

Building Contractors Association of Otero County

BCAOC



**OUR NEXT MEMBERSHIP
LUNCHEON MEETING
WILL BE ON
TUESDAY, NOV. 15TH AT 11:30 AT
19TH HOLE RESTAURANT...
COME JOIN US!**

**See Page 4
For Information
on This Month's
Cover!**

Quote of the Month

*"Sooner or later, those who win
are those who think they can."*

- Richard Bach



A Message from the Chief Executive Officer



Tami Sauerman

Dear BCAOC Members,

I am still receiving calls and emails from the community requesting referrals for contractors, sub contractors, services and businesses. I always refer a member and many have told me they got work from that referral.

Recently, a StatCounter that is installed on the BCAOC website tabulated 460 views of the site last month, and a total of 31,264 for the last 12 months. This is a substantial number and proof that the public is looking at the Association and its members as a valuable and trusted source for their construction needs.

The statistics compiled on StatCounter give much useful information including popular pages accessed. Two of the most frequently loaded pages by the public are the members list and the newsletter link.

The public is looking to see who is a member of the BCAOC. Think of how many people your ad could reach placed in the newsletter. Ad pricing and discounts can always be found on the last page of each newsletter.

Recently the Association hosted its third EPA Lead Renovator Training. Five students took the class and have become Certified Lead Renovators, and they are: From Advanced Construction Solutions- John Lynch, Frederico Salas, Matthew Tijerina; From Cherokee Enterprises- Dean Terrell, Robert Lask. Con-

gratulations to these individuals and companies for their time and effort in accomplishment and compliance with the EPA Lead Rule.

In closing, remember to mark Friday, September 30th on your calendar! Your 24th Annual Shrimp Boil is going to be at Mesa Verde again this year from 6-10pm. ALL YOU CAN EAT shrimp, pork, corn, potatoes, and rolls. We have held the ticket price at \$25.00 per person for another year as we understand the times we are living in.

At your General Membership Luncheon Meeting in November we will be voting for Association officers. You can see the importance of attendance at this meeting as officers shape the future of your Association and it's success in moving forward. The following have been nominated and accepted the nomination for their respective offices: President Elect 2012- Gerald Matherly, Jake Boles; Associate Vice President 2012- Rick McCracken; Treasurer 2012- Lee Ann Bain. Please take a moment to think about your vote and I will see you on Tuesday, November 15th at the 19th Hole Grill.

Most Sincerely,
Tami Sauerman
Executive Officer, BCAOC

BCAOC 2011

Board Members and Officers

Executive Board of Directors:

President – Jessica Beach • President Elect – Dan Hughes
Associate VP – Rick McCracken • Secretary/Treasurer – Lee Ann Bain
Past President – Josh Rardin • Life Member – Mike Drunzer
Executive Officer – Tami Sauerman

Builder Members

Jim French, Gerald Matherly, Tommy Messer, Harris Blankenship,
Mark Bolin, Allen Gorby, Randy Rabon, Doug Nelson

Associate Members:

Jeri Melton, Phil Stevens, Beth Crabbe-Smith
Rudy Chanez, Mike Espiritu, Miles Ledgerwood

The Building Contractors Association of Otero County is a nonprofit voluntary trade association affiliated with the New Mexico Home Builders Association and the National Association of Home Builders. The association seeks to represent and serve the diversified needs of its members who consist of large, small volume and custom home builders, developers, and remodelers, as well as industry-related suppliers, subcontractors, & professionals.

As the voice of the housing industry in Otero County, the association's primary mission is to represent those involved in and served by the building industry in our region, and all those in pursuit of the American Dream.

This will be the accomplished by spearheading a combined effort of all industry-related groups in addressing the quality of life in the community.

The Building Contractors Association of Otero County will work to achieve the following goals:

- ◆ Educate our membership, our industry and the public;
- ◆ Actively participate in legislative & regulatory affairs;
- ◆ Provide the forums that encourage quality construction and innovative products.

We responsibly serve our community by being the positive influence on the building industry.

IF YOU MISSED OUR GENERAL MEMBERSHIP MEETING...

Your September General Membership luncheon meeting held at the 19th Hole Grill inside Desert Lakes Golf Course was a full house! The format was a forum of local bankers who addressed the membership on the current status of construction lending.

President Jessica Beach called the meeting to order at 12:00pm and led us in the Pledge of Allegiance and Bill French gave the prayer.

