

## NAHB SAYS FED RATE CUT IS GOOD NEWS FOR HOME BUYERS

WASHINGTON, Sept. 18 - Today's decisive action by the Federal Reserve to ease its monetary policies is good news for the economy and prospective home buyers seeking a piece of the American dream, according to the National Association of Home Builders (NAHB).

"By cutting the federal funds and discount rate each by a half a percentage point, the Fed has sent a strong signal to financial markets and American consumers that it intends to ensure that the economy keeps moving ahead and the housing market regains its strength," said NAHB President Brian Catalde, a home builder from El Segundo, Calif.

In an economy that continues to grow, create jobs and increase household income, the Federal Reserve's move to lower borrowing costs is just one more reason to consider buying a home in the current economic climate, Catalde said.

In today's buyer's market, there is an abundance of new and existing homes on the market, creating a wider variety of choice for home shoppers, said Catalde. "As a result, builders are offering a range of concessions, from discounted financing packages to value-added incentives."

"The Federal Reserve's actions will hopefully bolster consumer confidence while the current housing price correction helps restore affordability. And interest rates on conventional, conforming loans, which have remained largely unaffected by the shakeout in the subprime market, are hovering near historic lows at just above 6 percent," said Catalde.

The Fed's rate cuts will help the economy to gain strength, said Catalde, and also help the housing market begin to recover next year, which bodes well for future house price appreciation.

"All the market fundamentals show that now is a good time to buy a home," he said. "Fence-sitters waiting to time the market trough are likely to be wrong, while those who buy now can expect to reap the gains of home price appreciation in the coming years."