

Home builders make case to Alexander on stimulus

By Hank Hayes

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BLOUNTVILLE — Nearly 20 home builders, appraisers and suppliers captured the attention Monday of field staffers for Tennessee’s GOP U.S. senators to convey one urgent message: Something big needs to be done for housing in the huge federal economic stimulus package.

“The National Association of Home Builders feels like housing is what will lead this country out of its problem,” Johnson City Area Home Builders Association President Robert Garrett told Lana Moore, field representative for U.S. Sen. Lamar Alexander, and Bridget Baird, field director for U.S. Sen. Bob Corker.

The home builders meeting, held at Tri-Cities Regional Airport, occurred just after the U.S. Commerce Department announced that construction spending fell for a third straight month in December.

Home builders said bankers have been asking them for more collateral in exchange for loans and noted home buyers need increased tax credits to purchase homes.

“Banks are not releasing money to builders,” said Sam Kassem, immediate past president of the Kingsport Home Builders Association. “Good, reliable builders with good credit cannot get money to build houses. I have a cousin who has six or seven spec houses right now. He’s out on a limb giving people jobs, giving subs jobs and suppliers jobs. The home building industry touches so many different industries — plumbing, block, developers, Realtors, appraisers. It networks throughout the whole economy. ... This is an industry that has been sitting still for several months. We’ve got to kick-start it.”

There are strong indications that both Alexander and Corker want something for the housing market in the stimulus bill.

Moore and Baird indicated neither Alexander nor Corker appeared to like the House-approved version of the stimulus plan, which did not get one Republican vote.

“We believe that in order for the stimulus to be effective, it should be reoriented on housing,” Alexander said in a Senate floor talk last week. “First, fix the real problem — housing. If housing is restarted, if home values are stabilized, and if people are buying homes, that will do more to help restart the economy than anything else. Second, we should let people keep more of their own money. A true stimulus is permanent tax relief. If people have more of their own money in their pockets, they will have more confidence. They will be able to buy more. After reorienting toward housing, that will also help restart the economy.

“Since we are borrowing so much of this money, especially, we believe it ought to be oriented directly toward those items that would specifically create jobs now. It should not go toward good sounding ideas such as Head Start and Pell grants for college students that we may want to take up later, maybe as early as the following week, in a regular appropriations bill. So that is our

belief: Reorient the stimulus toward housing, let people keep more of their own money, and get the stuff out of the bill that has nothing to do with creating jobs now, in the next few months or in the first year.”

Corker, in a statement posted on his Web site (www.corker.senate.gov), said 90 percent of the nation’s economic problems deal with the effect of the housing market.

“There may be some need for capital improvements, and those are things that are long term and help us be efficient, and I could support some of that,” Corker said of the stimulus plan. “But what we’re doing, again, just in a willy-nilly way, spreading money throughout our society, to me, is a total waste of money, and I’m getting very concerned about our debt levels.”

Larry Sangid, vice president of the Johnson City Area Home Builders Association, said he believes that Corker, a former developer, will go to bat for home builders.

“We’re not asking for a bailout,” Sangid said. “We’re not asking for anything that we wouldn’t pay back.”

For more about Kingsport and Johnson City home builders go to www.kingsporthomebuilders.com and www.jcahba.org.

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Senate to Take up Economic Stimulus Plan This Week
Housing Provisions Gaining Traction
Keep the Pressure On!
Call 1-866-924-NAHB (6242)

Thank you to all of you for your efforts over the past couple of weeks to drive home the building industry recommendations for the economic stimulus package. Your efforts are working.

The Senate begins debate on the stimulus bill this week, and there has been an increased call by key Senators on both sides of the aisle to include provisions to directly address the housing crisis. Several different proposals have emerged in recent days that would expand the home buyer tax credit and reduce mortgage interest rates.

As the Senate debates amendments this week, your help is needed to pressure the Senate to continue to focus on housing as the solution to the current financial crisis.

Call to Action

Please call your Senators today at **1-866-924-NAHB (6242)** and ask them to support any proposed amendments to the Senate version of the economic stimulus bill that would **create a mortgage interest buy down** and **enhance the housing tax credit**. Senators should enhance the credit by:

1. Extending the eligibility period from September 1, 2009 to December 31, 2009
2. Increasing the credit amount
3. Including all home-buyers
4. Allowing the credit to be used at the time of closing

Less than two weeks remain before Congress sends an economic stimulus package to President Obama. We must impress upon the Senate that only robust housing stimulus will restore consumer confidence in the housing market and put the economy back on track.

After your call, please take a moment to email us with your feedback at builderlink@nahb.com. We want to hear what your Senators are saying.

Thank you for your help with this very important effort!