Present at the meeting were a large number of builders and real estate professionals, and other interested associate members.

Six banks were represented at this meeting and speaking were: Jill Gutierrez of Bank'34, Steve Muell of First National Bank, Dion Kidd of Western Bank, Brandy Murphy

of Compass Bank, Rick Patton of Pioneer Bank, and Linda Rardin of First Savings Bank.

Generally speaking, most agreed that the economic times we are currently in do make it more challenging than before for lending, however, we were told that banks do have money to lend and are eager to do so to qualified individuals. Rick Patton brought some informational materials and Brandy Murphy and her associates gave a brief overview of their lending program and also had handouts.

It was an informative meeting and the audience had an opportunity at the end to speak with the bankers.

Bert Beach won the 50/50 drawing and Jessica adjourned the meeting at 1:00pm.

Homeownership Tax Change Would Harm Seniors

For many Americans, getting married, buying a home, having children and providing them with an education, then being able to retire comfortably without financial worries is the embodiment of their American Dream.

Homeownership has long been the foundation of a family's ability to achieve their American Dream. For more than a century, Americans have counted on their investment in their homes to be able to pay for their children's education and to enable them to live where and how they want to after they retire.

But those expectations are in jeopardy for the nation's 75 million home owners. Policymakers seeking to reduce the federal deficit are considering eliminating or reducing the mortgage interest deduction. Changes to the deduction would not only harm home owners who currently rely on it to manage their household expenses, it would also hurt millions of seniors who no longer claim the deduction but still depend on its existence to secure their future.

According to most economists, eliminating or scaling back the mortgage interest deduction would trigger a drop in home values. This would cause more home owners to be saddled with mortgages that are larger than their property's value, which

would lead to even more foreclosures and place even more downward pressure on home prices.

Seniors looking to use the proceeds from the sale of their home to relocate to a different part of the country, to move into a retirement community, to help defray health care costs or to fund other long-term obligations would find they have a much

smaller retirement nest egg than they'd planned on. They may be forced to keep working for many more years, or to postpone or cancel moving to a new home because they can't afford or are unable to sell their current home.

Changing the rules now by eliminating or curtailing the deduction would be unfair. It would take money out of the pockets of those home buyers who counted on the deduction being there when they needed it, and it would penalize millions of baby boomers nearing

retirement and seniors who own their homes outright.

Seniors have played by the rules and made sacrifices to get where they are, and they don't deserve to have the rug pulled out from under them. Learn more about the threat to the mortgage interest tax deduction and find out how you can take action to protect it at www.SaveMyMortgageInterestDeduction.com.





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On The Cover ~

Complete Bathroom Remodel

Project:

Steven Gattis, Perry Hisaw

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Perry Hisaw

The complete remodel included custom tile work in the shower, high end rubbed bronze fixtures, new intricately detailed vanity with double sinks, separate matching beveled mirrors, and new commode.

PHOTO COURTESY OF TAMI SAUERMAN

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MEMBER SPOTLIGHT - BUILDER CARMEL BUILDERS REAL ESTATE BCAOC MEMBER - 18 YEARS

Charlie "Poncho" Cookson, owner of CBRE, was born in Roswell, New Mexico and has been in the area for 56 years, 33 of them in business. His company is located at 1710 Indian Wells Road, here in Alamogordo.

Poncho readily agreed to participate in the Member Spotlight and was thoughtful in assisting me in meeting deadlines! He reports in the interview outline that he likes that he doesn't have to punch a time clock or wear a suit to do his work.

His company designs, builds, manages and maintains apartments and homes in the area. Cookson is particularly proud of designing and drafting construction projects.

He identifies financing for the home builder as well as the home buyer the largest current obstacle facing the industry.

FAST FIVE

1. What was your first job?
The first job I got paid for was watering lawns with a hand sprinkler for my father. I was paid \$1.00 per day. If I did not work a full day I was paid \$0.00.
2. What was your worst job?
Digging a house footing with a pick and shovel.
3. What is your favorite vacation spot?
Working in my cabinet shop while listening to rock & roll music.
4. What is your favorite quote?
"RMA." Right Mental Attitude.
5. What is one thing you know for sure?
"We are all mortal."

