

## SURVIVORS



Ken Anderson  
President

With two previous knee jerk reactions to positive news in the past few years, I said to myself, never again. Having survived four previous recessions I just knew I would be right (both times). I've learned my lesson well in that I am not a good forecaster. What I do know is that business levels remain at painfully slow levels for many in our industry. So what I'm about to report to you is just that, a report and not a forecast. It's an accumulation of housing industry facts that have all been released in the past two months. I won't celebrate this time until I see the smiles on your faces, knowing our recovery has arrived.

❖ Since we began our downslide in 2007, 2012 was the first year we realized an increase in shipments of new homes within our State. Our increase was 4.9% ABOVE 2011. We are beginning to see new housing developments popping up in the major Arizona markets with good sales performance. As I've said before, as new housing goes, so do we. We have historically captured an average of 8% of the new housing starts going back for the past 40 years.

- ❖ December marked 10 consecutive months of year over year home price improvements and the strongest growth since the height of the last housing boom more than 6 years ago.
- ❖ Housing to push US growth for years to come, says Bloomberg.
- ❖ Home Depot announced yesterday they were hiring 80,000 new employees for their seasonal spring sales period.
- ❖ CoreLogic: National foreclosure inventory falls 19.5%. This big improvement indicates we are working towards resolving the backlog of the most distressed assets in the shadow inventory.
- ❖ Home prices shot up in 2012. S&P/Case-Shiller. Home prices rose in 19 of the 20 US cities studied by Standard & Poor's, falling only in New York for the past 12 months.
- ❖ Market conditions create stable securitization pipeline. With home prices improving and foreclosures dropping to very low levels, the housing market has taken a positive turn, which will benefit the securitization and lending environment, said Comptroller of the Currency, Thomas Curry.
- ❖ Demand for mortgage origination professionals rises. Hiring within the mortgage industry is expected to pick up in 2013, with originators looking for both experienced and fresh talent.
- ❖ Wealth effect creeps back into American households. Analysts project home price appreciation of 5 to 10% in 2013, which translates into a further increase in household assets.
- ❖ More proof that 2012 was a turnaround year for housing. The National Association of Realtors reported that more homes are selling faster at higher prices right now, indicating that 2012 was in fact the year of the housing recovery.
- ❖ A new housing index. All 50 states show housing market improvement. For 6 consecutive months the number of improving housing markets continued, totaling 259 metropolitan areas.
- ❖ Yet another indicator of the housing recovery. The number of underwater mortgage borrowers is steadily declining per Market-research firm CoreLogic.
- ❖ Consumer confidence remains resilient due to housing improvement. "As we begin 2013, the economy is undoubtedly at a better place now than at this time last year" Chief economist Frank Nothaft of Freddie Mac.
- ❖ Home prices up the most since 2006. Home prices nationwide, including distressed sales, grew 7.4% year over year in November representing the largest annual gain since May 2006, according to the latest Home Price Index report from CoreLogic.
- ❖ US adds 155,000 jobs in December.
- ❖ Mortgage industry fares well in fiscal cliff deal as debt forgiveness law survives and the popular tax break on mortgage insurance premiums makes comeback.

I am proud of the efforts on our many industry members and their ability to survive this toughest of tests since the great depression. You are all winners in my book and deserve the best for many years to come!

# FEATURED LEADER: SCOTT TOWNSEND TUCSON CHAPTER MEMBER TO THE BOARD



Scott Townsend  
Tucson Chapter

Scott Townsend is President of Western American Housing Corporation. Scott, his wife Fonda, and his brother Al started Western American in 1986. Al left the company in 2005 to pursue other interests and the company is now entirely owned and operated by Scott and Fonda.

Since 1986 Western American has at one time or another been involved in all aspects of the manufactured housing business. Currently the company is focused on providing installation and transportation services to dealers, repossession services to lenders, and turn key projects to manufactured housing communities. Western American holds an I-10G license and a D-12 license from DFBSL, and an ROC General Contractor's license.

