

The

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VALUE

INTEGRITY

MAGNIFICENT SERVICE

HOME BUILDERS SAY PROPOSED WATER ACT TOO FAR

Proposed legislation that would broaden the authority of the Clean Water Act is a leap in the wrong direction, the National Association of Home Builders (NAHB) told the U.S. Senate Committee on Environment and Public Works today.

NAHB has long supported the goals of the Clean Water Act, which is called into play when homes are built near rivers or wetlands and when builders take steps to avoid storm water runoff from construction sites. "The Clean Water Act has helped the nation make significant strides in improving the quality of our water resources," Duane Desiderio, NAHB Staff Vice President of Litigation, told Senate leaders during the hearing.

But broadening the scope of the Act to include all waters -- including roadside ditches within its regulatory reach loads on more regulation without a corresponding environmental benefit, Desiderio explained.

Especially today, with a credit crisis exacerbating the housing slowdown, NAHB believes that Congress should focus its limited time and resources on legislation to help home owners and home buyers, rather than pursue legislative ideas that not only will restrict the industry's ability to recover but also make new homes more costly, he told senators.

The federal government now has authority

See **WATER ACT** on page two...

FREDDIE MAC WARNS TROUBLED BORROWERS WITH YOUTUBE VIDEO

Can a custom made video posted to YouTube™ keep troubled borrowers from losing their homes to fraud artists? Freddie Mac aims to find out.

One of the nation's largest investors in residential mortgages, Freddie Mac decided to produce an Internet video dramatizing a common foreclosure fraud scheme after a new survey found one-in-four delinquent borrowers go to the Internet before their bank or lender for information about avoiding foreclosure.

[Freddie Mac's anti-fraud video can be found at <http://www.youtube.com/AvoidFraud>]

Freddie Mac's two-minute YouTube video uses

See **YOUTUBE** on page two...

CLOSER TO HOME...

Each year, Stewart Title (one of our underwriting partners) chooses prominent



development projects handled by its clients and features them in *Spotlights*. We are pleased to congratulate our client *Floridays Orlando Resort* for being included in the recently-published 2007 edition! We are proud to be preferred closing agent for this project and other projects by the Floridays team.

Spotlights is full-color book containing over 100 large-scale development projects of all kinds (hospitals, mixed-use developments, skyscrapers, and more) from markets around the world. Next time you are in our office be sure to take a look at this impressive publication!

A FEATURED WEB RESOURCE:

WWW.RECALLS.GOV

To provide better service in alerting the American people to unsafe, hazardous or defective products, six federal agencies with vastly different jurisdictions have joined together to create a site where you can find recalls of consumer products, motor vehicles, boats, foods, medicines, cosmetics, and environmental products.

YouTube from page...

professional actors to demonstrate how con artists can:

- Get copies of foreclosure notices at City Hall or a county courthouse;
- Persuade distressed borrowers to give up the deeds in exchange for suspicious promises to solve their financial problems;
- Use the deeds to secure new loans for themselves; and,
- Let the new loans go into foreclosure, which means the homeowners looking for help can still end up losing their house.

"With fraud reports on the rise, we are using every communication channel out there to warn borrowers about these fraudsters and urge borrowers to call their lenders when they fall behind on their mortgage," said Ingrid Beckles, vice president, Servicing and Asset Management, Freddie Mac. "By working with our servicers, Freddie Mac is now helping an average of 1,000 delinquent borrowers a week avoid foreclosure through forbearances, repayment plans or other workout options."

Freddie Mac decided to produce the anti-fraud video for You Tube after a 2007 company-sponsored study that discovered that 25 percent of delinquent borrowers go to the Internet first for mortgage information, only slightly less than those who call their mortgage lender (28 percent) or bank (32 percent). GfK Roper Public Affairs & Media, a division of GfK Custom Research North America, conducted the survey of 2,400 borrowers.

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WATER ACT from page one...

over navigable waters, as well as wetlands and other aquatic features that have a substantial connection to those waters. These water bodies are protected for commerce as well as for their biological and ecological well-being and that's how it should be, he added.

There has been controversy over the Clean Water Act's intention since it was enacted 35 years ago.

In 2006, the U.S. Supreme Court issued a decision in *Rapanos and Carabell* that failed to garner a majority of the Court. However, lower courts understand that for a water feature to come within the control of the federal government it must have more than a hypothetical or potential connection to traditionally navigable waters, Desiderio said.

Advocates for expansive federal control seek to bring upland ditches and desert washes within the oversight authority of the U.S. Army Corps of Engineers and the U.S. Environmental Protection Agency. But there is no evidence that Congress ever intended to sweep such isolated and remote features into the federal regulatory net, he said.

Builders have reported long backlogs in processing permit applications and in some areas that process has come to a standstill, obstructing all residential construction. Solving these thorny issues of jurisdiction by expanding Clean Water Act authority to cover all waters, everywhere, would add significant time and costs for both regulators and builders, and will adversely affect the cost of housing, Desiderio said. However, he emphasized that "Clean Water Act regulation cannot go to extreme lengths so as to subvert the Act's purpose to 'recognize, preserve, and protect the primary rights and responsibilities of states to control water resources and address water pollution within their borders. . . It would greatly undermine the careful balance among competing policies that Congress, the Supreme Court, and the Executive Agencies have been working towards over the past 35 years."

"Happy New Year!"

The team at *Grace Title* wishes you a happy and prosperous 2008!