MEMBER SPOTLIGHT - ASSOCIATE SHERWIN WILLIAMS BCAOC MEMBER - 4 MONTHS

Karen Bourbon is well known to all and has been a fixture at Sherwin Williams for quite some time. While we all think we know our friends and neighbors we frequently interact with, you may not know she was born in Cleveland Ohio.

Bourbon relates that she enjoys being part of a diverse community such as Otero County. She is proud of her store and what they offer to Alamogordo. Sherwin Williams has been in Alamogordo since 1957 and in business for over 150 years.

Sherwin Williams is not just a paint store anymore. The associates there will assist you in many ways: color selection in paint and stain, roof coating, decorative concrete products and floor coverings to just name a few.

Her store holds informative classes and product demonstrations from time to time. Coming up soon is a decorative concrete products seminar featuring staining, stamping and texturing.

FAST FIVE

1. What was your first job?
2. What was your worst job?
3. What is your favorite vacation spot?
Colorado
4. What is your favorite quote?
"Life is too short to be unhappy"
5. What is one thing you know for sure?
"Grandchildren are life's greatest rewards."



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DAVE MARTIN
Cabinet Secretary
BUTCH TONGATE
Acting Deputy Secretary

Notice of Public Meetings To Discuss Possible Amendments to Liquid Waste Regulations

The New Mexico Environment Department (Department) has identified the need to update and amend the Liquid Waste Disposal and Treatment Regulations (20.7.3 NMAC) and the Liquid Waste Treatment and Disposal Fees Regulations (20.7.11 NMAC). The Department wishes to obtain stakeholder input on these issues prior to filing a formal petition for proposed regulation amendments with the Environmental Improvement Board (EIB).

Drafts of the regulation amendments that we are contemplating are posted on the Department's Liquid Waste Program website at this location <http://www.nmenv.state.nm.us/fod/LiquidWaste/>. We invite you to review these drafts and to submit written comments. Comments should be submitted by close of business on Friday, November 4, 2011, to Brian Schall, NMED Liquid Waste Program, 5500 San Antonio Drive NE, Albuquerque, NM 87109. Mr. Schall also may be reached at 505-222-9513 or at brian.schall@state.nm.us.

The Department will host the following public meetings to discuss possible regulation amendments.

- Alamogordo – Wednesday, October 5, 2011, 11:30 a.m. – New Mexico School for the Blind and Visually Impaired, 1900 N. White Sands Boulevard
- Angel Fire – Tuesday, October 25, 2011, 6:30 p.m. – Angel Fire Community Center, 15 CS Ranch Road
- Carlsbad – Wednesday, October 19, 2011, 11:30 a.m. – New Mexico State University Carlsbad, 1500 University Drive, Room 106
- Clovis – Monday, October 17, 2011, 6:30 p.m. – NMED Clovis Field Office, 100 East Manana Blvd., Unit 3
- Espanola – Wednesday, October 26, 2011, 6:30 p.m. – Rio Arriba County Commission Chambers, 1122 Industrial Park Road

Continued on Page 7

- Farmington – Wednesday, October 12, 2011, 6:30 p.m. – Farmington Civic Center, 200 West Arrington Street, Meeting Room C
- Hobbs – Tuesday, October 18, 2011, 6:30 p.m. – New Mexico Junior College, 5317 Lovington Highway, Training Room 125
- Las Cruces – Wednesday, October 5, 2011, 6:30 p.m. – Public Health Building, 1170 North Solano Drive, Room 1101
- Las Vegas – Monday, October 24, 2011, 6:30 p.m. – Luna Community College, 366 Luna Drive
- Los Lunas – Thursday, September 29, 2011, 6:30 p.m. – Los Lunas Teacher Resource Center, Los Lunas Elementary School Campus, 801 Coronado St
- Moriarty – Thursday, October 20, 2011, 6:30 p.m. – Moriarty Civic Center, 202 Broadway
- Rio Rancho – Thursday, October 13, 2011, 6:30 p.m., Sabana Grande Recreation Center, 4110 Sabana Grande Ave.
- Roswell – Wednesday, October 19, 2011, 6:30 p.m. – Eastern New Mexico University-Roswell, Campus Union Building, 48 University Blvd., Room 110
- Ruidoso – Tuesday, October 4, 2011, 6:30 p.m. – Village of Ruidoso Council Chambers, 313 Cree Meadows Drive
- Silver City – Thursday, October 6, 2011, 6:30 p.m. – Silver City Annex Building, 1203 North Hudson, Suite # 2
- Socorro – Friday, October 7, 2011, 12:00 noon – NMED Socorro Field Office, 198 Neel Avenue
- Taos – Wednesday, October 26, 2011, 11:30 a.m. – Juan I. Gonzales Agricultural Center, 202 Chamisa Road

Liquid waste system installers, inspectors, septage pumpers, homebuilders, realtors and other interested stakeholders are invited to attend and to provide their comments and suggestions on what amendments should be made.