Scott is currently serving as President of the Tucson Chapter and represents the Chapter on the Board of Directors of the Arizona Housing Association.

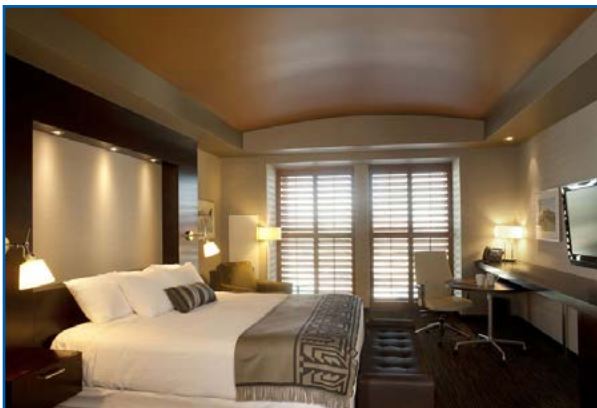
Scott graduated from Indiana University in 1972 and Fonda is a graduate of the University of Arizona. They've been married for 28 years and have enjoyed living in Tucson for the last 40 years.

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## 2013 AHA ANNUAL CONVENTION AT TALKING STICK RESORT - NOVEMBER 7 - 8, 2013

**Mark your calendars and make your plans to attend the 2013 Annual Convention & Golf Tournament at the Talking Stick Resort and Casino on November 7 & 8, 2013.**

Talking Stick Resort is a luxurious Four-Diamond Scottsdale resort, where fun is limited only by your imagination. Play in style on our 240,000 square foot casino, one of the largest in Arizona. Savor the flavors and take in the panoramic views from the award-winning Orange Sky Restaurant. Check out Vegas-style entertainment and local favorites as they take the stage in the TSR Showroom. Test your skills on 36-holes of championship golf at Talking Stick Golf Club, one of the most scenic and challenging golf courses in Scottsdale. Then when it's time to relax, head up to The Spa at Talking Stick and enjoy a relaxing spa treatment overlooking incredible views of the Valley.



# THANK YOU FOR RENEWING YOUR MEMBERSHIP...

We Would Like to Thank and Recognize the Following Companies for Renewing their Membership for 2013! If you have not already done so, please send your membership dues renewal ASAP to ensure continuation of your membership benefits.

*Thank You for your continued support!*

21st Mortgage Corp.  
AAA Homes - South Tucson  
Adobe Homes LLC-Corp. Office  
All American Mobile Homes dba Repo Depot  
American Patriot Management  
Arizona Home Supply  
Arrowhead Ranch  
Blue Diamond Home & RV  
Blue Ribbon Industries Inc  
Bob Wallin Insurance Inc  
Bronco Homes Inc  
Buena Vista of Arizona LLC  
Buffalo Ridge Mobile Estates  
Cascade Financial Services  
Cavco Industries - Durango Div  
Cavco West  
Champion Home Builders Inc  
Champion Home Builders Inc  
Champion Home Builders Inc/Silvercrest  
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Clayton Homes #392  
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CMH Mfg. Karsten Homes New Mexico  
CountryPlace Mortgage  
CU Factory Built Lending  
Dealers Network, LLC  
Dolce Vita at Superstition Mountain  
Factory Expo Home Center  
Far Horizons East LLC  
Fidelity National Title  
Five Star Home Center  
Garcia Development LLC  
Gila Valley Mobile LLC  
Gleeson Mobile Home Svc  
Home Source Inc (est 2001) dba The Home Source  
Little Dipper Transport & Crawler Service  
Lyle Richardson  
MHC Sitebuilder LLC  
MHVillage.com  
Mohave Rancho Lumber Inc

