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The Housing Market Is Heating Back Up. That's a Problem for the Fed.

By Megan Cassella – Barron's

New home sales are surging, home prices are rising and prospective buyers are engaging in bidding wars again. The U.S. housing market shows signs of a rebound,



which will raise shelter costs and complicate the Federal Reserve's fight against inflation.

The nascent recovery in the housing market comes sooner than expected, given that mortgage rates more than doubled in the past year and a half. But homeowners who locked in record-low rates amid the pandemic are now reluctant to sell. And that is squeezing the nation's supply

of single-family homes at the same time that a wave of millennial first-time home buyers—buoyed by strong wage growth and healthy household savings—are looking to put down roots.

That pressure is driving up demand, despite affordability issues worsened by a series of interest-rate hikes by the Fed. “We now see housing putting in a bottom, and maybe even moving up a little bit,” Fed Chairman Jerome Powell said at his June press conference.

The rebound shows up in various ways. Traffic of prospective buyers to new homes has nearly doubled in the past six months, data from the National Association of Home Builders shows. Sellers are now receiving 3.3 offers, on average, for their homes, up from 2.2 as of December, according to the National Association of Realtors. New home sales jumped 12.2%

In This Issue ...

**Annual Golf Outing - August 24
- Info/Form**

**Hill 'N Dale Upcoming Event -
October 4 - Info/Form**

Legislative News

**NAHB Savings, Discount &
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**USDA Single Family Housing
Guaranteed Loans**

**Weigh in on Canadian Lumber
Duties**

Fall Parade Info & More!

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| Mark Zollinger | 49* |
| Doug Leohr | 34.5* |
| Russ Sturgess | 29* |
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| Dave LeHotan | 12 |
| Jake Lewis | 6 |
| Rob Root | 6 |
| Rex Gasser | 4.5 |
| Tom Rafferty | 3.5 |
| Ryan Suppes | 3 |
| Sean Smith | 2 |
| Ray DiYanni | 1.5 |
| Ben Schrock | 1 |
| Paul Spenthoff | 1 |
| Mark Strouse | 1 |
| Jeff Stuart | 1 |

Above list has been updated via the most current NAHB Spike Club Roster Report

*Current Life Spike status

in May, while home prices have now climbed for three straight months.

Overall, it shows a housing market that is regaining momentum despite the Fed's efforts to slow things down. It suggests that the central bank will have to raise interest rates higher and keep them elevated longer to bring annual inflation back down to the Fed's goal of 2%.

Economists estimate housing inflation will need to fall close to 3.3% annual price



growth in the CPI in order for the broader index to reach the Fed's target. As of May, rent was at 8.7% annual growth, while the equivalent measure for owners was at 8%.

"If housing really is staging

a recovery now, then we are maybe underestimating that the Fed will have to do much more to crush demand," says Torsten Sløk, chief economist at Apollo Global Management. "And that, of course, is raising the bar for the Fed in terms of how much interest rates have to go up."

The housing bounceback arrives even as Fed officials plan for a slowdown in

(Cover Story - Continued on page 5)

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From the MCHBA Office ...

Members and Friends:

I hope to see all of you (or most of you) at our upcoming Golf Outing on August 24th. If you haven't reserved your team(s) yet, be sure to do so.

NAHB has been working hard to secure some truly amazing savings for our members. I encourage all of you to visit our website and under Quick Navigation Links, the last two options at the bottom will show you how you can save BIG bucks on many products and services you use anyway. And the even better news ... it helps the local organizations as these companies send commission checks based on the purchases of our members. Just another great reason to be a member.

Even with the high interest rates, building has not slowed down like expected so I sincerely hope our builders are all doing well and prospering despite some of the economic issues. Enjoy your summer!

Susan Bloch

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2023 Save The Dates

August 24, 2023

**MCHBA's Annual Golf
Outing** Watch for more
information on this not-to-
be-missed annual event!

Sept. 30-Oct. 15, 2023

**MCHBA's Fall Parade
of Homes** Plan to enter
your next new home or
development.

October 4, 2023

**MCHBA's Hill-N-Dale
Shootout** Cost & more
information in this issue.

October 26, 2023

**BBQ, Bourbon Tasting
& Wine** More to follow.

From the Executive Director

Members and Friends:

I'm looking forward to seeing our members at the upcoming annual Golf Outing at Shale Creek Thursday, August 24th. We plan to do some unique t-box games at each of the sponsored holes so plan to have a very fun day. Giveaways and prizes are encouraged! Be sure to get your reservations in now.

Our Fall Parade of Homes will be held September 30th through October 15 this year. Builders ... we will be reaching out to all of you within the next few weeks with details and participation forms. You can also find them online under Events (Builder & Associate Parade Info) where you can download forms and get all the info.

For the first time, we have scheduled a Hill-N-Dale Shootout outing on Thursday, October 4th for our sports enthusiasts. This is a truly outstanding venue with a 9-year waiting list so this outing offers an excellent opportunity to experience what they have to offer. There are limited spots so get your reservations in early. See pages 14 and 15 for more information.

