronger protections than currently proposed by the Fed and provides lenders definitive lending criteria that reduce excessive litigation exposure.

NAHB also expressed concern over a provision in the proposed rule that would exclude builders from an exemption enabling seller-financing for the sale of a home to be provided on more than three properties in any 12-month period.

The economic impact of restricting seller financing would be severe, NAHB said, and it said that any final rule should contain a small business exception for builders.

NAHB worked with its members and many other industry stakeholders as it analyzed the impact of the enormously complex QM rule on housing finance.

The responsibility for issuing a final rule has been transferred to the new [Consumer Financial Protection Bureau](#), which officially opened for business on July 21.

For more information, email [Steve Linville](#) at NAHB, or call him at 800-368-5242 x8597.

Bipartisan Senate Bill Would Extend Conforming Loan Limits Through 2013

In a positive development for the nation's housing markets, Sens. [Robert Menendez](#) (D-N.J.), [Johnny Isakson](#) (R-Ga.) and [Dianne Feinstein](#) (D-Calif.) last week introduced bipartisan legislation to extend the current maximum conforming loan limits through the end of 2013.

In a press release announcing the introduction of the Homeownership Affordability Act of 2011, Menendez said that "allowing these limits to expire would be bad medicine for our economy at a time when we need a booster shot."

Sen. Isakson noted that allowing these limits to expire during this difficult economic time would make a struggling housing market even weaker, and Sen. Feinstein said that California counties could see loan limits for government financing plunge by as much as \$246,000, making loans more expensive and harder to come by for many home buyers.

The Senate bill is similar to legislation (H.R. 2508) introduced last month in the House by Reps. [John Campbell](#) (R-Calif.) and [Gary Ackerman](#) (D-N.Y.) that would provide a two-year extension.

In addition, pending legislation by Reps. [Gary Miller](#) (R-Calif.) and [Brad Sherman](#) (D-Calif.) — H.R. 1754 — would provide a permanent extension

If Congress fails to act, the loan limits will revert to the lower levels for high-cost areas established under the Housing and Economic Recovery Act of 2008.

The national ceiling for mortgages securitized by [Fannie Mae](#) and [Freddie Mac](#) or insured by the [Federal Housing Administration](#), would drop from \$729,750 to \$625,000.

Loan limits are based on a percentage of median area home prices.

[A recent NAHB study](#) found that if the limits are allowed to revert to 2008 levels, millions of homes will no longer be eligible for Fannie Mae, Freddie Mac and FHA funding and will have to be financed with mortgages requiring higher interest rates, fees and down payments and more stringent credit standards.

A drop in some mortgage loan limits would reduce housing demand and place downward pressure on home prices in major markets across the country, exacerbating the current housing downturn and endangering the fragile economic recovery, [according to NAHB economists](#).

NAHB continues to urge lawmakers to support keeping the current level of loan limits for government backing.

To view legislation, [click here](#) and enter the bill number in the box at the upper center of the page.

For more information, email [Scott Meyer](#) at NAHB, or call him at 800-368-5242 x8144.

	<p>Jennifer B. Jones Home Mortgage Consultant</p>
	<p>Wells Fargo Home Mortgage MAC M5587-011 500 Red Banks Road, Suite D Greenville, NC 27858 252 215-3104 Office 866 600-8709 Fax 252 341-1051 Cell / 866 216-3655 Toll Free jennifer.b.jones@wellsfargo.com www.homeloansbyjenniferjones.com</p>



Serving the Professional Contractor Since 1948

- LUMBER
- MILLWORK
- MOLDINGS
- WINDOWS
- HARDWARE
- SHINGLES/ROOFING
- BUILDING MATERIALS
- ENGINEERED WOOD PRODUCTS
- DOORS
- CABINETS
- PAINT
- TRUSSES
- DRYWALL

2000 Dickinson Ave. Greenville, NC

Ph (252) 758-4151

Fax (252) 758-9477

www.HomeBuildersNC.com

Top Reasons to Get a New-Home Warranty from Bonded Builders

Your customer wants one. According to a survey by JD Power.

