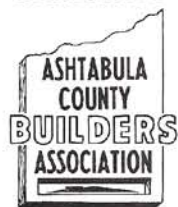


INTEGRITY



## BUILDERS PLAN

MAY, 2008

P.O. Box 745

Ashtabula, Ohio 44005-0745

Telephone/Fax (440) 997-1866

ashtabulacountybuilders@alltel.net

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

#### MARK YOUR CALENDAR

May 8th	Mike Brown American Background Alliance Elks Club
June 12th	Steak Fry Elks Club
July 10th	Golf Outing To Be Announced
August 14th	Summer Social To Be Announced
September 11th	Clam Bake Elks Club
October 9th	General Meeting Elks Club
November 13th	General Meeting Elks Club
December 11th	Christmas Party 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.

## PRESIDENT'S COMMENTARY

As May arrives and it's time to gear up and get to work, for a lot of us that also applies to our labor force. We all know that hiring of employees can sometimes be quite the task, as well as somewhat a roll of the dice.

So what is an employer to do when 30% - 40% of your applicants provide false or inflated information to get the job? This months program may provide you with some of those answers. Our featured speaker will be Mr. Mike Brown of American Background Alliance who will be providing some interesting and thought provoking information regarding the employment background reports and employer's responsibilities.

So before you hire that potential lawsuit, come join us and ask those hard questions before that interview.

Frank

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Kister named OEDA award winner

The Ohio Economic Development Association’s first Excellence in Ohio Economic Development awards program will have some Ashtabula County flavor.

Ron Kister, president of Kister Construction and a Growth Partnership trustee, will receive an OEDA volunteer award. Kister will be saluted for his “tireless efforts to keep communities in his area going strong.”

The award will be presented on April 2 during the OEDA’s annual Legislative Event Dinner in Columbus. Growth Partnership’s “Feel The Pride” marketing campaign remains a finalist for an OEDA award.

Paul A. Wing

GAGEVILLE — Paul A. Wing, age 86, of Benetka Road, Sheffield Township, Gageville, Ohio, went home to be with the Lord early Sunday morning, April 20, 2008, at the Ashtabula County Medical Center, Hospice Unit, following a long MS disability. Born July 15, 1921, in Ashtabula, Ohio, he was the son of Nelson Wilber and Hilda (Unis) Wing. He has been a resident of Ashtabula County all his life, and graduated from Kingsville High School, class of 1939. He was married to Rilla Jeanne Martin of Andover, Ohio, on September 5, 1943, in Andover. Mr. Wing was a self-employed builder/contractor for 50 years. He developed the Forest Ridge allotment in Gageville, Ohio. Upon retirement, he and Rilla enjoyed 20 years of wintering in Crystal River, Florida. Through his years of retirement, he continued passionately to pursue woodworking projects and gardening. The grandchildren and great-grandchildren enjoyed many special times with "Grampa" in his workshop, greenhouse and garden. In the early 60's, Mr. Wing was a volunteer fireman for Sheffield Township. **He was also instrumental in the development of zoning laws for Sheffield. In 1964, Mr. Wing was one of the founders and organizers of the Ashtabula County Builder's Association,** and was a dedicated member of Gageville United Methodist Church, all of his adult life. Survivors include Rilla Jeanne, his wife of nearly 65 years; five children, Kathleen G. (James) Novak of Gageville, Ohio, Timothy P. (Cynthia) Wing of Gageville, Ohio, Deborah J. (Nick) Mulchin of Norwalk, Ohio, Peter J. (Kathy) Wing of North Kingsville, Ohio, and Thomas J. Wing of Conneaut, Ohio; nine grandchildren, Michael Ball, Andrew Ball, Jeremy Hart, April Young, Amanda Pierson, Tim Wing, Jr., Abigail Wing, Zak Wing and Alex Wing; and 11 great-grandchildren, Valerie, Keagan, Jenna, Stephen, Aaron, Sarah, Kiersten, Ryan, Connor, Brody, and Erica. He was preceded in death by his parents; and his brother, Wilber.

Funeral Services will be 2 p.m., Saturday, April 26, 2008, at Gageville United Methodist Church, 4063 St. Rt. 193, Gageville, Ohio, with Pastor David Anderson officiating. Burial will be in Gageville Cemetery. Calling hours will be from 2 to 4 p.m., and 6 to 8 p.m., Friday, April 25, at MARCY FUNERAL HOME, 208 Liberty St., Conneaut, Ohio.

Memorial contributions may be directed to Gageville United Methodist Church Memorial Fund, P.O. Box 439, Kingsville, Ohio 44048, or to Hospice of the Western Reserve, 1166 Lake Ave., Ashtabula, Ohio 44004.



## Credit Well Drying Up for Builders, Too, Congress Told

The mortgage credit crunch has spilled over into land acquisition, land development and home construction (AD&C) lending, increasing the challenges faced by builders in the current housing downturn, NAHB told the Congress last week.

“With private securities markets in disarray and banks retrenching, a bona fide credit crunch is underway,” Bob Mitchell, a home builder from Rockville, Md. and former president of NAHB, told the [Senate Small Business Committee](#) during a hearing on [“The Impact of the Credit Crunch on Small Business.”](#)

“This credit crunch actually appears to be worsening despite the concerted efforts of central banks here and abroad,” he added. “Tighter mortgage lending terms have made it difficult for home buyers to obtain financing to purchase new homes. Likewise, there have been dramatic adverse swings in the cost and availability of AD&C loans for home builders.”

Residential AD&C loans are used to purchase land; develop lots; build a project’s infrastructure such as streets, curbs, sidewalks, lighting, and sewer and utility connections; and construct homes.

