

Housing boom cooling off

Rising interest rates one explanation behind recent decline

By DAVID KOENIG
THE ASSOCIATED PRESS

DALLAS

The five-year housing boom is indeed over, judging from growing statistical evidence and the performance of some of the nation's leading builders, and the slowdown is already rippling through the economy.

In the past week, the Commerce Department reported that January sales of new single-family homes fell 5 percent, the fourth decline in seven months, and the backlog of unsold new homes hit a record.

And the National Association of Realtors said used home sales slipped 2.8 percent in January, the fourth straight drop and 5 percent below January 2005.

Builders also reported a few hiccups. Upscale Toll Brothers Inc. said signed contracts in the November-January period fell 21 percent from a year ago, and KB Home reported more buyers backing out of contracts.

Still, the prospect of a slowdown appears less frightening than it did a few months ago, according to those who track the industry. There seems to be little concern that a housing bubble will lead to a collapse in sales and prices.

New Federal Reserve Chairman Ben Bernanke said last month housing would enter a moderate slowdown but not a crash.

Explanations for the recent cooling-off vary. Many people bought homes during the past five years and are staying put. Some analysts blame a decline in consumer confidence. And interest rates have been rising, especially



Construction crews work on the final section of a wall of a single-family home Feb. 23 in St. Louis. The five-year housing boom seems to be over and real estate agents are dealing with harder-to-sell houses. AP PHOTO

for adjustable mortgages that allowed people to buy more expensive homes than they could have afforded with a 30-year loan.

"We started to see the strain in July and August, and by the fourth quarter the market definitely had slowed," said Layne Marceau, president of the Northern California region for Shea Homes, one of the nation's largest private builders.

Rising prices and interest rates pushed more buyers out of the market. When prices finally did cool, sellers couldn't command a high enough price on their old house to buy the new one, said Marceau, who believes the slowdown is temporary.

The median price of an existing single-family home has declined

since peaking at \$219,700 in July to \$210,500 in January, according to the National Association of Realtors.

Few analysts expect a sharp drop in national averages, although they say there could be further declines in some areas that have been among the hottest markets in recent years.

By price, the middle and upper ends of the new-home market did best in 2005, with solid increases in everything above \$200,000, reflecting strongest markets were in high-priced areas along both coasts.

That pattern mostly continued in January, although there was a dip in the \$400,000 to \$750,000 segment compared to January 2005. Housing has played a major

role in the economic recovery since 2001, so even slower growth in home sales and prices could have major repercussions.

Asha Bangalore, an economist for The Northern Trust Co. in Chicago, estimates housing created 43 percent of all new jobs from late 2001 until mid-2005.

That included the obvious, such as jobs in construction and mortgage services, but also retail and service jobs created because consumers tapped their rising home equity to buy more things.

"The housing slowdown that we are seeing is very modest, not alarming, but I think the ripple effects are going to be enormous because of the employment factor," she said.

Supreme Court: Colleges must let military recruiters on campuses

By GINA HOLLAND
THE ASSOCIATED PRESS

WASHINGTON

The Supreme Court ruled unanimously Monday that the government can force colleges to open their campuses to military recruiters despite university objections to the Pentagon's "don't ask, don't tell" policy on gays.

Justices rejected a free-speech challenge from law schools and professors who claimed they should not have to associate with military recruiters or promote their campus appearances.

The decision was a setback for universities that had become the latest battleground over the military policy allowing gay men and women to serve only if they keep their sexual orientation to themselves.

The ruling does not, however, answer broader questions about the policy itself. Challenges are pending in courts in Boston and Los Angeles that could eventually reach the high court.

Justices seemed swayed by the Bush administration's arguments that after the terrorist attacks, and during the war in Iraq, the government had a responsibility to bolster its recruitment.



ROBERTS

AT A GLANCE

Under a law upheld Monday by the Supreme Court, colleges that accept federal money from these agencies are required to provide access to military recruiters:

- Defense Department
 - Labor Department
 - Health and Human Services Department
 - Education Department
 - Transportation Department
 - Homeland Security Department
 - National Nuclear Security Administration
 - Central Intelligence Agency
- SOURCE: Solicitor General's Office

Chief Justice John Roberts said that campus visits are an effective recruiting tool.

And, he said, "a military recruiter's mere presence on campus does not violate a law school's right to associate, regardless of how repugnant the law school considers the recruiter's message."

The 8-0 decision upheld a federal law that says universities must give the military the same access as other recruiters or forfeit federal money.

Justices ruled even more broadly, saying that Congress could directly demand military access on campus without linking the requirement to federal money.

"When you're in the middle of war, even if it's not a terribly popular one, courts are hesitant to tie

the hands of the military," said Jon Davidson, legal director of gay rights group Lambda Legal.

Jay Sekulow, chief counsel for the American Center for Law and Justice, called the decision "an important victory for the military and ultimately for our national security."

