

**Doug Carr**

**From:** Home Builders & Remodelers Assoc [lacey@glhba.ccsend.com] on behalf of Home Builders & Remodelers Assoc [doug@glhba.org]  
**Sent:** Monday, January 18, 2010 4:15 AM  
**To:** Doug Carr  
**Subject:** Will Interest Rates Go Up?

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# The Tool Box

*A Weekly Publication for Members & Friends*  
 January 18, 2010



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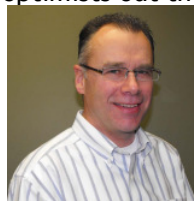
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Dear Doug,

## Will Interest Rates Go Up In 2010?

This is the \$100,000 question. If only we knew the answer. Pundits, economists, stock brokers, fund managers, gurus, are all second guessing the Fed these days because it appears that our financial future is in a very delicate balance. Most of the optimists out there (including me) believe that the market is so fragile right now and barely growing that the Fed would be crazy to begin raising rates and certainly will not do it in 2010. Fed Chairman Ben Bernanke, has said that rates will remain low and stable for "the long haul." At other times he has said "for an extended period."



These statements by the Fed Chairman are not enough for the doomsayers. They comprise the other 15-20% of the marketplace. They tend to be guru analysts who have closely examined the details of things like "who" is actually buying Treasury Securities these days and the trade deficit with China. Some of them go so far to say that the Fed is creating a giant Ponzi scheme through their purchase of T-bills to give everyone a warm fuzzy feeling that things are OK. More importantly, the main basis of their argument goes something like this: Because U.S. consumers have less money to spend, the dollars flowing to China (where many of our consumer products are manufactured,) are now way down. Further, it was those dollars that the



## Don't Miss The Next Monthly Meeting!



**Tuesday  
February 9  
Carter Lumber  
16700 S. U.S.  
27  
Lansing**

**How To Get  
More  
Remodeling  
Business!**  
(Preview of the  
Feb. 16 Seminar)

**Dinner  
Served  
At 5:30 PM!**

\$5 Members  
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Chinese were using to purchase Treasury securities. With those dollars gone, the Chinese cannot and will not continue to purchase our debt. In fact they are already cutting back. The conclusion is the Fed will be forced to raise rates whether they like it or not. There's no one left in the world willing to buy our debt.

A few months back U.S. Treasury Secretary, Timothy Geithner, while speaking to a group of Chinese students at Peking University in China, was asked: "Are Chinese assets safe in the U.S.?" The Secretary's reply: "Oh yes! Very safe!" to which the whole class burst into laughter. We're left with the impression from a distance that they thought he was joking!



Doesn't this make you wonder?

What happens next with interest rates is anyone's guess. Whether you're an optimist or a pessimist on this subject, one thing's for sure, the economy's got us all on the edge of our seat!

What do you think? Email me anytime at [doug@glhba.org](mailto:doug@glhba.org).

**Doug**

CEO, GLHB&RA  
[Doug@glhba.org](mailto:Doug@glhba.org)

## Upcoming Events:

(Click on the links below to RSVP!)

Jan 20 Certified Lead Renovator Training, MAHB, Cancelled!

Jan 22 Finance Committee Mtg. 9 AM

Jan 27 Board Of Directors Meeting

Jan 30 [Wild Game Dinner](#), Eagle Eye, Cost: \$45

Feb 4-5 MAHB Remodeler Workshop, Clare, MI

Feb 9 **Monthly Meeting** Preview of the Feb 16 Get More Remodeling Business, Carter Lumber, 5:30 PM Cost \$5 [RSVP Here](#)

Feb 11 MAHB Board Meeting, Lansing, Causeway Bay

Feb 16 [Get More Remodeling Business](#) By taking advantage of the coming wave of energy incentives & financing. 8:30 AM - 11:30 AM, Lyman Sheets Insurance Agency, FREE (for members)

Feb 25 Monthly Meeting & Home Show Preview, The Nuthouse sports Grill, 420 E Michigan Ave, Lansing

Feb 26 - Feb 28 Home Building & Remodeling Show, Lansing Center

## More Opportunity for Remodelers On The Way in 2010!

There's a whole lot of money coming from several different sources to encourage people to upgrade their homes. The goal is to boost energy efficiency in all homes--new and existing--to a level that will





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Roofing  
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Concrete  
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MSU Demmer  
Shooting Ctr.**

begin to save energy on a national scale. The sources of money vary from utility rebates to state and national governments. Some of the programs will provide sources of financing for the projects through local banks. Most require remodelers to be "certified" in order to participate. There are several different programs that will be explained at a FREE (for GLHB&RA members) seminar on Feb 16 from 8:30 AM to 11:30 AM. Location: Lyman Sheets Insurance, 2213 E Grand River, Lansing, MI. In addition, there will be a short preview of what will be covered at the monthly meeting on February 9th at Carter Lumber. To RSVP for the Feb 16 seminar [e-mail doug@glhba.org](mailto:doug@glhba.org).