Your Board of Directors will be having a retreat later in September to discuss various ways to strengthen our organization and offer more value to our members. Let us know how we can help!

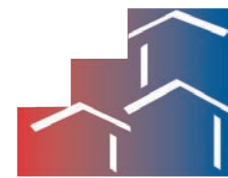
As always, we appreciate and value your membership. Enjoy your summer and see you at the golf outing.

Respectfully:

Dave LeHotan
Volunteer Executive Director



**MEDINA
COUNTY**
Home Builders
Association



**MEDINA
COUNTY**
Home Builders
Association

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Member News

Renewed Associates

All Construction Services, Inc. – Brunswick
Collins Excavating and Construction, LLC – Norton
Medina Glass Company – Medina
Owens Corning – Medina
Rex Gasser Electric, Inc. – Sterling
Ron Kreps Drywall & Plastering Co., Inc. – Youngstown
Wolff Bros. Supply, Inc. – Medina

Renewed Builders

Knight Development Corp. – Brunswick
Schrock Custom Homes, Inc. – Orrville
Victory Gate Custom Homes – Massillon

Reinstated Members

Mack Industries, Inc. / Concrete / Vault – Valley City



MEDINA COUNTY
Home Builders Association

(Cover Story - The Housing Marketing is Heating Back Up - Continued from page 2)

housing inflation. While the consumer price index for rent and an equivalent measure for owners have just begun to decline in the government's data, private sector data that captures rent costs closer to real time have shown slowing price growth since last fall.

That relief will still be arriving in the short-term. But the housing recovery has fueled concerns among central bank officials about what will happen after that. Fed Gov. Michelle Bowman said in late May that the "leveling out" in home prices "has implications for our fight to lower inflation." And Fed Gov. Christopher Waller separately warned that the housing rebound was raising questions about how sustained that long-awaited rent relief would be.

There's an added wrinkle. While the Fed likely would raise interest rates further to counter an insufficient slowdown in housing inflation now, doing so would have the adverse effect of exacerbating affordability issues over the long term. Rate hikes work to slow the housing market by making homebuying more expensive, thereby slowing demand, but they also make home-building more expensive—thereby dampening supply and driving up home prices in the future.

"Higher interest rates tend to discourage new construction and depress the growth of new housing supply," says Jeff Tucker, a senior economist with Zillow. "So the long-term impact of

(Cover Story - Continued on page 12)

Thank you to our members for renewing your MCHBA memberships. We value your membership and appreciate your support.

Support Your Association

Remember, whenever possible, always try to do business with and patronize our Parade Sponsors, your Fellow Members and support your Medina County HBA & local community! Working with someone who is not a member? Let us know and we'll reach out to invite them to join our association! Application available online.

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NAHB
National Association
of Home Builders



GOVERNOR SIGNS HB 33 INCLUDING OHBA SUPPORTED HOUSING PROVISIONS

Late Monday night (July 3rd), just before the extended deadline, Ohio Governor Mike DeWine (R) signed House Bill 33, the state's FY 2024-2025 operating budget bill. In addition, he released a statement outlining his 44 line-item vetoes listed below. OHBA continues to review HB 33 and the hundreds of policy changes made before its passage. The highlights below also include an update of the final status for several of the items OHBA followed closely through the budget process. Please feel free to contact OHBA with any questions.

Highlights of the vetoes include:

- Select veto of certain provisions of the ban on using Chinese-owned mobile applications on state devices to ensure certain state agencies are not exempt from the ban and to remove a requirement to develop implementing rules
- Vetoes language that could have been interpreted to prevent the Ohio Environmental Protection Agency from explaining their policies
- Select veto of the income tax rate reduction that would have allowed the Tax Commissioner to set income tax rates, a duty constitutionally required of the legislature
- Vetoes language that modified the State Appropriation Limit calculation in future years to further limit the General Assembly's ability to appropriate General Revenue Fund dollars
- Removes the codification of Medicaid rates in statutes as too limiting on executive agency flexibility
- Removes language that would have removed The Ohio State University's Board of Trustees ability to allow student trustees a vote on the board
- Removes language that would have directed future large settlement awards to the General Revenue Fund, as opposed to current law which allows the establishment of nonprofits like the One Ohio Recovery Foundation with the opioid settlement awards
- Removes multiple provisions related to tobacco that the Governor saw as undermining state efforts to reduce smoking, including the veto of the provision that would have prohibited local governments from enacting their own more stringent tobacco regulations
- Modifies the expanded sales tax holiday provision to require the Office of Budget and Management and the County Commissioners Association of Ohio to determine the length of the first sales tax holiday instead of the set 14-day holiday passed by the legislature
- Clarifies that the increase in the Commercial Activities Tax (CAT)

exemptions apply on a tax year basis

- Vetoes language that would have eliminated the Dept. of Commerce's review of high-risk Real Estate Investment Trusts (REITs) marketed and sold in Ohio
- Removes the expanded vaccine exemption provisions for university students which would have provided exemptions from any vaccine requirements, saying it was contrary to good public health measures for congregate living situations and would have required religious higher education institutions to have accepted religious exemptions that were contrary to the institution's religious teachings

The appropriations, and any language required to make those appropriations operative, became effective immediately upon signature by the Governor. Any other provisions, that do not have a particular effective date outlined in the bill, will become effective on the 91st day after the Governor's signature, which should be October 2, 2023.

