

HOME BUILDERS ASSOCIATION OF THE ALLEGHENIES

AUGUST 2011 NEWSLETTER

www.hbaahomes.org www.pabuilders.org
www.nahb.org

There Is NO GENERAL MEMBERSHIP MEETING in August

The September General Membership Meeting was originally scheduled for September 5 (Labor Day). It has been **rescheduled for Monday September 12th**.

NEXT BOARD MEETING

Monday, August 8, 2011: The H.B.A.A. Board of Directors meeting will be August 8, 2011, 6:30 PM at Hoss's Restaurant in Richland.

NEXT GENERAL MEMBERSHIP MEETING

Monday, September 12, 2011: The September General Membership Meeting will begin at 6:30 at Hoss's Restaurant in Richland. When you arrive at Hoss's come directly into our back meeting room. Our menu selection will be posted at each table. Please place your dinner order **in our meeting room** by 6:30PM.

** Both the general membership meeting and Board meetings are at Hoss's Restaurant*

GENERAL MEMBERSHIP MEETING:

6:30 PM Cocktails 7:00 Dinner First Monday of the month

August	no meeting
September	5, 2011 12, 2011
October	3, 2011
November	7, 2011
December	no meeting

BOARD OF DIRECTORS MEETINGS:

6:30PM at / Second Monday of the month

August	8, 2011
September	no meeting
October	10, 2011
November	no meeting
December	12, 2011



**POLITICAL ACTION
COMMITTEE**

*The Allegheny
Committee for
Affordable Housing is
a **local** political
action committee*

*striving to keep housing affordable in our
local area. Every time you purchase a 50/50
ticket at our general membership meeting,
the proceeds go to this committee.*

YOUR ANNUAL DUES AND THE LOBBYING TAX DEDUCTION FOR 2011

Dues payments to The Home Builders Association of the Alleghenies are not deductible as charitable contributions for federal income tax purposes. However, dues payments may be deductible as ordinary and necessary business expenses subject to the exclusion for lobbying activity. Because a portion of your dues is used for lobbying by NAHB and PBA, \$99.31 (\$27.00 + \$72.31) is not deductible for income tax purposes.

**THANK YOU - RECENT GENERAL
MEMBERSHIP MEETING
SPONSORS:**

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If you are interested in sponsoring a general membership meeting, please contact Walt Freidhoff at (814)535-8371.



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SPECIALIZED HOME DESIGN, INC

<http://www.shdesigns.net/home>

(SHD) is pleased to announce that they have been approved as a NAHB Continuing Education Provider. As a Continuing Education Provider, our live and online seminars about universal and accessible home design meet NAHB's



continuing education requirements for all their <<http://www.shdesigns.net/nahb-designation-continuing-education#Designations>> designations. This means these seminars can be applied towards your continuing education requirements for maintaining your NAHB designations. The approved seminars <<http://www.shdesigns.net/seminars>> are:

"The ABC's of Home Modifications for Patients with Physical and Neurological Disabilities" (Live and Online).

"Specialty Products for Home Accessibility and Independence" (Live and Online).

"Evaluating and Writing an Effective Home Modification Evaluation: The Do's and the Don'ts" (online only)

These seminars are presented by the owner of SHD, Scott Anderle, PT, CAPS, who is a home modification specialist in universal and accessible home design and is a national speaker and educator in this arena. We encourage you to explore our expanded website <<http://www.shdesigns.net/home>> for more information about Scott, SHD and to learn about the CHER (Comprehensive Home Evaluation Report) <<http://www.shdesigns.net/cherreg>>.



DO YOU KNOW THE 2009 CODE?

1. Use of water-resistant gypsum backing board shall be permitted to be used on ceilings where framing spacing does not exceed _____ inches on center for ½ inch thick gypsum board.
2. For weather-resistant barrier felt shall be applied horizontally with the upper layer lapped over the lower layer not less than _____ inches.
3. Stone and masonry veneer installed over a backing of wood or cold-formed steel shall be limited to the first story above grade and shall not exceed _____ inches in thickness.
4. Stone or masonry veneer above openings shall be supported on lintels of _____ materials.
5. Stone or masonry veneer shall be separated from the sheathing by an air space of a minimum of _____ inch but not more than _____ inches.
6. Weepholes in masonry veneer shall not be less than _____ inch in diameter with a maximum spacing of _____ on center.