Nalico General Agency  
Old Trails Mobile Home Transport  
Pacesetter Homes  
Pantano Vista MH Community  
Perico's Construction, LLC  
Petersen Communications Inc  
Pine Lakes  
Pine Lawn Ranch (office)  
Pioneer Title Agency Inc  
Prestige Homes  
Quality Home Center, Inc  
Raindance M/H Sales  
Resort Homes  
Sierra Pacific M H P  
Stewart Title & Trust  
Stone & Son Transportation LLC  
Tom Strand Homes LLC  
Trend Star Homes, Inc  
U.S. Bank Manufactured Housing Finance  
Valley of the Sun Home Sales  
Valley Vista Homes Sales LLC  
Valley Wide Awnings Inc  
W5 Construction  
Western American Housing Corp  
Western American Housing Corp  
Westland Distributing Inc  
Weststar Mortgage  
White Sheet



# 2013 DFBLS INSTALLER TRAINING SCHEDULE

## Installer Licensees (DFBLS) and Registrar of Contractor (ROC) Licensees

Each current DFBLS licensee (Qualifying Party) must acquire three (3) on-going installation-related training credits on or before November 30, 2013 as a condition of licensure.

**New in 2013** – All ROC licensees who perform installation work on mobile/manufactured homes and factory-built-buildings must attend an installation-related training course as offered in this announcement. The training requirement is a pre-requisite for purchasing insignia/certificates required to be affixed to these homes and buildings. ROC licensees may purchase a limited number of insignias/certificates for use in the early months of 2013 prior to the training classes being offered.

## 2013 INSTALLER TRAINING CLASSES begin in April

2013 INSTALLATION TRAINING SCHEDULE			
	DATES:	TIME:	LOCATION:
FLAGSTAFF	Tuesday, September 17, 2013	9:30 am to 12:30 pm	East Flagstaff Community Library 3000 N. 4th Street, Suite 5 Flagstaff, AZ 86004
KINGMAN	Thursday, May 23, 2013	9:00 am to Noon	Game & Fish 5352 N. Stockton Hill Rd Kingman, AZ 86409
PHOENIX	Friday, April 26, 2013 Friday, June 21, 2013 Friday, August 23, 2013 Friday, October 25, 2013 Friday, October 25, 2013	9:00 am to Noon 9:00 am to Noon 9:00 am to Noon 9:00 am to Noon 1:30 pm to 4:30 pm	AZ Industrial Commission Auditorium 800 W. Washington St. Phoenix, AZ 85007
SHOW LOW	Thursday, September 26, 2013	9:00 am to Noon	Show Low City Hall 190 N. 9th Street Deuce of Clubs Conference Room Show Low, AZ 85901
TUCSON	Thursday, April 11, 2013 Thursday, July 18, 2013 Thursday, October 10, 2013	9:00 am to Noon 9:00 am to Noon 9:00 am to Noon	Game & Fish 555 North Greasewood Rd Tucson, AZ 85745
YUMA	Thursday, August 8, 2013	10:00 am to 1:00 pm	Department of Development Services 2351 W. 26th Street Yuma, AZ 85364

**The cost for the Installation Training is \$100.00 for the Qualifying Party of the license**  
**THE DEPARTMENT HIGHLY RECOMMENDS ENTIRE CREWS ATTEND AT NO EXTRA COST**

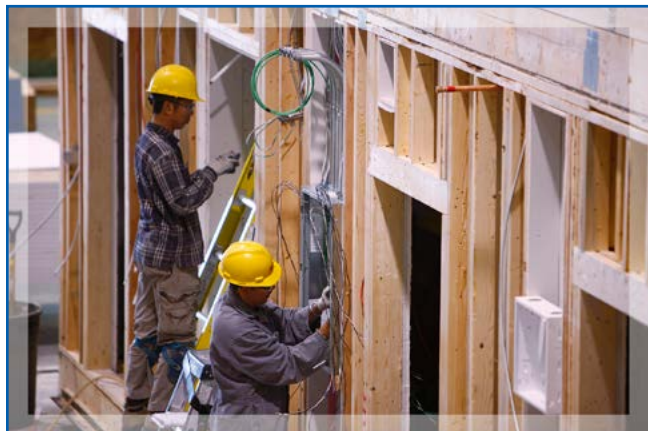
## HURRICAN SANDY AND THE MERITS OF MANUFACTURED HOUSING

*Written by Andrea Levere, President, Corporation for Enterprise Development  
Reprinted from Huffington Post – Politics; Posted: 01/08/2013 4:20 pm*