The legislature can override any of the Governor's vetoes by a two-thirds majority vote of both chambers at any point in time during the remainder of the two-year session.

• **Commercial Activity Tax (CAT) Exclusions-VETOED**

- Excludes, for tax period beginning in 2024, businesses with taxable gross income receipts of \$3 million or less and, for tax periods beginning 2025 and thereafter, businesses with taxable gross receipts of \$6 million or less from the CAT.

• **State LIHTC**

- As proposed in the Executive budget, authorizes a state LIHTC for \$100 million in a fiscal year until June 30, 2027.

- **LIHTC Valuation.** Reinstated House's property tax valuation proposal, which would implement a uniform way of accounting for affordable housing

(Legislative News – Continued on page 12)

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WHO PARTICIPATED IN 2022 WAS:

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PHONES DOWN IT'S THE LAW



As of April 4, 2023, it is illegal to use or hold a cell phone or electronic device in your hand, lap, or other parts of the body while driving on Ohio roads. If an officer sees a violation, they can pull you over.

Drivers over 18 years old can make or receive calls via hands-free devices, including:

- ✓ **Speakerphone**
- ✓ **Earpiece**
- ✓ **Wireless headset**
- ✓ **Electronic watch**
- ✓ **Connecting phone to vehicle**

In most cases, anything more than a single touch or swipe is against the law.



CAN I STILL USE BLUETOOTH?

This new law allows drivers over 18 to make or receive phone calls using “hands-free” technology such as Bluetooth or integrated systems within the vehicle, as long as you don’t hold or support the device or manually enter letters, numbers, or symbols. If you must physically manipulate your device, you should pull over to a safe location and park your car before handling.

WHAT'S OFF LIMITS?

With very few exceptions, anything that involves using, holding, or supporting a device **while driving** is off limits. This could include:



Dialing a phone number



Sending a text message
voice to text is legal via “hands free” method



Updating or browsing social media



Video calls or FaceTime



Browsing the internet



Watching videos
GPS/navigational displays are allowed



Playing games

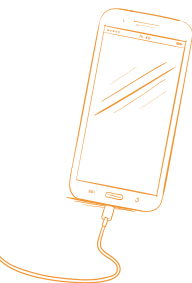


Recording or streaming video

Drivers can listen to audio streaming apps and use navigational equipment if they turn them on before getting on the road or use a single touch or swipe to activate, modify, or deactivate them.

Remember, drivers under the age of 18 are still restricted from using their devices in any way, including hands-free features.





EXCEPTIONS INCLUDE:

- ✓ Drivers reporting an emergency to law enforcement, a hospital, health care provider, fire department, or similar emergency entity.
- ✓ Drivers holding a phone to their ear only during phone conversations, if the call is started or stopped with a single touch or swipe.
- ✓ Drivers holding or using cell phones and other electronic devices while stopped at a traffic light or parked on a road or highway during an emergency or road closure.
- ✓ First responders (law enforcement, fire, EMS) using electronic devices as part of their official duties.
- ✓ Utility workers operating utility vehicles in certain emergency or outage situations.
- ✓ Licensed operators using an amateur radio.
- ✓ Commercial truck drivers using a mobile data terminal.

KEEP IN MIND — EVEN IF YOU CAN, THAT DOESN'T MEAN YOU SHOULD.

Looking at your cell phone while stopped at a light can potentially endanger your family, friends, and neighbors. Drivers have a responsibility to watch for people crossing the street or other drivers and bicyclists who haven't yet cleared the intersection. Ohioans are counting on you to pay attention.



ENFORCEMENT

When the new distracted driving law takes effect on April 4, 2023, the Ohio State Highway Patrol and local law enforcement will issue warnings for six months for violations as part of the effort to educate and help motorists adapt to the new law.

Beginning October 5, 2023, law enforcement will start issuing citations for violating this law.

PENALTIES

1ST offense

Two points assessed to license, up to a **\$150 fine**.*

2ND offense

Three points assessed to license, up to a **\$250 fine**.

3+ offenses

Four points assessed to license, up to a **\$500 fine**, possible 90-day suspension of driver license.

X2

Fines doubled if the violation occurs in a work zone.