Consumer Finance

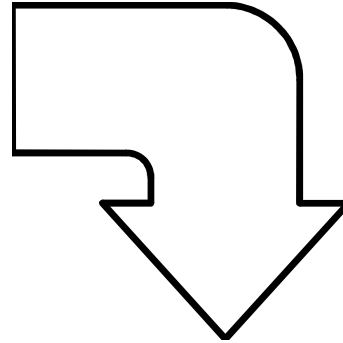
U.S. HOME OWNERSHIP FALLS TO LOWEST LEVEL IN 13 YEARS

By Brian Collins, 241 words, 1 August 2011, American Banker, AMB, American Banker Print and Online CTGAB, Vol.176, No.147, English, (c) 2011 American Banker and SourceMedia, Inc. All rights reserved.

The U.S. homeownership rate fell by less than half a point in the second quarter to 65.9% as foreclosures accelerated and consumers put off buying homes because of fears about prices and the economy.

Friday's Census Bureau report shows the homeownership rate has fallen one full percentage point from a year ago to the lowest level since 1998. Every one percent point drop in the rate means 1.1 million fewer households own a home. Foreclosures have taken the heaviest toll on minorities, which saw a slight decline in their ownership rates in 2Q. Roughly 44.2% of African Americans owned their own home during the period, compared to 44.8% in 1Q. The rate for Hispanics slipped a tick to 46.6%.

The ownership rate for whites fell slightly to 73.7% in the second quarter. The weaker readings suggest robo-signing related foreclosure moratoriums are coming to an end with servicers opting to foreclose instead of waiting. The Census Bureau report also showed that the number of vacant single family homes that are for sale fell nearly 7% during the first half to 1.95 million units. The historical norm for such inventory is in the range of 1.25 million to 1.5 million units. Housing economists believe the overhang of these unsold units puts downward pressure on home values.



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YOUR PA-ONE CALL IS FREE

IT IS FREE WITH YOUR MEMBERSHIP!

Whether you're laying the foundation of a building or just planting a tree, you must call to have the underground utility lines located before digging. By calling 1-800-242-1776 three working days before you start your project, all member facility owners in your work site area will be notified of your plans and will mark their lines in the vicinity.

GIVE US YOUR PA ONE CALL BILL.

Members should give their PA One Call invoice to us at the HBAA, we, in turn, verify your membership and fax it to PBA for processing. Last year alone, 825 PBA

Members used this benefit for a total savings of \$41,250.

BE MINDFUL OF LICENSING REGULATIONS IF YOU OFFER 'SELF-FINANCING'

Article provided by NAHB

Builders who offer 'self-financing' or contract to deed arrangements to customers who have a difficult time obtaining financing from banks may get slapped with the book; due to the [U.S. Department of Housing and Urban Development](#) (HUD) regulations that are imposed by the [Secure and Fair Enforcement Mortgage Licensing Act of 2008](#) (SAFE Act).



Under the SAFE Act, builders who “habitually and repeatedly” offer self-financing or contract to deed arrangements for the purchase of residential property may be required to be licensed as a loan originator.

The SAFE Act directed all the states to enact licensing legislation for residential loan originators in accordance with mandatory minimum standards. In [a final rule appearing in the June 30 Federal Register](#), HUD provided its regulatory interpretation of these minimum standards. The rule becomes effective on Aug.29.

The SAFE Act defines “loan originators” as individuals who take residential loan applications and offer or negotiate residential mortgages for compensation or gain. And while it is primarily intended to regulate the practices of banks and other commercial residential mortgage providers, in HUD’s view it can apply to builders.

In order to be licensed under the SAFE Act, residential loan originators, with some qualifications, must:

- Have no felony convictions
- Demonstrate financial responsibility and fitness of character
- Complete 20 hours of pre-licensing education
- Score at least 75% on a pre-approved test
- Be bonded or have a demonstrated net worth
- Submit fingerprints to the FBI
- Submit a personal history and experience resume to the licensing authority
- Undergo a credit and criminal history background check

For renewal, licensed originators must also annually complete eight hours of approved continuing education.