As the difficulties facing Hurricane Sandy victims continue to mount many weeks after the storm, several options have been considered for those whose homes were destroyed in the storm, including hotel rooms, apartments, boats and even shipping containers. Relatively far down on the list: manufactured homes.

FEMA administrator Craig Fugate recently acknowledged the negative connotations associated with manufactured housing, particularly their link with the notorious "Hurricane Katrina trailers": "When you say FEMA trailers, you harken back to Katrina... I think the majority of folks will be helped with rental assistance, which is faster and puts more money in the economy."

Unfortunately, Fugate's words only fuel outdated and incorrect notions about what manufactured housing is and what it has the potential to become, particularly for low-income families. While Fugate acknowledged the association, he failed to clarify that these trailers were not, in fact, manufactured homes. The temporary trailers used to house Hurricane Katrina victims, later found to contain toxic levels of formaldehyde, were actually recreational vehicles that were not built to meet federal building codes for manufactured homes.



In reality, today's manufactured homes have about as much in common with RVs or "Katrina trailers" as mini-mansions have with Buckingham Palace.

For starters, there is nothing mobile about today's manufactured homes, which range from single-room units to four-bedroom homes with covered front porches and attached garages. Unlike mobile homes, which have not been built since the enactment of the 1976 federal housing code and which could theoretically be driven off a property, today's manufactured homes are designed to be permanent and can be constructed on foundations like any other site-built home.

The term "manufactured housing" itself has less to do with quality and more to do with the production process, which is a derivative of Ford's assembly lines -- an innovative business model that helped grow the United States economy. This model allows manufactured homes to be built in a more controlled work environment, translating into predictable costs, increased efficiencies and reduced waste.

*(Continued on Page 6)*

# HURRICAN SANDY AND THE MERITS OF MH *(CONTINUED)*



Because they are constructed in a factory in about one-fifth of the time and half the cost of site-built homes, manufactured housing is an ideal solution for low-income families -- and a compelling alternative for those seeking a quick and more permanent housing solution following a devastating storm like Sandy. Today's manufactured homes, particularly those that comply with the federal government's Energy Star standards, are also vastly more environmentally friendly than the old-school variety and offer significant energy saving costs to homeowners.

For too long, however, manufactured housing has been consigned to the back burner of public policy debate. As a result, many of the old notions about manufactured homes continue to dictate policy. Nearly two-thirds of these homes, for instance, are still titled as automobiles rather than real property, making it difficult for owners to obtain mortgage financing and reap benefits, such as building home equity, that often come from owning a home in this country.

Policymakers need to address these and a range of other issues that prevent families who own manufactured homes from benefiting in the same way as owners of traditional site-built housing. For instance, federal agencies like the Consumer Financial Protection Bureau could require that manufactured home lenders provide all their customers the same easy-to-read disclosure forms outlining the full cost of the loan (such as interest and fees) that site-built homebuyers will start receiving in 2013.

The housing challenges resulting from natural disasters like Sandy offer a perfect opportunity to change perceptions about manufactured housing and the role it can play in helping families find high quality, stable housing and build long-term assets. Thousands of Sandy's victims, for example, lived in public housing and likely had few assets of any kind. Many of these families could be put on a path toward permanent housing and a more financially secure future if they had the opportunity to purchase modern manufactured homes.