For more information, visit:

PhonesDown.Ohio.gov

**Completion of a distracted driving course can help avoid the fine and points.*



Department of
Public Safety



Thursday, August 24, 2023 | Shale Creek Golf Club | Shotgun Start 9:30 am

ANNUAL MCHBA GOLF OUTING

**Skins & Mulligans
Available**

**Golf Package
\$150/person**

Includes:
18 holes of golf,
half a cart, Box
Lunch, Dinner &
2 Drink Tickets

**Sponsored Holes will
feature fun side
games**

**Dinner ONLY
\$60/person**

**BBQ Ribs & Chicken,
Corn on the Cob,
Herb Roasted
Potatoes, Salad,
Rolls, Dessert**

SCHEDULE OF EVENTS:

Registration - 8:45 am
Shotgun Start - 9:30 am
Social - 2:30 pm
BBQ Dinner - 3:00 pm
Announcements | Winning Team
Prizes | Lottery Tree | 50/50 Raffle

Shale Creek Golf Club
5420 Wolff Road
Medina, OH 44256

Please note: All fees are nonrefundable and no shows will be billed. A portion of the proceeds will go to benefit the Medina County Battered Women's Shelter. Please submit your completed registration form with check or credit card info **BY FRIDAY, AUGUST 18** to: MCHBA, PO Box 233, Valley City, OH 44280



MEDINA COUNTY HBA GOLF OUTING REGISTRATION FORM

Golf & Dinner (\$150 per person):

Names [required] _____

Company _____

Phone # to verify _____

Place me with a foursome _____

Dinner Only (\$60 per person) - Name(s): _____

Add-ons: Skins _____ [Add **\$20/team**] Mulligans _____ [Add **\$10/person or \$30/team**]

Billing: _____ Invoice me _____ Check [enclosed] _____ Credit Card [see below]

Credit Card # _____ Exp. Date _____

Name on Card _____ 3/4 digit code _____

PLEASE NOTE: All fees nonrefundable | no shows will be billed.

Please return completed form with your check or credit card information

BY AUGUST 18, 2023 to: MCHBA, P.O. Box #233, Valley City, OH 44280

Phone: 330.725.2371 or 330.483.0076 • Email: susanb@medinacountyhba.com

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----- Water Sponsor - \$150

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----- Box Lunch Sponsor - \$250

Will receive recognition throughout the day by announcement

----- Long Drive Sponsor - \$250

Sponsor gets announcement

----- Proximity Sponsor - \$250

Sponsor gets announcement

----- Putt Off Sponsor - \$250

Sponsor gets announcement

----- Golf Cart Sponsor - \$250

Sponsor gets announcement

----- Scorecard Sponsor - \$250

Sponsor gets announcement

----- 19th Hole Sponsor - \$250

Sponsor gets announcement

----- BBQ Dinner Sponsor - \$350

Will receive recognition throughout the day by announcement

----- Prize/Lottery Sponsor -

Donate lottery tickets, cash or gift cards for our lottery tree

Sponsorship participation gives you an opportunity to get more involved with our biggest social event of the year and provides you increased visibility among your fellow associate and builder members! A portion of the proceeds from this event will go to support the Battered Womens Shelter of Medina County. Potential Members always welcome to join us!

developments' operating income and expenses to assess local property taxes.

- **Single-Family housing development tax credit**
 - Reinstates program set out in Governor's proposal for a nonrefundable tax credit for investment in the development and construction of affordable single-family housing. Requires local government and economic development entities to submit application for the credit for an amount by which the fair market value of the project's homes exceed the projects development costs.
- **Welcome Home Ohio Program**
 - Creates the WHO under ODOD, which allows the Development Director to administer a grant program by which land banks may apply for funds to purchase certain residential property, rehabilitate or construct residential property held by the land bank, up to \$30,000, for income restricted owner occupancy.
 - Tax credits claimed by qualifying developers and land banks that rehab or build residences and sell them to lower income occupants.
- **Ohio Housing Finance Agency (OHFA) remained intact.**
- **Property Tax Exemption: Residential Development Land**
 - Exempts from property tax the value of unimproved land subdivided for residential development in excess of the purchase price of the property from which that land was subdivided. Authorizes the exemption for up to eight years, or until construction begins or land is sold. OHBA supported language survived the Governor's veto pen this time around, and will become law.
- **TIF/CRA/OZ Restrictions Removed** Prohibitions for investment in rental housing in Ohio's Opportunity Zones, Community Reinvestment Areas (CRAs), and Tax Increment Financing (TIF) plans were removed in the final Senate version before going to conference committee.
- **Referenda Signature Increase to 15%**
 - Modifies ORC 519.12, 519.25 to increase the number of signatures required to place a question of whether to repeal a township zoning plan on the ballot for electors to vote on from not less than 8% to 15%. The conference committee report amended HB 33 from 25% to 15%.
- **Homeownership Savings Linked Deposit Program**
 - The program creates tax-advantage savings accounts that leverage above-market interest rates. Homeownership Savings Linked Deposit Program contained in the House of Representatives-passed version of the state operating budget. The program creates tax-advantage savings accounts that leverage above-market interest rates.
- **Policies of the OEPA-VETOED**
 - Prohibits a policy from establishing any substantive duty, obligation, prohibition, or regulatory burden not imposed by statute or rule and other prohibitions on the application of policies by OEPA Director. ■



trying to fight housing inflation with tighter monetary policies can really backfire.”

