

INDIANA BUILDERS ASSOCIATION

Legislative and Regulatory Report #22

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HIGHLIGHTS/NEWS

IBA BOARD OF DIRECTORS TO MEET

The IBA Board of Directors and several committees will convene on August 19th at the Hilton Indianapolis North. The Board meeting is a meal function; therefore reservations are necessary and may be made by calling IBA at (800) 377-6334. Cost is \$20 if pre-registered, \$25 at the door.

DEADLINE APPROACHING FOR FLOOD ASSISTANCE

Indiana residents and business owners living in the 40 counties included in the recent presidential disaster declaration have less than two weeks to register for federal disaster assistance. Applications will be accepted by FEMA until August 11th. To register, please call (800) 621-3362 or visit www.fema.gov.

STATE'S FORECLOSURE 11th HIGHEST RATE BUT LOWER THAN NATIONAL AVERAGE

One of every 198 Indiana homeowners was in foreclosure in the second quarter, the 11th-highest rate among the 50 states but lower than the national average, according to RealtyTrac. The state's 13,890 foreclosures included filings, default notices, auction sale notices and bank repossessions. The rate is down 0.3 percent from the first quarter but up nearly 60 percent from the year ago period. Nevada ranked first, with one foreclosure for every 43 homeowners. Nationally, one in every 171 homeowners was in foreclosure in the third quarter.

HOME VALUES TOOK HIT IN MAY

U.S. home values fell 0.3 percent in May, compared with the month before, according to the Office of Federal Housing Enterprise Oversight. It was the 12th decline in the past 13 months. Home values were down 4.8 percent from a year ago. That was the largest year-over-year decline in the history of the data. Nationally, prices in May were about what they were in November 2005.

MORTGAGE LOAN ACTIVITY DOWN

The pace of U.S. mortgage loan activity fell 6.2 percent last week compared with the prior week, according to the Mortgage Bankers Association weekly survey. Interest rates increased, with 30-year mortgages averaging 6.59 percent, up from 6.22 percent, and 15-year loans increasing to 6.10 percent, from 5.74 percent

ATTEND INAUGURAL CLASS OF INDIANA COMPANIES TO WATCH

The Indiana Economic Development Corporation along with its Indiana Small Business Development Center Network, Purdue University, and the Edward Lowe Foundation previously accepted nominations for the inaugural 2008 Indiana Companies to Watch program, sponsored in part by Key Bank. Plan to attend as 50 second-stage Indiana companies are honored on August 27th at 6 p.m. at the Indiana Roof Ballroom (140 W. Washington Street, Indianapolis). For additional details please visit <http://www.indianactw.eventbrite.com/>.

REGULATORY

FIRE PREVENTION AND BUILDING SAFETY COMMISSION TO ADOPT CLARIFYING RULE

The Fire Prevention and Building Safety Commission has filed an intent to adopt a rule amending the 2005 Indiana Residential Code to clarify code sections R408.1, R703.7.4.2, and R703.7.4.3. IBA will be closely monitoring the proposed rule once language is available.

LEGISLATIVE

ATTEND RECEPTION FOR IBA BOARD MEMBERS BIDS FOR STATEHOUSE

Join State Representative Heath VanNatter (R-Kokomo) and Republican Candidate for Indiana House of Representatives Dale DeVon at breakfast on Tuesday, August 19th from 7:30-9:00 a.m. at the Hilton North Hotel in Indianapolis. Representative VanNatter and DeVon have been very active in IBA, including their roles as Board Members, and IBA leadership encourages members to support their legislative efforts. Suggested contribution is \$95 to one or each campaign. Please contact Gretchen White at IBA with any questions (800) 377-6334 or Gretchen@BuildIndiana.org.

SHOW YOUR SUPPORT FOR GOVERNOR DANIELS

Mark your calendars for Monday, August 18th from 5-6:30 p.m. for a reception hosted for Governor Mitch Daniels re-election bid at the Hilton North Hotel in Indianapolis. Gold sponsorships are available for \$2500, silver sponsorship \$1000, or \$250 for an individual. Please contact Gretchen White at IBA with any questions (800) 377-6334 or Gretchen@BuildIndiana.org.

BUCK TO FILE ANNEXATION BILL

Senator Jim Buck (R-Kokomo) recently announced his intentions to author legislation to weaken cities' ability to annex during next session. Buck says the legislation will aim to end involuntary annexation throughout the state by possibly requiring a simple majority vote from those being annexed before any annexation could move forward.

CAMPO TO CHALLENGE CARSON

A caucus comprised of Republican precinct committeemen in the 7th Congressional District chose Gabrielle Campo, a social worker, as the Republican candidate to challenge Representative Andre Carson in the November election.

NAHB NEWS

HOUSING STIMULUS LEGISLATION SIGNED BY PRESIDENT

Key housing stimulus legislation was signed into law this week by President Bush in an effort to end the current downturn, aid home buyers and struggling borrowers and strengthen the housing finance system. The Housing and Economic Recovery Act (H.R. 3221) is expected to jump-start the housing industry and key provisions include:

- A temporary first-time home buyer tax credit. The credit can be as much as \$7,500 for first-time buyers purchasing a home on or after July 9, 2008 and before July 1, 2009. The tax credit will stimulate home buying, reduce excess supply in housing markets and shore up home prices.
- FHA modernization and expansion. A revitalized FHA will have greater flexibility to respond to the needs of borrowers, enable more working families to become home owners and play an important role in the mortgage markets. To address the foreclosure crisis, the FHA is given additional authority to insure up to \$300 billion of mortgages to refinance loans headed for foreclosure.
- GSE (government-sponsored enterprise) reform. The law reforms the regulation of Fannie Mae and Freddie Mac and permanently increases the conforming loan limit to help buyers in high-cost markets. To reassure financial and global markets, the government will temporarily expand its line of credit to Fannie and Freddie and permit the U.S. Treasury to purchase an equity stake in the companies through the end of 2009.
- Mortgage Revenue Bond Program. The measure gives states the ability to issue an additional \$11 billion in mortgage revenue bonds, which will help strapped borrowers seeking to refinance their home loans.
- Low Income Housing Tax Credit. Enhancing this program will expand the supply of much-needed affordable rental housing.

WEBSITE HIGHLIGHTS TAX CREDIT

NAHB recently launched a new consumer website detailing the first-time home buyers tax credit. The website explains the law's provisions, frequently asked questions and lists resources available. Visit www.federalhousingtaxcredit.com to learn more.