### **Virg Bernero For Governor?!**

At the same time that Virg Bernero was being sworn for another term as mayor of Lansing, he was fielding questions about his "exploring" the possibility of a run for Governor of Michigan in the fall of 2010. Then, last week, Lt. Governor John Cherry announced that he will not be in the running. This would help Bernero.



However, it is really too early to start calling any odds. Some have speculated that Debbie Stabenow or even previous Governor Jim Blanchard may enter the race. One way or another Virg Bernero has two big obstacles. The first is that he needs name recognition statewide. He does not have this. To that point he joked with reporters by saying: "I've got a big mouth," and that the situation "gives me an opportunity to define myself." Many would agree with his self-assessment on both counts. His second obstacle is money. He also said that it would take more money than he has 'ever raised' in previous campaigns. Bernero has formed an exploratory committee to review both obstacles and determine the viability of a gubernatorial campaign.

### **Healthcare Bill Will Unfairly Target Small Construction Firms/Builders**

California Congresswoman Nancy Pelosi has been invited to lots of meetings lately with President Obama to finalize a new healthcare bill that will be costly for small construction firms. The US House and Senate are rushing to reconcile their respective bills and bypassing the normal reconciling process. If passed, the bill threatens small construction firms by requiring them to provide health insurance if they employ more than five workers. This provision is exempted for small business in all other industries that employ 50 or fewer employees. This provision unfairly singles out home builders and small construction firms at a time when the entire industry is fragile and struggling to recover from the lowest production since the 1940's. President Obama seems to be determined to have the bill



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passed prior to his planned State of the Union address in early February. The National Association of Home Builders is working on behalf of members to remove this onerous provision.

**Thank You MSU-FCU!  
2010 Parade Of Homes Sponsor!**



**Home Building & Remodeling Show  
Opens At the Lansing Center  
In Less Than Sixty Days!**

**Home Building & Remodeling Show  
Nearly 85% Full At Lansing Center!**

If you plan to be in the newly relocated Home Building & Remodeling Show at the Lansing Center, **NOW is the time** to reserve your booth space. The show is nearly 85% full! The show weekend promises to be exciting. GLHB&RA will be partnering on promotions with a Golf Show in the next hall the same weekend! Attendees will have access to both shows with a discounted joint ticket. The show will be held the weekend of Feb 26th through the 28th. Contracts for the show can be [downloaded from the website](#) along with a copy of the [floorplan of booth locations](#). Contact [Lacey](#) for more information today: 517-323-3254.



**Special Advertising Offer for Exhibitors In The  
Home Building & Remodeling Show:**

Exhibitors should be sure to take advantage of this special advertising offer from Channel 10! For just \$150 the first 10 exhibitors that sign up this month can take advantage of a personalized 10 second spot to be placed on the end of GLHB&RA's 20 second TV ads promoting the show on WILX Channel 10. To take advantage of this offer, contact Debbie Petersmark at 517-393-0110 or 517-819-2461, [or click on this link!](#)



**Speedway Offers 10 Cent/Gallon Discount to  
All New SuperFleet Customers!**

Any GLHB&RA member who is not a member of the Speedway SuperFleet program should join





Beginning in April of 2010 a new law will require Remodelers to practice lead-safe remediation if they are disturbing areas as small as six square feet in homes built prior to 1978.

To satisfy this new requirement, Remodelers are obtaining Certified training to learn how to comply with the new law.

For a schedule of upcoming training classes throughout the State:  
[Click Here!](#)

NOW! Through the end of January any GLHB&RA member who joins the SuperFleet program will receive a 10 cent/gallon discount on fuel for the next 90 days! The SuperFleet Card is good at all Speedway and Rich Oil locations throughout Michigan and the midwest. Current members of the program will receive 5 cent/gallon discounts through the end of 2010. To learn more about the program or to sign up, contact Tom Farnham at 989-615-2736. Tell him you want the GLHB&RA member discount!

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