The risk is acute now because new builds account for a larger share of home sales, in part because fewer current homeowners are selling. While new homes typically represent 10% to 15% of market inventory, they make up roughly one-third now, says Rob Dietz, chief economist for the National Association of Home Builders.

It's too early to say exactly what the impact of higher interest rates on long-term supply issues will be, but there are warning signs. Billing at architecture firms that specialize in multifamily residences declined in May to its lowest level in two years, according to the American Institute of Architects—though that could be a natural slowdown following the record number of apartments under construction that should be finished this year.

Dietz also highlighted how tighter financial conditions now are putting pressure on acquisition and development loans, which could reduce the supply of building lots ready for construction two or three years down the road and push prices up for those that are available. “We already have tight conditions on building lots,” he says. “So this is basically taking an existing problem and making it worse.”

The upshot is that the only tool the Fed has to address its near-term housing market problem could risk making the situation worse over the long-term. But not doing enough now to tamp down housing price growth could also allow broader inflation to spiral out of control, which would carry its own set of long-term economic consequences. The Fed's hands are tied, and the near-term challenges are likely to take priority.

“The bottom line is that rates are staying higher for longer,” Sløk of Apollo Global says. “And markets should appreciate that.” ■

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- Save up to 60% on Hotels Worldwide
- Save up to 40% on Top Las Vegas & Broadway Show Tickets
- Huge Savings on Disney & Universal Studios Tickets
- Preferred Access Tickets™ Find great seats to your favorite concerts, sports and more!

Please visit <https://memberdeals.com/nahb/?login=1>



MCHBA's Sports Event of the Year!

SAVE THE DATE!



**Wednesday
October 4, 2023**

Hill 'N Dale Club is a private club for sportsmen and their families offering a place to hunt, shoot, fish and enjoy the outdoors on a stunning, scenic property located off Poe Road in Medina Township.

Their shooting sports offer a variety of options from sporting clays, skeet, five stand and trap with over 30 different available stations.

Our MCHBA event will feature the following:

- 16 different stations
- Limit of 64 participants / 4 people to a team
- Shotgun start (event runs from 9am to 1-1:30pm)
- Per person cost includes course fee, 100 targets, shells, carts, and 2 people sharing a gun
- Box lunch served at their pavilion after shooting
- Station sponsorships and event sponsorship available

This private club, started in 1954, has a nine-year waiting list for membership so our event offers a unique opportunity to check this place out and enjoy a fun morning of shooting sport, meeting new and old friends, and enjoying good food.

Watch for more details on this exciting event in the next issue of Building Blocks!

3605 Poe Road | Medina, OH 44256 | 330-725-2097
www.hillndaleclub.com



RESERVE YOUR SPOT NOW!!!



MCHBA's Sports Event of the Year!

**Wednesday
October 4, 2023**

Shooting Team Participation [\$175 per member / \$200 per non-member - limited spots]:

Names (required)

Company

Phone # to verify

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Place me with a team _____

Sponsorship Opportunities: _____ Lunch Sponsor [\$300 - limit 1]

_____ Event Sponsor [\$1500 - limit 1] _____ Station Sponsor [\$300 - limit 16]

Package Discount: Sponsor a station and bring a 4-person team, take 15% off your total

Billing: _____ Invoice me _____ Check (enclosed) _____ Credit Card (see below)

Credit Card # _____ Exp. Date _____

Name on Card _____ 3/4 digit code _____

PLEASE NOTE: All fees nonrefundable | no shows will be billed.

Please return completed form with your check or credit card information

BY SEPTEMBER 27, 2023 to: MCHBA, P.O. Box #233, Valley City, OH 44280

Phone: 330.725.2371 or 330.483.0076 • Email: susanb@medinacountyhba.com

Single Family Housing Guaranteed Loans

Combination Construction to Permanent Loans

What does this program do?

Lenders and homebuilders participating in the Single-Family Housing Guaranteed Loan Program now have a new tool to expand access to affordable rural housing and increase financing opportunities for low- to moderate-income applicants. The combination construction-to-permanent loan, also called a “single close loan,” allows approved lenders to close a new construction loan and receive a loan note guarantee before construction begins!

What are some of the benefits?

- **Reduced risk for lenders and builders.**

With this single close product, the loan is fully funded at signing, ensuring the build will happen to completion. Additionally, USDA issues the Loan Note Guarantee immediately, before construction even begins, allowing lenders to immediately package the loan into a mortgage-backed security or sell it to a participating investor.

- **Reduced risk for builders.** Homebuilders will lower their risk when investing capital into a home construction project because the loan will be fully funded at closing.

