

BuilderBulletin

Official Newsletter of the Home Builders Association of Southwest Missouri



November 2017

Tax Reform Bill Abandons Housing

Legislation put forth by Republicans in the House of Representatives abandons middle-class taxpayers in favor of high-income Americans and wealthy corporations. It eviscerates existing housing tax benefits, including deductions for mortgage interest and property taxes.

The [legislation was introduced Nov. 2.](#)

The bill caps the mortgage interest deduction at \$500,000 for new home purchases. This means that home buyers in expensive markets will effectively lose this housing tax benefit moving forward.

The House leadership killed a cost-effective plan proposed by NAHB that Ways and Means Committee leaders agreed to include in the legislation. It would provide a robust homeownership tax credit that would have helped up to 37 million additional home owners who do not currently itemize. Most of them are low- and moderate-income households.

Key provisions in the House bill would dramatically alter the nation's tax landscape. The legislation would harm home owners and diminish the value of their homes by greatly reducing the number of home owners who can take advantage of the mortgage interest deduction.

Regarding the Low-Income Housing Tax Credit (LIHTC), the bill proposes to eliminate the tax-exempt status of private activity bonds, effectively eliminating the 4% credit rate for bond-financed projects and making it harder to finance production of affordable housing.

LEADERSHIP

Steve Robbins, President
Robbins Construction

Will Endicott, Vice President
Empire District Electric

Gary Rose, Past President
Rose Construction

Brian Kuehn, Treasurer
Four State Homes

Jon Adams
Jon Adams Construction

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ABC Supply

RJ Hall
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Scott Marshall
Gardner Homes

Jake Mayberry
Mayberry Construction

Kevin Seward
Seward Insulation

Mark Shallenburger
Sunbelt Rentals

Lumber Duties Are a Tax on Housing

The Commerce Department's move to impose duties averaging 20.83% on Canadian lumber coming into the U.S. could not have come at a worse time.

Home builders and home owners are already dealing with massive rebuilding efforts in the aftermath of the devastating hurricane season and California wildfires. [This tariff adds to the burden](#) by harming housing affordability and artificially boosting the price of lumber.

This is nothing more than a thinly-disguised tax on American

home buyers, home builders and consumers. It is particularly disappointing given that NAHB met recently with Commerce Secretary Wilbur Ross to express our concerns on this issue.

The administration is taking protectionist measures to support domestic lumber producers at the expense of U.S. home buyers and lumber consumers.

This is an especially hard blow at a time when the housing sector is still struggling to regain its footing and is rebuilding after several natural disasters.

Price of OSB Has Risen 38% Since January 2016

The price of OSB, which increased 4.4% in September, has surged 38% since January 2016.

In contrast, there have been only moderate increases in prices paid for gypsum products (+0.3%) and ready-mix concrete (+0.2%). The price of softwood lumber fell 0.9% in September, according to the latest Producer Price Index (PPI) release by the Bureau of Labor Statistics (BLS).

After declining by a total of 4.1% in June and July, the [OSB price index](#) has increased 7.5% over the past two months.

Contrary to most builders' experiences in September, the BLS report showed prices paid for softwood lumber declined over the month. Even so, the index is substantially higher than it was November 2016, when litigation was initiated in the softwood lumber trade dispute.

Two important factors drive the disparities between price changes builders have experienced and the PPI index changes:

1. The producer price index tracks prices paid by wholesalers, distributors, and retailers rather than what those businesses charge customers.
2. The index does not include prices paid for Canadian products as it does not include imports (just as the consumer price index does not reflect prices paid for exports).

Last Chance for Great Deals on the Builders' Show

Get a great deal on attending IBS with early registration.

From now until Nov. 10, you can save significantly on [full IBS registration](#), which gives you access to 140+ education sessions and all the exhibit floors.

Another option – the expo pass – includes an all-access pass to the exhibit floors of IBS and the Kitchen and Bath Industry Show.

Don't miss out on the opportunity to save money on registration to attend the largest annual construction show in the world.

Take Advantage of Member Advantage

The Member Advantage program offers NAHB members money-saving discounts that benefit their businesses, employees and family.

The program includes Fiat Chrysler Automobiles, General Motors, Lowe's, GEICO insurance, Dell computers, Hertz, Avis and Budget rental cars, Office Depot and many other great brands.

Additional information about [the savings programs](#), and links for more detail about how the programs work, is available on NAHB's website.