Presently, funding for viable residential development and construction projects has been severely limited or blocked entirely at federally insured depository institutions, which are the sole source of housing production credit for the small businesses that comprise most of the home building industry, Mitchell told lawmakers.

“The current financing quagmire for home builders vividly illustrates the importance of developing additional sources of AD&C credit,” said Mitchell. “Furthermore, there is no secondary market for residential AD&C loans where community banks and thrifts could turn to help manage their balance sheets and obtain liquidity for additional lending.”

He noted that a viable secondary market for AD&C loans would directly benefit builders and lenders by transferring risk away from lenders; increasing the availability of funds so that projects could be more reliably completed; and mitigating the devastating impact of equity calls on builders, or transfers of partially completed projects to banks under capital and/or regulatory pressure.

To broaden sources of AD&C credit, Mitchell called for:

- [Fannie Mae](#) to ramp up activity in its AD&C loan purchase program and for • [Freddie Mac](#) to create a similar program.

- [Federal Home Loan Banks](#) to improve AD&C liquidity by accepting housing production loans as collateral for the secured advances they make to member institutions.

## **Credit Well Drying Up for Builders, Too, Congress Told, Continued**

The [Federal Housing Administration](#) to help increase competition in the AD&C market by insuring the construction portion of these loans in order to attract new originators such as mortgage banking companies. “As in the case of the end-loan mortgage market, FHA could be a crucial stabilizing force in AD&C lending in turbulent times such as these,” said Mitchell.

- Wall Street specialists to develop a prototype private security instrument for AD&C loans. In particular, changes to tax provisions relating to Real Estate Mortgage Investment Conduits and Taxable Mortgage Pools could be helpful in securitizing construction loans.

- Banking regulators to take a balanced approach when evaluating bank lending, especially in regard to AD&C loans. “Small businesses, including small builders, are vital to the economy, and arbitrary or unreasonable regulatory restrictions would only serve to harm many builders, and potentially, many banks,” said Mitchell. “It would be ironic and tragic to have the positive work of the Fed undone by bank regulators taking a totally different vision and approach when it comes to lending matters.”

## **Housing Stimulus Measures Would Help Consumers, Businesses**

Meanwhile, stimulating demand for homes and stabilizing housing prices would do the most to relieve the financing and other business difficulties faced by home builders, he said. The housing stimulus legislation moving through Congress contains key provisions that would help ailing home owners, restore consumer confidence, jump-start housing, stabilize financial markets and save jobs.

“Two causal factors in the current housing downturn and the related credit crunch are declining house prices and excess inventory,” said Mitchell. “A temporary home buyer tax credit, such as a provision in House bill H.R. 5720, could stimulate a wave of buying that could quickly reduce excess supply in housing markets and halt the dangerous erosion of house prices and mortgage credit quality.”

Expanding the carryback of net operating losses beyond the current two years would help all businesses that have been hit hard in the current economic climate — including financial institutions and manufacturers — to weather the economic storm, make their payrolls and emerge from this downturn in a position to grow. It would also provide flexibility for home builders with large land holdings to reduce their inventories in an orderly fashion to stabilize home and land prices.

“The NOL carryback in Senate bill H.R. 3221 simply allows businesses to accelerate their claim of NOL deductions that under present law would be claimed in the future,” said Mitchell. “The need for these deductions today is critical.”

Finally, approving a temporary \$10 billion expansion of the mortgage revenue bond program, which is included in both the Senate and House bills, would also help strapped borrowers seeking to refinance their own homes, he said. Expanding the reach of the program would allow it to have the largest effect, particularly in communities experiencing the possibility of a wave of foreclosures or an extreme excess of inventory.



## States Act to Limit Home Foreclosures

As the U.S. Congress continues to make headway in enacting housing legislation aimed at stabilizing the housing market and restoring the health of the nation's economy, states have been busy approving legislation to help limit foreclosures.

Maryland lawmakers passed some of the nation's most ambitious legislation to control the housing crisis by toughening oversight of the mortgage-lending industry and establishing pre-emptive measures to help people at risk of foreclosure.

Other states have proposed their own solutions, including:

- **Ohio** — • [Gov. Ted Strickland](#) and • [Ohio Supreme Court Chief Justice Thomas J. Moyer](#) last month announced the addition of a legal component to the state's "Save the Dream" initiative that will enable home owners needing foreclosure assistance to work with attorneys pro bono to help resolve their problems.
- **Michigan** — • [Gov. Jennifer Granholm](#) has signed into law several bills aimed at making state housing loan programs available to more state residents. Some home owners struggling with rising interest rates on adjustable rate mortgages will be able to get lower fixed-rate loans through the • [Michigan Housing Development Authority](#). Another program helps people who have been delinquent on payments and are at risk of losing their homes. The programs will be paid for by taxable bonds. Home owners will be responsible for the full value of their refinanced mortgages.
- **Minnesota** — • [Gov. Tim Pawlenty](#) announced a significant \$4.3 million expansion of his state's foreclosure prevention counseling under a federal grant.
- **Washington** — • [Gov. Chris Gregoire](#) signed into law a bill that will protect those at risk of foreclosure from being duped into signing their homes over to third parties. The law cracks down on so-called "foreclosure rescue scams" in which a third party claiming to act in the home owner's best interest offers to buy the home before it is foreclosed on and then allows the owner to lease the property back until their financial situation improves. The lease terms are often as far out of reach as the mortgage payments, and the home owner ends up defaulting on them and losing the home.
- **Illinois** — • [Gov. Rod Blagojevich](#) is pushing legislation to give home owners behind on their payments a grace period of up to 60 days before lenders can foreclose. The measure would require lenders to notify home owners who are a month behind on payments that they have 30 days to enter mortgage counseling and get back on track. Once counseling begins, the home owner would have another 30 days to refinance or establish a new payment plan.