- **Increased economic activity.** New home construction generates business at the local level for the construction trade and other related industries, including retail stores and suppliers.

How do we get started?

- **Lenders:** To be eligible to participate in the combination construction-to-permanent loan program, the USDA-RD Approved Lender must have two years of experience in originating and administering construction loans.

- **Homebuilders:** USDA-RD approved lenders will review homebuilders’ qualifications and determine them eligible to construct new homes under the program.

Where are these loans made?

USDA finances housing in eligible rural areas with populations up to 35,000. Check [eligible addresses](#) for the program.

How may loan funds be used?

Funds may be used to construct and purchase single family homes, including manufactured and modular homes. The loan may include the lot purchase, reasonable construction and administrative costs, contingency reserves, inspection fees, landscaping costs, and other authorized items.

What are the loan terms?

Interest rates are fixed at loan closing before construction begins. The appraised value will determine the maximum loan amount. This program allows for two product options: a standard option with interest only payments made during construction and a securitizable version where full PITI payments are made. The securitized version eliminates the need for a loan modification upon completion of the build, which allows for the loan to be packaged or sold prior to construction, and eliminates the need for a warehouse line of credit. Both options allow for payments during construction to be escrowed from loan funds and both receive the Agency’s Loan Note Guarantee at signing, before a shovel goes into the ground!

For More Information

Lenders and homebuilders may direct questions to sfhgld.lenderpartner@usda.gov.

Home buyers may direct inquiries to : sfhgld.program@usda.gov

Are you ready for a Construction Loan with no down-payment and a Government guarantee up front?

Lenders and Builders must have:

- ✓ Two or more years' experience with construction loans (lenders may employ a construction loan management company).
- ✓ Lenders with USDA approval to make Guaranteed loans do not need specific approval to get started.
- ✓ Lenders approve participating Builders.

Visit our website for more information!

rd.usda.gov/page/sfh-guaranteed-lender



Tools & Resources

Property Eligibility

<https://eligibility.sc.egov.usda.gov/eligibility>

Training & Resource Library

rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library

Information on all USDA Rural Development programs is available at rd.usda.gov.

For more information on this specific loan feature, see the "Combination Construction to Permanent Loans" section of Chapter 12 of HB-1-3555:

www.rd.usda.gov/sites/default/files/3555-1chapter12.pdf

Contact Us:

sfhgld.lenderpartner@usda.gov



United States
Department of
Agriculture

Rural Development

USDA is an equal opportunity provider, employer, and lender.

March 2023



United States
Department of
Agriculture

Rural Development



USDA's Single Family Housing Guaranteed Loans

Single Close Construction-to-Permanent Loans

Together, America Prospers

"The one-time closing saved us money and headache. We met one time to sign everything, and it was done."

Why Choose USDA's Construction-to-Permanent Loan?

CTP Guaranteed loans offer:

- Only one set of loan closing costs saves Borrowers time and money!
- Borrowers' monthly payments due during construction may be included in the loan (through payment reserves)!
- Lenders are protected with up to a 90% guarantee before construction even begins!
- Lenders may sell the loan on the secondary market immediately with the "securitized" version.
- Builders do not have to front their own capital or use their lines of credit.
- Realtors get paid before the house is built.
- Streamlined documentation requirements with the use of the Guaranteed Underwriting System (GUS).
- Online training modules and resources that are easy to navigate.



Program Highlights

- Finance eligible loan costs up to 100% of the market value plus the up-front guarantee fee.
- No down payment required, keep reserves in the bank.
- Low fees—1% upfront, .35% annual
- Expanded qualifying ratios beyond 29/41.
- Conditional Commitments issued typically within 48 hours
- No purchase price limits. Loan amount is determined by applicant's repayment ability.
- Not limited to first time home buyers.
- Seller contributions allowed up to 6%.
- Non-traditional credit accepted.
- Property inspections follow HUD Handbook guidelines.
- Payment Reserves from Loan proceeds alleviate the need to make payments on new loan and pay rent during construction:
 - Interest-Only Reserve or
 - Securitized Full Payment Reserve

Applicant and Property Requirements

Applicants must have:

- ✓ Household income not exceeding 115% of county median household income (MHI).
- ✓ Stable and dependable repayment income.
- ✓ Credit history demonstrating a willingness to repay debt.
- ✓ Need for a guarantee and not qualify for conventional financing with no PMI and a 30-year fixed rate.
- ✓ U.S. citizenship or be a U.S. non-citizen national or qualified alien.

New Construction properties must:

- ✓ Be located within an eligible area.
- ✓ Not have land or buildings principally used for income-producing purposes. Site size must be typical for the area.
- ✓ Have building plans and specifications certified per applicable building standards.
- ✓ Have construction inspections and builder warranty documentation.
- ✓ Be covered by a 10-year warranty when phase inspections are not available (to obtain 100% LTV).

Should you participate



If you're building homes, why wouldn't you?!