*This post is co-written by Stacey Epperson, president & CEO of Next Step, which works with a nationwide network of nonprofits to increase access to affordable factory-built housing.*

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# CONGRESS APPROVES FISCAL CLIFF LEGISLATION, INCLUDING EXTENSION OF TAX CREDIT FOR ENERGY STAR MANUFACTURED & MODULAR HOMES

On January 1st, Congress approved legislation (H.R. 8) that effectively averts the “fiscal cliff” by extending a number of expiring tax provisions. The President is fully expected to sign the measure in to law.



A significant victory for the factory-built housing industry is the inclusion of provisions extending the New Energy Efficient Home Credit (I.R.C. 45L) through December 31, 2013. The Credit, which had expired at the end of 2011, provides builders of Energy Star-qualified manufactured homes with a tax credit of \$1,000 (per home) and builders of modular homes with a credit of \$2,000 (per home).

During the 112th Congress, MHI had worked closely with members of the Senate Finance Committee and House Ways and Means Committee to preserve and extend—and if possible enhance—the tax credit. Over the summer, extension of the program was in doubt when it became embroiled in a larger attempt to eliminate tax credit programs for sources of renewable energy.

Upon passage of the measure, MHI President and CEO Richard Jennison stated that “MHI is very grateful that Congress and the Administration recognize the importance in ensuring that energy-efficient Energy Star manufactured and modular homes remain affordable for millions of low- and moderate-income families across the

*(Continued on Page 8)*

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# FISCAL CLIFF LEGISLATION *(CONTINUED)*

nation. Extension of this vital tax credit guarantees that manufactured and modular homes can remain on the cutting-edge of energy efficiency without sacrificing their affordability.” Jennison added that, “as part of MHI’s 2013 policy priorities, we will continue to seek avenues to increase and enhance resources available to builders of energy-efficient manufactured and modular homes.”



The legislation (aka, The American Tax Payer Relief Act of 2012), extends a number of expiring Bush-era tax provisions and allows tax rates to rise (from 35 percent to 39.6 percent) on individuals earning over \$400,000 and married couples earning over \$450,000. The bill would essentially freeze tax rates on those earning under \$250,000. Passage of the bill prevents an even larger tax increase across all income classes, which would have come about with the expiration of the 2001 and 2003 Bush tax cuts.

Included in the measure is a tax exemption on inherited estates. Estates worth \$5 million (\$10 million for married couples) are exempt from estate taxes. The inflation adjustment will guarantee that the exemption will grow to \$15 million for couples by the end of the decade.

The bill also delays, for two months until March 27th, automatic spending cuts that were mandated as part of the 2011 Budget Control Act (P.L. 112-25). The cuts, which would have gone into effect January 1, 2013, required roughly \$1.2 trillion in discretionary spending cuts over ten years.

The measure’s survivability, which passed overwhelmingly in the Senate (89-8), was in doubt in the House of Representatives, which saw a majority of Republican members vote against the bill. Ultimately, enough House Republicans voted with Democrats (257-167) to move the legislation to the President’s desk for final approval.

Republican opposition to the measure stemmed from increases in tax rates as well as a lack of cuts to both entitlement and discretionary spending.

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## THERE’S STILL TIME TO ENTER NATIONAL AWARDS

**E**nter the 2013 Community and Retail Sales Center of the Year and Manufactured and Modular Home Design Awards through MHI’s New Online Awards System. [Click here](#) to enter or view information on the 2013 National Industry Awards. With this new online system, you can enter the National Industry Awards competition, find eligibility information and submission requirements, view the contest rules, pay entry fees, and upload all of your entry files for judging online. All entries must be submitted through the online system.

Please note the following deadlines for entering the 2013 National Industry Awards:

- Submit entry form and fee by February 22, 2013.
- Submit entry materials for judging by March 8, 2013.

Please note Retailers and Communities that enter the Community or Retail Sales Center of the Year Awards must be a member of the state association of the state where the sales center is located.