Hackers Are Targeting Real Estate Transactions

Email hackers are becoming increasingly devious. And now, more of them are targeting consumers involved in real estate transactions.

A growing trend among hackers is to rummage through consumers' email inboxes to identify people in the process of buying a home or land.

When these hackers find a potential target, they send a bogus email that looks like it's from the home buyer's real estate agent, title company or attorney saying there are new money-wiring procedures. The home buyers are given falsified instructions and a fraudulent account number to which many of them unwittingly wire funds — which rarely are recovered.

The American Land Title Association recently formed a coalition of industry groups to develop methods of educating consumers to better recognize scams.

In addition to NAHB, the coalition includes representatives from the Credit Union National Association, the National Association of Realtors, the Mortgage Bankers Association, the American Bankers Association, Wells Fargo and others.

Some of the tips shared by these groups, as well as feedback from NAHB members, include:

Consumers should use caution when hitting “Reply” to certain emails. Criminals often use email addresses that are similar to legitimate ones. When

drafting a reply email, it's safest to delete the email address in the “To” field and then re-type the intended address to ensure it goes to the correct person.

Title companies and lenders should require all wiring instructions either to be faxed, delivered by courier, or requested in-person. Many businesses have already deemed email and telephone calls as unacceptable methods of conveying wiring instructions.

Consumer requests regarding wire transfers should only be made in-person at a financial institution. In the case of requests to wire loan proceeds, the bank should initiate contact with the attorney to obtain wiring instructions.

Companies should consider adding a notification below email signatures. For example: *IMPORTANT NOTICE: Never trust wiring instructions sent via email. Cyber criminals are hacking email accounts and sending emails with fake wiring instructions. Always independently confirm wiring instructions in-person or via a trusted and verified phone number. Never wire money without double-checking that the wiring instructions are correct.*

If you have any questions — or if you have been a victim of wire fraud, a spyware attack or other data security breach and would like to share your experience — contact [NAHB's Becky Froass](#).

Membership Drive Wraps Up November 15

Thank you to all the members who have helped us grow our membership this Fall. We want to have ALL aspects of the residential construction industry represented at the Home Builders Association of Southwest Missouri - every trade/every profession. Not only are we all stronger together when issues arise, but we stay in communication with each aspect of the industry. This includes rule/fee/permit changes, great ideas on how to improve an area of home building, and simply knowing which members are ready for more work! Your HBASWMO spends a lot of time referring members to those in the community looking for quality work!

A few other items your HBA has been working on this year - Partnering with our local trade programs at the

schools. We want to find more young people with the skills and desire to work in the residential construction industry. We also promoted October as Careers in Construction Month. The Board President sent letters to area newspapers and staff promoted the month on local TV and social media. The more we can do to get the word out, the better.

Staff has also been working closely with the City on the building permit/license changes, as well as, the increase in fees through the Public Works Department. Please contact our office if you need clarification on either issues.

As always, we are all working together to help families build, and keep, the home of their dreams.

Membership Advantage!

In case you missed it above, we want to make sure you know about the Member Advantage Program! As part of your membership with HBA SWMO, you have access to the NAHB Member Advantage Program. As an NAHB benefit, members have access to discounts and savings opportunities offered by many top companies.

Go online to **nahb.org/MA** to see the full list of companies that offer discounts to NAHB members; or call HBA SWMO for more information!



RAFFLES

The HBA of SWMO is selling tickets for TWO Raffles! We have a 50/50 Raffle and we are raffling off a Henry Repeating Arms Golden Boy Rifle. Both winners will be drawn at the Christmas Party. Tickets for both Raffles are: one ticket for \$5 or five tickets for \$20. Board members have tickets for the Gun Raffle and both will be available at events or the HBA Office.

Join us as we celebrate the holidays and the year!

The Home Builders Association of Southwest Missouri
Invites you to join us as we celebrate this awesome year!

Tuesday , December 12, 2017

At Butcher's Block Banquet Center

499 West Fountain Road, Joplin

Social Hour 6:00 pm * Dinner 7:00pm

Drawings and Program to follow

\$40 Per Person

Advance Reservations Only

(Kindly respond on or before December 5, 2017)

Look for your invitation in the mail!

CALENDAR OF EVENTS

Events List:

November 9 - 7:30am
Membership Coffee at
Herrman Lumber

December 12 - 6pm
Christmas Party at
Butcher's Block Banquet
Center

February 9 & 10 -
2018 Home Show - more
information to come soon!

We are BACK in Joplin this
year, at a centrally located
venue, and are so excited!

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