

February 2008

Dear Colleague,

**Fed Up With the FEDS and Congress**

"Once you become a homeowner, you become a voter," said Raul Furlong, President and CEO of Datamar Inc. Mr. Furlong would know. Datamar is the only pollster in the West that surveys the electorate throughout the United States. With his finger on the voter's pulse, Mr. Furlong believes that the private sector has the best potential for resolving today's housing ills. This is especially true during an election year, when promises are thicker than stalled mortgage applications.

He remembers well the critical mass of homeowner outrage that fueled Proposition 13 in June 1978. California homeowners were confident that, left to its own devices, the California Legislature would tax homeowners out of their homes. Titled the "People's Initiative to Limit Property Taxation," Prop 13 capped real estate taxes such that "the maximum amount of any ad valorem tax on real property shall not exceed 1% of the full cash value of such property."

Fast forward to February 2008 and The National Association of Home Builder's (NAHB) International Builders Show in Orlando, Florida. Frustration ran high about the government's lack of support for the beleaguered home building industry. NAHB President Brian Catalde made an unprecedented announcement. He was joined by other NAHB officials in suspending all congressional contributions from its political action committee, called BUILD-PAC.

"This extraordinary action was taken because the NAHB BUILD-PAC board of trustees felt that over the past six months Congress and the administration have not adequately addressed the underlying economic issues that would help to stabilize the housing sector and keep the economy moving forward," Mr. Catalde said in a statement.

In recent months, the NAHB has called on Congress to:

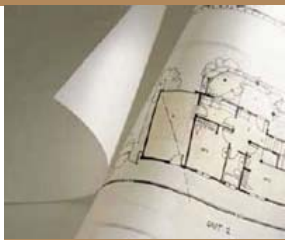
- Approve pending reforms that would allow the FHA to insure more home loans and address problems in the subprime mortgage market;
- Adopt House-approved legislation that would strengthen regulator oversight of Fannie Mae and Freddie Mac and allow them to purchase mortgages in high-cost markets; and
- Change the tax laws to eliminate any tax penalties home owners might face when banks renegotiate the terms of a home loan and forgive a portion of the outstanding mortgage.

A recently approved stimulus package has addressed several of the NAHB's requests, including an increase on home loans that can be purchased by Fannie Mae and Freddie Mac, and on loans that can be insured by the Federal Housing Administration. Nevertheless, many homeowners are asking, "Where were the regulators when we needed them? Where was the political leadership?" No one disputes that many homeowners are responsible for overplaying their hand. And financial institutions were more than happy to assist them. Despite the fault among various parties, Raul Furlong is convinced that the private sector has the wisdom and motivation to find the best long-term solutions. Do you?

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*Snow Properties provides project management services to developers, financial institutions, owners and managers of real property assets in Southern California. Its expertise spans three decades and all stages of real estate development.*

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**Please Weigh In**

In keeping with our cover story, Snow Properties would welcome your questions to homeowner-voters about how best to solve today's housing problems. What would you ask them on a survey? Sample questions are below:

- If you are a homeowner facing serious loss, do you feel it is the government's responsibility to assist you? Why or why not?
- Do you believe the government is best suited to fix today's housing crisis?
- Do you think the government has been adequately responsive to recent challenges in the housing and lending market?
- Do you believe that homeowners and the private sector are best suited to fix today's problems? Why or why not?
- As a homeowner, what is your biggest concern today?
- As a homeowner, what is the most serious problem or threat you face?

Please email your questions and thoughts to [info@snow-properties.com](mailto:info@snow-properties.com).

**Did You Know?**

Our colleagues at Dudek Engineering recently received an award from the California Water Environment Association (CEWA) for its work on a 5,000-foot pipeline that stretches from Solana Beach to Encinitas. Among other benefits, Dudek's approach cut costs, limited negative environmental effects during replacement of the 40-year-old pipeline, and lessened the impact on local business and traffic. Congratulations to Dudek on this, its fourth state award from CEWA.

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