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October 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
2						1
9	3	4	5	6	7	8
16	10  Columbus Day	11 City Commission Meeting 	12	13	14 Tiger Football Home Game - Gadsden 	15 Chamber of Commerce Masquerade Ball 
23	17 	18	19	20 County Commission Meeting 	21 Tiger Football Home Game - Las Cruces 	22
30	24	25 City Commission Meeting 	26	27	28	29
	31 					

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Real Estate Update ~ August, 2011
Karen Krupovage, Owner/Qualifying Broker Affinity Real Estate LLC

Statistics for August, 2011

SOLD – Residential.....	63
SOLD – Commercial.....	1
SOLD – Land.....	11
Active – Residential.....	858
Active – Commercial.....	63
Active – Land.....	676
Under Contract – Residential.....	70
Under Contract – Commercial.....	0
Under Contract – Land.....	15



Karen Krupovage
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THROUGH 2ND QUARTER COMPARISON	Properties SOLD	Total Value
Jan - August, 2011	459 Units	\$62,720,501
Jan - August, 2010	573 Units	\$81,102,252

(based on information from the Otero County Assoc of REALTORS®, Inc. Multiple Listing Service)

Membership Renewals

Builders:

- ◆ **ALAMO TRANSIT MIX CORPORATION**
James Rogers
- ◆ **CHARLES GARLAND & HARRIS INSURANCE**
John Suekinos
- ◆ **FIRST SAVINGS BANK**
Linda Rardin

Thanks for
Renewing Your
BCAOC
Membership!

GML
General Membership Luncheon

November Meeting

Our Next Membership Luncheon Meeting
will be on Tuesday, November 15th
at 11:30 AM at
THE 19TH HOLE at the
DESERT LAKES GOLF COURSE...
Come join us!

MENU:

Choice of Entrees, Iced Tea, Water, and Gratuity
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Associates:

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Fall Landscaping Tips to Prepare for Winter

There is no better time to take stock of your lawn and landscaping needs than during the shorter days and crisp temperatures that herald the beginning of fall. Not only can it help you have a great-looking lawn next spring, but it can save you money on your utility bills during the winter.

Assess Your Lawn

Fall is a great time for new grass seed to take root, especially in cooler climates. Even with meticulous care, lawns can thin out and lose color due to excessive thatch buildup, hard or compacted soils, or periods of high temperature, high humidity, or drought. Compacted soils slowly reduce the amount of oxygen contained in the soil, delaying the penetration of water and nutrients and impeding the lawn growth.

Aerating and over-seeding is an effective treatment to control thatch, reduce compaction, fill in bare spots and revitalize growth. It also reduces water runoff, increases the lawn's drought tolerance and improves its overall health.

Lawn aeration allows air, moisture and fertilizer to penetrate down to the root zone. It involves removing small soil plugs or cores typically 1/2 to 3/4 inch in diameter from the lawn. Lawns composed of cool-season grasses such as Kentucky bluegrass are best aerified in the fall, when there is less heat stress and danger of invasion by weedy annuals. On the other hand, warm-season grasses are best aerified in late spring and summer, when they are actively growing.

Consider also reseeding your lawn in areas where the grass has gotten sparse. First, rake leaves and debris off your lawn so the seeds can penetrate the soil. Then fertilize your lawn one last time with a high nitrogen fertil-

izer to encourage root growth. Make sure you get a lawn fertilizer that is labeled "winterizing."