Your buyer can qualify for HUD/FHA financing. To them that means government backed financing with a lower down payment. To you, it could mean fewer inspections are required and no hold-up in your closings.

Conciliation is the best dispute resolution in the business. 99% of all disputes are resolved without cost to you or your buyer.

Online enrollment. Saves you money and processing time.

Homebuyer Education. Reduces costly callbacks and helps your buyer.



BONDED BUILDERS **Peyton Williams**
 800-749-0381, ext. 3611
 Cell 910-612-8006
WARRANTY GROUP pwilliams@BondedBuilders.com

www.BondedBuilders.com

Ask about our insurance products, including CGL and Builders Risk. (Not all states.)

Due to the Labor Day holiday the September membership meeting has been moved to Tuesday, September 13th at the Pitt County Shrine Club.

We hope that everyone enjoys their Labor Day holiday!!

**September Membership Meeting
September 13th
Pitt County Shrine Club
6:00pm—Networking
6:30pm—Dinner/Meeting**

We need sponsors for our September meeting. If you are interested, please contact Sharon Craft at 756-7915.

CULTURED MARBLE & SOLID SURFACE 252-753-3020
FAX 252-753-7625

Carolina Marble Products Inc.
CUSTOM SHOWERS, WHIRLPOOL TUBS,
VANITY & KITCHEN TOPS

P.O. Box 302
801 WEST CHURCH ST.
FARMVILLE, N.C. 27828

HUGH WILLIAMS
OPERATIONS

CAROLINAMARBLEPRODUCTS.COM



ABHW Concrete Co.

Hwy. 264

Dispatcher: 252-940-1002
Fax: 252-946-0955

BB&T

Anthony "Robin" Little, CIC
Assistant Vice President
Business Insurance Agent

BB&T Insurance Services, Inc.

Mailcode: 135-82-02-15
543 S. Evans St., 2nd Fl. (27858)
P.O. Box 7266
Greenville, NC 27835
(252) 752-3388
Fax (252) 752-1266
Direct Line (252) 752-2834
arlittle@BBandT.com



John H. Evans
President

701 West 14th Street
Greenville, N.C. 27834
(252) 754-1176
(252) 752-2106
Fax (252) 754-1169
jevans@garrisevans.com



www.garrisevans.com

Welcome New Members

ASSOCIATES

Larry Osborne Sr.

Delcor Inc.
834 Rivot St.
Greenville, NC 27834
Ph: 252-321-8868
HVAC/Plumbing Contractor, Service

Charles L. Warters

C.L. Warters LLC
4595 US 13 South
Greenville, NC 27834
Ph: 252-355-3700
Plumbing Contractor

Angela Garris

Garris Grading and Paving Inc.
5950 Gay Rd.
Farmville, NC 27828
Ph: 252-749-1101
Grading and Paving Contractor

BUILDER

Matt Grace

Matthew Grace Construction Inc.
1524 Ashmoor Lane
Winterville, NC 28590
Ph: 252-355-0970
Residential General Contractor

Do Business
with a
Member!

QUALITY TERMITE & PEST CONTROL

Don't let the bugs spoil your picnic....
Call your Complete Professional Pest Control today!

Real Estate Inspections
Pest Control
Termite Control
Termite Baiting
Moisture Control

252-756-1602



**M^cGLOHON
& Company**

INSURANCE & BONDS

Builders Mutual
INSURANCE COMPANY
Where Builders Come First®

Donald C. McGlohon, Jr. CPCU

1510 E. Arlington Blvd. Suite D
Greenville, NC 27858
www.mcglohonco.com

Phone: (252) 758-1177
Fax: (252) 830-5176
don@mcglohonco.com

Thanks for renewing your membership!

Tenure may be for the individual named, or may indicate the number of years the company has had a member in the HBA.