**R**egister today to attend the 2013 Congress & Expo for Manufactured and Modular Housing on April 16-18, 2013 at the Paris Hotel in Las Vegas, Nevada. To register to attend the 2013 National Congress & Expo, or for more information, go to: <http://www.congressandexpo.com/2013/>

The Congress & Expo is the largest annual gathering of industry leaders featuring outstanding speakers, workshops, exhibits, and networking opportunities!

#### **Your Congress & Expo registration fee includes:**

- Full Access to the Exhibit Hall
- Welcome Reception
- Breakfast with Keynote Speaker Ro Khanna
- Awards Luncheon
- Educational Workshops
- Networking Receptions in the Exhibit Hall
- Breakfast with General Session Speaker Celia Chen

Tuesday's National Communities Council Forum and the MHI-PAC Annual Golf Tournament are available for additional fees.

#### **Exhibit Hall**

With over 700 attendees expected, the 2013 Congress & Expo is the only national industry opportunity to network with hundreds of manufactured and modular housing professionals. Visit our exhibitor listing to see which leading manufactured housing industry product and service providers will be demonstrating the latest innovations and technologies. Visit the exhibit hall floor plan and download the exhibit booth sign up form to secure your booth space.

#### **Speakers**

To gain insight into the myths of US manufacturing, join our keynote speaker, Ro Khanna, author of *Entrepreneurial Nation*. In the general session, Celia Chen, of Moody's Analytic's, will discuss the housing forecast. Take advantage of educational workshops including the popular National Communities Council Forum.

#### **Hotel Registration**

MHI was able to secure a special room rate of \$109 at the Paris Hotel for conference guests through March 15, 2013. [Click here](#) to reserve online or contact the Paris Hotel by calling 877-603-4389. Be sure to ask for the MHI Congress & Expo room block.

#### **Sponsors**

Thanks to our sponsors for helping to make this event possible. There are many sponsorship opportunities available. For more information, please contact Cheryl Langley at (703) 558-0668 or [cheryl@mfghome.org](mailto:cheryl@mfghome.org).

# REGISTER TODAY FOR MHI'S 2013 LEGISLATIVE CONFERENCE & WINTER MEETING

MHI's 2013 Legislative Conference and Winter Meeting will be held at the Sheraton Crystal City, in Arlington, VA/Washington, D.C. on February 24-26, 2013. [Click here](#) to register today. To make your hotel reservations, contact the hotel directly at (888) 627-8209 or [click here](#) to reserve your room online. Be sure to ask for the special MHI Legislative Conference rate of \$189 single/double per night (plus tax). Complimentary hotel room & meeting room internet access is included in this special MHI rate.

Your presence and voice on Capitol Hill is critical to reach out to the Members of the 113th Congress on issues of utmost importance to the industry and its future:

- Dodd-Frank and SAFE Act Reform
- The future role of government's support of affordable housing programs
- EISA standards
- Vital industry tax credits
- Increased oversight of the federal manufactured housing program

Attendees will hear from the following Washington leaders: [Byron York](#); [Frank Nothaft](#); [Congressman Gary Miller \(R-CA\)](#); and [Senator Joe Donnelly \(D-IN\)](#). (*Click on name to view Bio.*)



## CALENDAR OF EVENTS

### FEBRUARY

**12th Phoenix Chapter Meeting**, 5:30 pm  
Nellos Restaurant, Tempe  
Amber Boles, Chapter President  
[amber.boles@jameshardie.com](mailto:amber.boles@jameshardie.com)

**14th Happy Valentine's Day!**



### MARCH

**6th Government Relations & Zoning Committee**

**6th Board of Directors Meeting**

### APRIL

**23rd Northwest Chapter Meeting**, 6:00 pm  
Calico's Restaurant, 418 W Bealle, Kingman  
Shane Willson, Chapter President  
[prestigehomes@citlink.net](mailto:prestigehomes@citlink.net)

Visit our website [www.azhousing.org](http://www.azhousing.org) for an archive of past newsletters, shipment reports and other information!

### Arizona Housing Association

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