Energy-Saving Planting

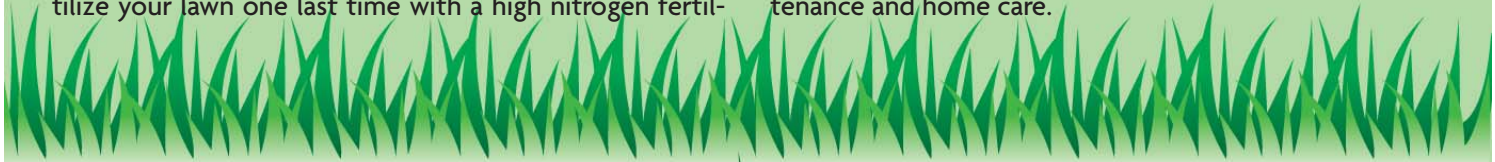
Fall is also the best season for planting trees, shrubs and perennials. Plants planted in the fall benefit from cooler air temperatures, not to mention soil temperatures still warm enough to support good root growth. After a winter of dormancy, fall-planted trees and shrubs practically shoot out of the soil the following spring.

Plant deciduous trees that lose their leaves during the winter in front of windows that receive significant amounts of sunlight. This helps block solar heat in the summer and lets it in during the winter when you need it most, which could help reduce your heating and air conditioning costs.

A six-foot to eight-foot deciduous tree will begin shading your windows the first year and your roof, depending on the species, within five-10 years. In regions with year-round sun and no significant winter, planting evergreen trees or shrubs limits sunlight entering your home and serves as a windbreak.

Winter sunlight is a welcome heat source, but the wind that can accompany it can reduce its positive effects. A natural windbreak will reduce or redirect wind speed. Evergreen trees and shrubs planted on the side of your house that receives winds will help reduce the wind effect. Teaming evergreen trees and an earth berm, a natural or man-made wall, will direct wind over your house. Additionally, in snowy climates windbreaks will help keep snow away from your home's foundation.

Go to www.nahb.org for more information on lawn maintenance and home care.



34 Building Permits issued for Otero County for August 2011.



Homeownership Works: It Puts Families in Homes and Americans in Jobs

The home is central to American life.

It is where dreams thrive and the future takes shape. It is where families make lifelong memories, and children are nurtured so they can build a better tomorrow.

Owning the home that plays such an important role in their lives is a cherished ideal for most families. They know that homeownership promotes social stability and is critical in creating wealth and providing upward mobility and financial security for individual households.

Housing and homeownership are also critical to a strong and prosperous nation. New home construction spurs productivity, creates jobs for millions of Americans, and generates revenues for all levels of government.

For almost a century, national policy has acknowledged the importance of the home in American family life. Today, homeownership is under attack. Legislative and regulatory proposals now under consideration would greatly harm home owners, home buyers, the housing market and the nation's economy.

There's no question that the business practices and excesses that contributed to the housing market crisis must be corrected. Prudent underwriting and other safeguards are essential. But the proposals now under consideration would go far beyond simply fixing the problem.

They would reverse the housing policies that created a thriving middle class and contributed to a century of economic progress. They would change the rules for millions who have sacrificed to get where they are, and they would penalize families for the lending industry's mistakes.

These proposals also would force millions of Americans to delay homeownership or even give up hope of ever owning a home. They also would threaten the system that ensures that affordable, high quality rental housing is available to meet the market's needs.

Ultimately, millions of American families – and the nation's economy – would suffer.

For that reason, it is important that policy makers be fully aware of the depth and breadth of housing's many contributions to American society and know how voters feel about homeownership and housing policy.

This publication examines the contributions that homeownership, residential construction and remodeling, rental housing and other aspects of the housing industry make to the nation, its people and the economy. It also explores the potential impact of some of the proposals that lawmakers and regulators are now considering.

By looking at the facts and answering the questions at the center of this complex debate, this examination of housing's crucial role in American society demonstrates why all housing must continue to be a national priority.

As we seek to build a better future, we should begin with this central question: Where will our children live?

Voters: National Policy Should Support Homeownership

Home owners and non-owners alike consider owning a home essential to the American Dreams, and believe that it is reasonable and appropriate for the federal government to provide tax incentives to promote homeownership.

They also oppose eliminating the mortgage interest deduction and view saving for a downpayment and closing costs as the most significant barrier to homeownership.

Those are among the key findings of a survey of 2,000 people likely to vote in 2012. It was conducted on behalf of the National Association of Home Builders in May of 2011 by Public Opinion Strategies of Alexandria, Va., and Lake Research Partners of Washington, D.C.

The poll results showed that 73 percent of all respondents – both owners and renters – believe the federal government should provide tax incentives to promote homeownership. This support for housing runs strong among all party affiliations, with 71 percent of Republicans, 79 percent of Democrats, 68 percent of Independents, and 68 percent who support the Tea Party agreeing with this statement.