25 + YEARS

Bobby Tripp
Daughtridge Oil & Gas

20-25 YEARS

Erwin Lowenstein
Greenville Pool & Supply

Teresa Wolf
Eastern Insulation

Lynn Evans
Lynn Evans Builders

Stuart Smith
Rex Smith Trucking

15-20 YEARS

Rex Manning
Overhead Door Co. of Greenville Inc.

John Potter
Potter's Construction

Brett Lee
Chesson & Lee Associates Inc.

Nathan Wetherington
Wetherington HVAC

10-15 YEARS

Kevin Ricks
A.K. Ricks Construction Inc.

Donald Mozingo
Mozingo Builders Inc.

Debbie Scheller
East Carolina Carpet & Interiors Inc.

Al joyner
W.A.J. Construction & Realty

Dennis Willis
Willis Cable Construction

5-10 YEARS

Lee Warren
Lee Warren Homes

Winston Brewer
Brewer Electric

Ida Lynn Stox
Century 21 Elite Properties

David Goins
Goins Construction

Bryon Lyons
Lyons Custom Builders Inc.

Mark Smith
Mark Smith LLC

Will Pack
Habitat for Humanity

1-5 YEARS

Douglas Hill
Insurequest Inc.

Robin Bowen
ComfortMaster Mechanical

Rodney Harris
R.E. Harris Mason Contractor Inc.

Mark Gray
Custom Door & Gate

Talbot Greene
DNJ Mortgage LLC

John Harrelson
Harrelson Co., Inc.

James Carraway
B & B Repairs

Gary Butts
Century 21 The Realty Group

Clark Vaughn
First Colony Construction Co.

Eric Clark
First South Bank

Ed Cherry
Garris Evans Lumber Co.

Robert Jones Jr.
R.J. Jones Electrical Enterprise Inc.

Scott Warren
Garris Evans Lumber Co.

55+ Builders More Optimistic About Multifamily Rentals than New Home Sales

August 11, 2011 - Builders in the 55+ housing market are significantly more optimistic about production and demand for multifamily rental units than they are for sales of single-family homes or multifamily condos, according to the latest 55+ Housing Market Indices that are compiled quarterly by the National Association of Home Builders (NAHB).

All of the components measuring production and demand for 55+ multifamily rental units increased significantly in the second quarter of 2011 compared to the same period a year ago.

In comparison, the 55+ Housing Market Indices for single-family units and multifamily condos were largely unchanged with increases from 12 to 13 and from 7 to 8, respectively.

“Like those in other age groups, many people in the mature-market sector are hesitant to buy,” said NAHB Chairman Bob Nielsen, a home builder from Reno, Nev. “Among the factors keeping prospective home buyers on the sidelines are ongoing uncertainty about the economy and concerns about selling their existing homes. Low appraisals and tighter mortgage lending criteria are also constraining the market.”

The 55+ Housing Market Indices (HMI) for single-family homes and multifamily condos measure builder sentiment based on current sales, traffic of prospective buyers and expected sales six months in the future.

The 55+ Multifamily Rental indices measure current production, expected production six months in the future, current demand for existing rental units and expected demand six months in the future. In all of the 55+ Housing Market Indices, a number greater than 50 indicates that more builders view conditions as good than poor.

The 55+ Multifamily Rental indices showed increases from 15 to 28 in current production, from 16 to 29 in expected production six months in the future, and from 31 to 43 in current demand for existing units.

“Multifamily rentals are the strongest segment of the 55+ housing market at present,” said Nielsen. “The largest increase in a 55+ Multifamily Rental index was in expected demand six months in the future, which rose from 30 to 44,” he said. “An increase in demand is always good news, but this could also foreshadow a shortage of rental units in the future. Demand is already running ahead of production, and the continuing difficulty in obtaining credit to finance new construction could result in shortages down the road.”

Among the components of the 55+ Single-Family index, present sales were unchanged at 12, and expected sales increased one point from 17 to 18. Traffic of prospective buyers increased from 12 to 13.

The 55+ Multifamily Condo index components showed a slight increase – from 7 to 8 – in current sales. Expected sales six months in the future were unchanged at 10, and traffic of prospective buyers increased slightly from 5 to 7.