

* Press Information

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AAMA pushes housing recovery plan

SCHAUMBURG, Ill. -- The American Architectural Manufacturers Association (AAMA) has joined Fix Housing First, a coalition formed to push for a housing recovery plan that will revive the economy.

"A majority of AAMA members have been adversely impacted by the dismal drop off in both new construction and remodeling activity during the past two years. As the mortgage melt down runs its course, a stimulus package is sorely needed to jump start both residential and commercial construction. Note that this is a stimulus and not a bailout. Once the industry is back on its feet and lenders are utilizing valid lending criteria, a full and rapid recovery is expected," said Rich Walker, AAMA president and CEO.

Fix Housing First, which consists of more than 600 organizations, home building companies and manufacturers and continues to add new members on a daily basis, is pressing for a major stimulus package to stem the decline in home values, stabilize financial markets and reignite consumer demand. To get the economy moving again, the coalition is urging Congress to support enhancements to the home buyer tax credit and provide below-market 30-year fixed-rate mortgages for home purchases.

A similar plan worked in 1975, when the nation was also in the midst of a recession. Congress then passed a short-term \$2,000 tax credit for all new homes (\$12,000 adjusted for today's median home prices) along with subsidized mortgage rates. The stimulus jump started the depressed economy and the effects continued long after the measure expired.

The coalition is calling for significant enhancements to the current \$7,500 tax credit for first-time home buyers. Among the improvements:

- * All primary home purchases between April 9, 2008 and Dec. 31, 2009 would be eligible.
- * The credit amount would be increased to 10 percent of the price of the home, capped at 3.5 percent of FHA loan limits, bringing the credit to a range of roughly between \$10,000 and \$22,000.
- * The current recapture provision would be eliminated. Repayment would only be required if the home were sold within three years.
- * The credit would be available at the time of closing, making it easier to be used as a down payment.

The second component of the stimulus plan would provide qualified home buyers with 30-year fixed-rate mortgages at 2.99 percent on contracts closed until June 30, 2009 and 3.99 percent on closings between June 30 and Dec. 31, 2009. The coalition has also announced its support for continuing foreclosure prevention measures to keep people in their homes.

To learn more about Fix Housing First, go to www.fixhousingfirst.com <<http://www.fixhousingfirst.com>>. For more information about AAMA and its activities, visit www.aamanet.org <<http://www.aamanet.org>>.

AAMA is the source of performance standards, product certification, and educational programs for the fenestration industry.(SM)
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