Moreover, 71 percent of voters oppose proposals to eliminate the mortgage interest deduction. The majority also oppose limiting the mortgage interest deduction or eliminating the deductions for interest on home equity loans and mortgages on second homes.

The polling data also showed:

- 95 percent of the home owners said they are happy with their decision to own a home.
- 73 percent who don't own a home said that owning a home is one of their goals.
- Homeownership and a retirement savings program are considered by voters to be their best investments.
- 80 percent of home owners would advise a close friend or family member just starting out to buy a home.

The NAHB survey findings are consistent with the results of other public opinion surveys. In a New York Times/CBS News poll conducted in June of 2011, 89 percent said that homeownership is an important part of the American dream. More than 90 percent indicated that it is important for the federal government to continue the mortgage interest deduction.

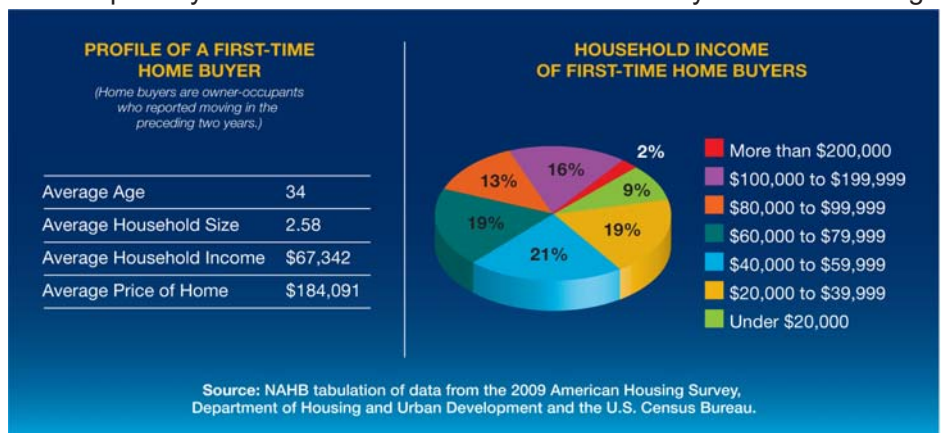
According to a Pew Research Center study conducted in March of 2011, 81 percent of adults agree that buying a home is the best long-term investment a person can make. Among the renters who were surveyed, 81 percent said they would like to buy a house.

In an Allstate/National Journal Heartland Monitor Poll conducted in March of 2011, the respondents also said that buying a home and investing in a retirement savings program are their best investments. Among those who own homes, 89 percent said that if they had the chance to make the decision again, they would still choose to buy a home.

Homeownership Contributes to Household Wealth

For most home owning households, the home is a primary source of wealth and financial security. And even though many homes have lost value in recent years, the nation's homeowners have more than \$6 trillion in home equity and they still believe in homeownership.

Home owners often tap the equity in their homes to pay for education, to cover health expenses and to help fund retirement. They also use the equity to help pay for improvements that increase the value of their homes and make them safer and more resource-efficient. Homeownership also can shield households from the risk of large increases in housing expenses.



Housing is a Key Element In the Nation's Economy

Just as each home is important to the family that lives in it, housing is important to local, state and national economies and accounts for about 15 percent of the nation's Gross Domestic Product.

Included in that total are new construction of single-family and multifamily homes, remodeling and the countless products and services that are related to those activities.

NAHB analysis of the broad impact of new construction shows that building 100 average single-family homes generates:

- 305 jobs
- \$23.1 million in wage and business income
- \$8.9 million in taxes and revenue for state, local and federal governments

Building 100 multifamily rental units has a similar impact on the nation's economy. It generates:

- 116 jobs
- \$8.7 million in wage and business income
- \$3.4 million in taxes and revenue for state, local and federal governments

Like new construction, remodeling of both owner-occupied homes and rental properties contributes billions of dollars to the nation's economy each year as property owners update and improve residential properties.