There is, of course, a gray area related to which states will enforce the required licensing and which builders will be considered habitual lenders. Without clearly defining the parameters, HUD has left it to the discretion of individual enforcement authorities — and ultimately the courts — to determine the amount of loan originator activity, including self-financing transactions, that can be safely undertaken before licensing is required.

Read the full story in Nations Building News [here](#).

LEAD PAINT REMINDER

EPA’s LEAD BASED PAINT PAMPHLET



Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint chips, and dust can pose serious health hazards if not taken care of properly. Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing.

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure form about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure form about lead-based paint. Buyers have up to 10 days to check for lead.

RENOVATORS have to give the Lead-based paint information guide before starting the renovation.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Center at 1-800-424-LEAD (424-5323)

US News and World Report

MORE HEADWINDS FOR THE HOUSING MARKET?

Debt deal or not, confidence in America has taken a hit, and it could affect the housing market

By Meg Handley Posted: August 1, 2011

It appears politicians have averted catastrophe, cobbling together a tentative deal Sunday ending the political stalemate over the debt ceiling. Nevertheless, America's chronic debt problem could still have far reaching consequences, damaging not only the United States' reputation as a fiscally responsible nation, but further hobbling an already haggard housing market.



Though the United States may have narrowly sidestepped default, experts say there's no guarantee the nation's pristine credit rating will remain intact. Ratings agency Standard & Poor's warned in July that it would consider downgrading the nation's 'AAA' rating debt if lawmakers did not strike a deal cutting deficits by \$4 trillion. The tentative agreement reached Sunday falls well short of that level, calling for about \$2.4 trillion in cuts over the next 10 years.

Experts say a downgrade would likely trigger an increase in interest rates and put further downward pressure on home prices. "We're on track for an inevitable downgrade at some point," says Greg McBride, senior financial analyst at Bankrate.com. "It's a more modest impact [than default], but it's not so much the initial move in interest rates, it's the permanency of the higher level" of interest rates that will keep some prospective home buyers on the sidelines.

Higher borrowing costs would likely decrease the sum prospective home buyers could mortgage, in turn cutting into the amount they could afford to pay for a home. "If it costs more to get a mortgage, that means you're going to have less income to qualify with, which means you can only afford to buy a lower priced home," says Bob Dietrich, managing director of FMV Opinions, a national financial advisory firm. That would likely translate into more demand for homes at lower price points, putting further pressure on already sinking sale prices.

Against the backdrop of disappointing GDP figures released Friday—the economy grew just 1.3 percent compared to the almost 2 percent growth rate economists had expected—and a struggling housing market already dragging significant weight, any additional headwinds created by higher borrowing costs could be disastrous. Even rock bottom mortgage rates for the past few years have failed to stimulate any meaningful energy in the lethargic housing market. With the exception of a brief uptick in 2008 and 2009 when the federal government offered the home buyer's tax credit, sales have been flat or falling in most regions. The most recent monthly existing home sales figures from the National Association of Realtors showed a decline of almost 1 percent from a year ago, while the total inventory of homes for sale rose to 3.77 million homes representing a 9.5 month supply at the current sales pace.

"Economic uncertainty and the federal budget debacle may be causing hesitation among some consumers or lenders," NAR chief economist Lawrence Yun said in a July press release.

But while a downgrade is certainly not positive for the housing market, default would be a much more serious and harmful affair; an event that could plunge the United States back into an even deeper recession. "If Uncle Sam defaults, nobody's going to want to lend to anyone," McBride says. "There's a real risk that credit markets freeze, which would jeopardize the entire economy." A downgrade on the other hand would increase interest rates, but credit markets would be relatively unaffected, McBride says. But with the federal government looking to pare down its presence in the housing market, other experts are unsure whether the private lending market will fill the enormous void currently filled by quasi governmental agencies Fannie Mae and Freddie Mac. The mortgage giants currently back more than 90 percent of new home loans, and absent the government guarantee, private lenders may not be willing to lend, even at higher interest rates. "There's not a lot of private lenders out there who are not lending against a guarantee from Fannie and Freddie, so if you take that away, you could have a serious problem," Dietrich says of consumer mortgage credit availability.