And here's why ... It's been an incredibly crazy couple of years dealing with the roller coaster in construction material prices/availability, rising interest rates, our country's leadership turning a blind eye to the economy and the building industry, and yet ... the need for new housing continues. We frequently receive calls requesting information about our Parade of Homes - people are still looking and want to build their dream home.

Your Board of Directors encourages all builder members to seriously consider participating. Consumers are looking to compare builders and home styles, and since many still work from home, they are looking to upsize with private home offices and other amenities to facilitate their new life style needs.

Have a house you've built but is already sold or not available? You can still feature that home in our Virtual Parade where you have all the visibility of a regular Parade model. The cost is only \$800 per home - just provide us with a video walk-through. Here's the scoop:

PARADE EVENT DETAILS

DATES: Sat., Sept. 30th – Sun., Oct. 15th
HOURS: Sat & Sun 12-5 pm, closed Mon-Fri
COST: \$1,500/physical model, \$1,200 per additional home from same builder
\$800/virtual model (*discount not available on virtual models / credit cards accepted*)

Planned Media Promotion / Advertising / Marketing:

- Virtual tour with map online (*each model has its own page complete with details & website links - all media driving visitors to the website*)
- Fox 8 (*targeted television advertising, New Day Cleveland spot, potential Live Facebook spot*)
- The Plain Dealer (*print/digital advertising*)
- The Post (*editorial and digital advertising*)
- On-line targeted marketing through searches & potential buyer demographics
- Collaborative promotion with Cleveland and Akron/Summit HBAs - events coincide

Participation Deadline:

August 18, 2023 (*fees, entry form, floorplans & photos*)

NOTE: *Pre-Parade Safety Inspections will be conducted mid-September on physical models prior to event.*

For more info or to get your Parade Entry Form, contact Susan at the HBA office – 330-483-0075 or by email at susanb@medinacountyhba.com.



**MEDINA
COUNTY**
Home Builders
Association



NAHB Member **SAVINGS**

Put your membership to work.



Exclusive discounts that benefit you,
your business and your family

nahb.org/Savings

Your Chance to Weigh In on Canadian Lumber Duties

Importers or purchasers of Canadian softwood lumber products who have been impacted by antidumping (AD) and countervailing duties (CVD) are encouraged to fill out a questionnaire from the U.S. International Trade Commission (ITC) (link below). Your responses could help determine whether the duties will remain in place.

At the end of 2022, the ITC announced it was instituting a statutory five-year sunset review of the AD and CVD duties imposed on softwood lumber imports from Canada.

During that review, the ITC makes a determination whether revoking the AD or CVD orders would likely lead to a continuation or recurrence of material injury to the U.S. industry that was the subject of the original investigation.

If the ITC makes an affirmative determination, the AD and or CVD orders would remain in place; a negative determination results in revocation of the orders.

As part of its review process, the ITC released two questionnaires seeking input from those importing or buying softwood lumber products, and the

responses will be used to provide information and data to the ITC as it determines whether or not to keep the lumber duties in place.

If you are interested in submitting information or responses to these questionnaires, you can access them in the link below, depending on whether you are an importer or purchaser:

<https://www.nahb.org/blog/2023/07/lumber-duties>

The deadline for submitting responses is July 27. Information and instructions on how to submit a response to the ITC are contained on the last page of each form.

If you have any questions or would like additional information, please contact NAHB staff member Felicia Watson at 202-266-8229.



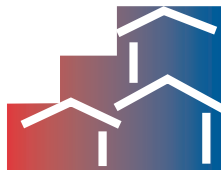
A Successful Parade Takes Teamwork!

And we could really use your team's assistance!

We are excited to announce our 2023 Fall Parade of Homes and are planning for it to be a truly spectacular event. Builders rely on teamwork to build and complete their homes and teamwork to help bring their work to the public's attention. That's where you, our associate members, come in, and help us make a BIG difference.

What's in it for you? Besides helping the local industry which ultimately helps you, plus **great visibility** for both your company and the event ... here's the lowdown:

- **Business name and logo on the MCHBA website as a supporter of the event which links directly to your website;**
- **Business listed in press releases submitted to media;**
- **Logo on the map/model handout (printed & online);**
- **Listed in Building Blocks as a Parade sponsor for 3+ months; and**
- **Free 1/6 page ad in 3 issues of Building Blocks (size upgrade available).**



**MEDINA
COUNTY**
Home Builders
Association

PARADE DETAILS

DATES: Sat., Sept. 30th – Sun., Oct. 15th

HOURS: Sat & Sun ONLY 12-5 pm,
closed Mon-Fri

SPONSORSHIP: \$500 – You get everything listed. Want to do more? Contact the HBA directly. We sincerely appreciate your consideration as we depend on your Sponsorship dollars to help with marketing.