Every \$10 million in remodeling expenditures yields the following economic benefits:

- 111 jobs
- \$8.3 million in wage and business income
- \$3 million in taxes and revenue for state, local and federal governments

New Home Construction and Remodeling Can Generate Millions of Jobs

It's also important to note that the employment effects of new home construction and remodeling extend far beyond the actual structure. About half of the jobs created by building new homes are in construction. They include framers, electricians, plumbers, finish carpenters and all of the other workers who contribute to preparing the land and building the home. The rest are in housing-related industries that produce building materials and provide services to both home builders and home buyers. They include:

- Furniture, lighting and appliance industries
- Metal products industries
- Plastics and carpeting production
- Architecture and engineering
- Real estate agents, brokers and appraisers
- Wood products industries
- Concrete, gypsum and paint production
- Manufacturing construction equipment and other products
- Selling, moving and storing products
- Management, administration, government and law
- Finance and insurance

Perhaps more than any other consumer product, housing is "Made in America."

New homes and apartments don't arrive here on container ships from other countries, and most of the products used in home construction and remodeling are manufactured here in the United States.

More than 1.4 million jobs in residential construction have been lost since employment peaked at 3.45 million in April of 2006, according to the Bureau of Labor Statistics. To date, less than two percent of those jobs have been restored.

The Threat to Housing

Washington policy makers are threatening to eliminate our nation's long-standing commitment to homeownership, which would have repercussions for generations to come. This broad-based attack on homeownership is being waged in the tax, legislative and regulatory arenas. Such a radical policy shift would negatively affect every family in every community across the land.

Millions of first-time home buyers and middle-class households would be left out in the cold with only the faintest hope of ever owning a home, the production of affordable rental and new single-family housing would grind to a halt, and countless jobs would be lost.

In the wake of the worst financial crisis since the Great Depression, it makes sense to encourage prudent underwriting and effective consumer education to make sure that buyers select homes they can afford and mortgages they can pay over the long term. But it does not make sense to attack the mortgage interest deduction that is so important to the American middle class, or to tighten credit so much that many households that can afford homeownership simply cannot qualify for a mortgage. Such ill-advised actions would devalue housing and prolong the nation's economic pain for years to come.

An Unjustified Attack on the Mortgage Interest Deduction

One of the primary targets of this unjustified attack on homeownership is the mortgage interest deduction (MID). The mortgage interest deduction primarily helps middle-class home owners and is consistent with the principles of a progressive income tax. The deduction is most valuable for younger households who tend to be recent home buyers with large mortgages, small amounts of home equity and growing families. IRS data indicate that the largest deduction dollar amounts go to people aged 35 to 44. As a share of household income, the largest amounts go to those aged 18 to 34. Almost 75 percent of the total deduction is claimed by those under age 55; those aged 35 to 44 claim 30 percent.

As for other homeownership-related tax code provisions, abolishing the deduction for state and local property taxes would not only depress home values and raise taxes for home owners, it would also shrink the local tax base of many communities, causing already cash-strapped state and local governments to further cut jobs and essential services.

Repealing the capital gains exclusion on the sale of a principal residence would saddle homeowners with a 15 percent (or the applicable capital gains rate) tax on the profit from the sale of their homes, hampering their ability to enter the move-up market or to fund a secure retirement. For members of the baby boom generation looking to retire, this would be especially harmful. It would wipe out a significant portion of their housing wealth just when they need it most.

Federal Government Must Support The Housing Finance System

Some members of Congress are actively pushing to abolish Fannie Mae and Freddie Mac and end the federal backstop for housing. Absent a federal role to help absorb market risk, private lenders would increase interest rates and fees on all types of available financing options for low-and moderate-income borrowers and for affordable rental housing. The 30-year, fixed-rate mortgage, the major housing finance tool for most Americans, would become increasingly scarce and much more costly, pricing many creditworthy borrowers out of the marketplace.

Complicating the situation, the federal government is looking to trim back the Federal Housing Administration's participation in the market, which would further limit the availability of low downpayment mortgages. And in the wake of the financial crisis, FHA, Fannie Mae and Freddie Mac have become the primary sources of financing for rental housing.

Even with the current high level of federal support, fewer mortgage products are available now than in the past, and these loans are being underwritten on much more stringent terms. At present, almost a quarter of all borrowers who apply for loans are turned down, according to the Federal Reserve. As the private market assumes a greater role in the mortgage marketplace, maintaining an appropriate level of government support is essential to preserve financial stability, promote investor confidence and ensure liquidity and stability for homeownership and rental housing.

The actions policy makers take today will determine in large part where our children live tomorrow. As the debate over housing policy unfolds, it is crucial to ensure that home ownership remains attainable, that people can choose the type of housing they prefer, and that safe, decent and affordable housing remains an enduring national priority. Any other legacy is unthinkable.

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