

INDIANA BUILDERS ASSOCIATION

Legislative and Regulatory Report #16

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HIGHLIGHTS

IBA BOARD MEETING NEXT WEEK

IBA's Spring Board meeting will be held Tuesday, May 13th at the Indianapolis Marriott Downtown (350 West Maryland Street Indianapolis, 46225) from 12-2 p.m. The keynote speaker is Attorney General Steve Carter and would encourage all members to attend. Committees will meet on Monday May 12th or Tuesday May 13th so please go to www.buildindiana.org and choose the board and committees section for their time and location.

GREEN BUILDING CONFERENCE SCHEDULED

The Get Excited About Going Green Conference will be held on Monday, May 12th from 1-5 p.m. in Indianapolis. Hosted by IBA, this conference will provide educational sessions and will allow networking with suppliers who sell green products.

REPRESENTATIVE BUCK BECOMES SENATOR BUCK

Long-time State Representative Jim Buck (R-Kokomo) was chosen by a caucus of precinct committeemen to serve the remainder of Senator Jeff Drozda's seat who recently resigned. A caucus composed of precinct committeemen in the House district will choose a replacement in the next few weeks. IBA member Heath VanNatter has filed to run for the House seat.

NEWS

REMODELING ACTIVITY REMAINS STEADY IN THE FIRST QUARTER

Remodeling activity remained steady during the first quarter of 2008, according to the National Association of Home Builders' (NAHB) Remodeling Market Index (RMI). The current market conditions indicator increased to 41.8 from 40.9 in the fourth quarter, which the future expectations measure showed no change from the previous quarter at 37.9. The RMI measures remodeler perceptions of market demand for current and future residential remodeling projects.

REGULATORY

ISDH WORKING ON LEAD RULE

The Indiana State Department of Health has filed intent to adopt rules to establish a lead-safe work practice training program for contractors, renovators, and remodelers. IBA will be closely monitoring the issue and working with interested parties after the language has been reviewed.

LEGISLATIVE

REPRESENTATIVE JOHN ULMER ENDS LONG RUN AS LEGISLATOR

State Representative John Ulmer (R-Goshen) was defeated by Wes Culver, builder and realtor, in the primary election held Tuesday. At this point Culver does not face opposition in the

November election but a district caucus of Democrat precinct committeemen could still place a Democrat on November's ballot. The district includes Elkhart County.

REPRESENTATIVE GREGORY SIMMS DEFEATED

Representative Gregory Simms (D-Valparaiso) was defeated by Charles Moseley in the primary election. Simms served last session after being named the replacement for former Representative Duane Cheney who retired last year. Moseley will now face Republican Kenneth Kaminski in the November election. The district includes Porter County.

JILL LONG THOMPSON TO FACE GOVERNOR DANIELS

Former Congresswoman Jill Long Thompson will challenge Governor Mitch Daniels in the November election after beating Indianapolis businessman Jim Schellinger in Tuesday's primary election.

IBA STAFF MEETS WITH NEW SENATOR

IBA staff recently met with Senator Travis Holdman (R-Markle) to discuss building industry issues and economic development. Holdman was recently sworn into office after being elected by precinct committeemen to complete the late Senator Ford's term after he lost a battle with cancer earlier this year.

NAHB

IBA MEMBERS LOBBY INDIANA CONGRESSIONAL DELEGATION

A number of IBA members and several staff attended NAHB's spring legislative conference and Board meeting which took place last week in Washington, D.C. IBA met with various members of the Indiana delegation and discussed the need for legislation to help with the housing downturn. Indiana met with legislators or staff from Senator Richard Lugar and Senator Evan Bayh, along with Congressmen: Dan Burton, Steve Buyer, Andre Carson, Joe Donnelly, Brad Ellsworth, Mark Souder, and Pete Visclosky.

HOUSE PASSES AMERICAN HOUSING RESCUE AND FORECLOSURE PREVENTION ACT

H.R. 3221, the American Housing Rescue and Foreclosure Prevention Act, was passed by the House and creates a first-time home buyer tax credit up to \$7,500 for the purchase of any home for those who earn less than \$70,000 annually, after which it phases out, at \$140,000 for married couples. Home buyers would be required to repay the credit to the government, without interest, over 15 years. The bill would also modernize Federal Housing Administration and provide comprehensive reform for housing government sponsored enterprises Fannie Mae and Freddie Mac, enhance the Low Income Housing Tax Credit (LIHTC) and tax-exempt housing bond programs, provides a temporary increase in state mortgage revenue bond authority to help borrowers seeking to refinance their home loans, and allow FHA to insure up to \$300 billion worth of refinanced loans if lenders first reduce the outstanding principal to make them more affordable for borrowers. The House legislation must be reconciled with a narrower housing stimulus passed by the Senate last month.

NAHB APPLAUDS FANNIE MAE HOUSING RECOVERY INITIATIVES

NAHB expressed support for steps recently announced by Fannie Mae to address severe problems in the nation's housing finance system. The Keys to Recovery Initiatives are a series of new programs designed to increase liquidity and stability in the mortgage and housing markets. Fannie Mae has decided to utilize the temporary increase in conforming loan limits to purchase jumbo-conforming mortgages under the same pricing structure accorded portfolio purchases of regular conforming loans will help home buyers in high-priced markets. In addition, Fannie Mae will also begin a refinancing program for borrowers whose mortgage amount exceeds the current value of their home and the plant to purchase more loans from state housing finance agencies.

CREDIT TIGHTENING ON BUILDER LOANS THREATENS TO PROLONG HOUSING DOWNTURN

NAHB told Congress that the mortgage crunch has spilled over into the housing production loan market, threatening to prolong the current downturn. "The mortgage credit crunch will continue to be the most significant factor impacting the home building industry into the foreseeable future," Scott Eckstein, a home builder from Naperville, IL and president of the Illinois Home Builders Association, told the House Small Business Subcommittee on Finance and Tax. Despite concerted efforts of central banks here and abroad, Eckstein said that the credit crunch appears to be worsening. "Tighter mortgage lending terms have made it difficult for home buyers to obtain financing to purchase new homes. Likewise, builders are reporting an adverse shift in terms and availability on loans for land acquisition, land development and home construction (AD&C)."