Planned Media Promotion / Advertising:

Virtual tour & map online (*each model has its own details page & website links - all media driving visitors to the website*); Fox 8 TV commercials, New Day Cleveland spot & Facebook Live segment; The Plain Dealer (*print advertising*); The Post (*editorial and digital advertising*); direct on-line marketing based on searches & demographics, & potentially more (*dependent on final available budget*)

Participation Deadline: August 31, 2023

***Don't miss this opportunity!
Call 330.483.0075 today or
email Susan Bloch at susanb@medinacountyhba.com.***



By Vincent J. Squillace, CAE, Executive Vice President

Happy Fourth Of July

Some big news from Columbus and state government. The former Speaker of the House Larry Householder was sentenced to 20 years behind bars for playing the lead in the biggest racketeering/corruption event in the state's history. An underling got 5 years with others to follow. Embarrassing. Yes. Is this typical conduct? No. But with so much power and money at stake the lure of wrongdoing hangs over governments here and everywhere.

Also, despite intraparty bickering the Ohio legislature passed a 90-billion-dollar budget which now is before the governor for his signature or line-item veto. Given all the surrounding circumstances and politicking it is hard to figure out who got what. We now sift through the thousand or so pages to understand just what occurred.

OHBA worked with the Chamber, Realtors, Bankers, and Housing not for profits who all worked on the document which some hailed as a pro housing budget. Millions were earmarked for the low-income housing tax credit. We tried to maintain focus on true middle housing which was the urgent need so to support the billions in industrial development the state was offering firms to locate in Ohio.

While housing has been duly noted as a shortage to industrial folks looking for new development sites, state government is slow to react to thoughts on how to create more "middle" housing. Likewise, local government is most hesitant and claim housing just does not pay its way. These thoughts are not new to OHBA. We have been at the front of the growth debate for decades; some meaningful additions were included in the budget as a good start.

Our President Richard Bancroft has recruited some great talent. They have been working with utilities on ways to dramatically reduce development costs through land development standards. Our code folks continually fight back against tougher code requirements and with the Supreme Court WOTUS ruling, environmental regs on land development will be changed.

This is just a small sampling of what is on our agenda. If interested in helping out, just let us know. ■



Now is the time for Builder and Remodeler Members to claim for Q2'23. Builder and Remodeler Members may claim for manufacturer rebates for residential jobs completed between April 1 through June 30, 2023.

Two new participating manufacturers have joined and are available for members to claim rebates beginning with Q2'23:

Genie Garage Door Openers
Simpson Strong-Tie Structural Connectors

They join the participating manufacturers that began participating with Q1'23:

GAF Roofing
Honeywell Home (Air Quality, Smart Home Controls, Thermostat, Water Solutions, and Zoning)
Kidde Fire Safety (Smoke and Carbon Monoxide Alarms)
Panasonic Ventilation (Panasonic Bath Fans and Swidget Smart Switch, Outlet, and Inserts)
Westlake-Royal Building Products (Including: Exterior Portfolio, Royal Siding, Trim, Moulding and Shutters, Portsmouth Shakes and Shingles, Select Siding, and American Premium Shutters)

Along with dozens of others that have participated for years!

Personalized assistance is available. Please reach out to the HBA Rebates Team with any questions. <https://hbarebates.com/aboutus/>

Claim Today, Don't Delay!
<https://hbarebates.com/claimform/>
Q2'23 Claim Deadline: Thursday, August 31, 2023

Claim for Residential Jobs Completed April 1 through June 30, 2023.

See information on page 7! ■



**WANT TO START GETTING MONEY
FOR PRODUCTS YOU ALREADY USE?**

www.OhioHBArebates.com





We have been serving professional builders for more than 90 years. Our business is all about serving you. We are a one-stop-shop for all your building needs, making sure you are set up for success before, during, and after your projects.

CARTER LUMBER MANUFACTURING

As skilled framing labor availability continues to decrease throughout our industry, prebuilt components are more important than ever for home builders. That's why we've **invested heavily** in our component manufacturing plants, to guarantee that in every market we service, our professional builders have the components they need, when they need them.

The **thirteen** component plants across our footprint are capable of producing roof trusses, floor trusses and wall panels for our customers. Our state-of-the-art facilities guarantee high quality production of trusses and wall panels.

OTHER SERVICES

- Kitchen & Bath Design
- Installed Services
- Estimating
- Pre-hung Doors
- Trim & Millwork Packages
- Custom Millwork
- Windows
- In-House Credit

Akron

172 North Case Ave.
Akron, OH 44305
(330) 784-5441

Canton

1532 Perry Dr. SW
Canton, OH 44710
(330) 479-8314

Elyria

41625 Griswold Rd.
Elyria, OH 44035
(440) 934-5266

Madison

6320 N. Ridge Rd.
Madison, OH 44057
(440) 428-1110

Medina

3725 Medina Rd. Ste 108
Medina, OH 44256
(330) 725-6760

Middlefield

14601 Kinsman Rd.
Middlefield, OH 44062
(440) 834-8164

Solon

6199 SOM Center Rd.
Solon, OH 44139
(440) 248-5355