The military's policy had put college leaders in a thorny situation because of campus rules that forbid participation of recruiters representing agencies or private companies that have discriminatory policies.

Most college leaders have said they could not afford to lose federal help, some \$35 billion a year.

Roberts, writing his third decision since joining the court in the fall, said there are other less drastic options for protesting the policy.

"Students and faculty are free to associate to voice their disapproval of the military's message," he wrote.

Joshua Rosenkranz, the attorney for the challengers of the law, said that the case called attention to the military policy.

"A silver lining to the Supreme Court's opinion is the court made it clear," he said, "law schools are free to organize protests."

Roberts filed the only opinion, which was joined by every justice but Samuel Alito.

Alito did not participate because he was not on the bench when the case was argued three months ago.

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Greenwood Christian School, a ministry of Greenwood Christian Church, will begin open registration for the 2006-2007 school year on Monday March 6, 2006.

Registration for both Greenwood Christian Elementary School and Greenwood Christian Day Care will be conducted in the school office. The school facility is located at 2045 Averitt Road, the site of Greenwood Christian Church. Office hours for registration are 7:00 AM until 6:00 PM. All forms needed are available in the school office between these hours. If you are planning on enrolling or are interested we urge you to act quickly since several of our classes are filling very quickly.

Greenwood Christian School has openings in the following areas:

1. Preschool classes for children who are 3 yrs. old by August 1, 2006
2. Pre-Kindergarten class for those children who are 4 yrs. old by August 1, 2006
3. Explorer's class for teacher recommended Pre-Kindergarten children.
4. Full day Kindergarten classes for those children who are 5 yrs. old by August 1, 2006
5. Elementary classes for grades 1 through 5.

FOR INFORMATION ON REGISTRATION CONTACT
THE SCHOOL OFFICE AT 881-9970

Greenwood Christian School will offer a summer day camp again this year. Registration for the summer day camp is open and forms are available in the school office.

 GREENWOOD CHRISTIAN

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NOTICE OF NONDISCRIMINATORY POLICY AS TO STUDENTS

Greenwood Christian School admits students of any race, color, national and ethnic origin to all the rights, privileges, programs and activities generally accorded or made available to students at the school. It does not discriminate on the basis of race, color, national and ethnic origin in administration of its educational policies, admission policies, scholarship programs and other school administered programs.

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STATE/NATION

INDIANAPOLIS

Study: Despite problems, gambling pays for Indiana

Indiana's casinos are to blame for about \$1 million in crime each week, but the 10 riverboats raised \$763 million in net revenue for the state during the fiscal year that ended in June.

Lawmakers were expected today to officially release those findings as part of a seven-month assessment of Indiana's gambling industry by Indianapolis-based consultant Policy Analytics LLC, an Indianapolis newspaper reported Monday.

The study, designed to present a neutral view of gambling in the state, supported what many industry officials have been saying for years: that casinos' costs, including bankruptcies and poor mental health, are significant but overshadowed by the revenue they bring.

Indiana had the fourth-highest casino revenue in fiscal year 2005, ranking behind Nevada, New Jersey and Mississippi.

WASHINGTON

Administration working to avoid hitting debt limit

Treasury Secretary John Snow notified Congress on Monday that

the administration has now taken all prudent and legal actions, including tapping certain government retirement funds, to keep from hitting the \$8.2 trillion national debt limit.

In a letter to Congress, Snow urged lawmakers to pass a new debt ceiling immediately to avoid the nation's first-ever default on its obligations.

"I know that you share the president's and my commitment to maintaining the full faith and credit of the U.S. government," Snow said in his letter to leaders in the House and Senate.

Treasury officials, briefing congressional aides last week, said that the government will run out of maneuvering room to keep from exceeding the current limit sometime during the week of March 20.

Snow in his letter notified lawmakers that Treasury would begin tapping the Civil Service Retirement and Disability Fund, which Treasury officials said would provide a few billion dollars in extra borrowing ability.

It is expected that after intense debate, Congress will approve an increase in the current \$8.18 trillion debt limit by perhaps \$781 billion.



SNOW

ALEXANDRIA, Va.

Sentencing trial starts for 9/11 defendant Moussaoui

Opening its argument that Zacarias Moussaoui be executed, the government asserted Monday that he did his part as a loyal al-Qaida soldier and caused the deaths of nearly 3,000 people by failing to tell what he knew of the Sept. 11 attacks.

Moussaoui's defense countered that his dreams of being a terrorist were far removed from anything he could actually do, and that he had no part in the attacks.

U.S. District Judge Leonie Brinkema impaneled 18 jurors and alternates.

Moussaoui, a 37-year-old French citizen, has acknowledged his loyalty to the al-Qaida terrorist network and his intent to commit acts of terrorism but denies any prior knowledge of the Sept. 11 plot.

Moussaoui pleaded guilty in April to conspiring with al-Qaida to hijack planes and commit other crimes.

The trial will determine his punishment, and only two options are available: death or life in prison.



MOUSSAOUI

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