Another wildcard is the prospect of government spending cuts. With the economy already at stall speed and government spending at nearly 25 percent of GDP, any cuts could drastically change the dynamic of a struggling recovery. "The aspect to be mindful of if [politicians] do come to some agreement on spending cuts is when those spending cuts kick in," McBride says. "Too much too soon could be devastating to the overall economy." A provisional agreement to raise the debt ceiling enables the United States to avoid default, but it does little to resolve the underlying debt issues the country faces. And while the tentative agreement might have quelled financial market jitters, ratings agencies will keep a close eye on how politicians plan to rein in the nation's soaring public debt. A downgrade would not be catastrophic, experts say, but it would add headwinds for an economy still carrying the dead weight of a debilitating recession.

Twitter: @mmhandley

2011 ANNUAL H.B.A.A. GOLF OUTING

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R. Painter	D. Yunetz
C. Onkst	L. Harding



Again, Thank you, Jim Buhaly for organizing this years HBAA Golf Outing. It was a big success.

2009 CODE ANSWERS

1. 12 in. Or 16 inches for 5/8 inch thick gypsum board. 2009 IRC Section R702.3.8 Water-resistant gypsum backing board.
2. 2 in. 2009 IRC Section R703.2 Water-resistive barrier.
3. 5 in. 2009 IRC Section R703.7 Stone and masonry veneer, general.
4. Noncombustible 2009 IRC Section R703.7.3 Lintels.
5. 1 in. 4 1/2 in 2009 IRC Section R703.7.4.2 Air space.
6. 3/16 in. 33 in. 2009 IRC 703.7.6 Weepholes.

NEWSLETTER ADVERTISING



Home Builders Association of the Alleghenies

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Order for advertising within our monthly Newsletter:

- . All ad copy and artwork must accompany this contract.
- . All advertising artwork must be photocopy ready. (B&W only)
- . All advertising contracts are for a minimum of 3 months.

Business Card (3 ½ x 2")	\$10.00 x _____ months = \$ _____
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½ page (5" x 8")	\$45.00 x _____ months = \$ _____
Full page (8 ½" x 11")	\$90.00 x _____ months = \$ _____

Order for a flyer attached to inside of our monthly Newsletter:

7. The flyer must be of size 8 ½ by 11, on standard weight paper.
8. All the flyers are to be created by the advertiser and given to H.B.A.A. (Please call HBAA for an estimate of the number of flyers required)
 \$75.00 x _____ sheets x _____ months = \$ _____

Circle month you are requesting your ad period to start:

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

9. All advertising contracts must be prepaid, please attach check payable to the H.B.A.A.
10. All advertising must be supplied to the H.B.A.A. office a minimum of 2 weeks prior to the advertising month.

The HBAA does not discriminate against any person or company in accepting paid advertising in its newsletter. Acceptance of advertising does not constitute an endorsement of the advertiser, its products, services or claims. The HBAA shall be held harmless in the event that a newsletter is not published or distributed as planned, or in the event that an ad is omitted or incorrectly displayed.

Advertiser _____ Date _____

HBAA _____ Date _____

FLUDDER'S CORNER

This is weird, but interesting! Can you read it?

fi yuo cna raed tihs, yuo hvae a sgrane mnid too Cna yuo raed tihs? Olny 55 plepoe out of 100 can. i cnduolt blveiee taht I cluod aulacly uesdnatnrd waht I was rdanieg. The phaonmneal pweor of the hman mnid, aoccdrnig to a rscheearch at Cmabrigde Uinervtisy, it dseno't mtaetr in waht oerdr the ltteres in a wrod are, the olny iproamtnt tihng is taht the frsit and lsat ltteer be in the rghit pclae. The rset can be a taotl mses and you can sitll raed it whotuit a pboerlm. Tihs is bcuseae the huamn mnid deos not raed ervey lteter by istlef, but the wrod as a wlohe. Azanmig huh? yaeh and I awlyas tghuhot slpeling was ipmorantt!

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HOME BUILDERS ASSOCIATION OF THE ALLEGHENIES
NEWSLETTER

AUGUST 2011

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“Even if you’re on the right track, you’ll get run over
if you just sit there.” - Will Rogers