

DOW
11,893.79
+112.85

NASDAQ
2,625.15
+3.50

S&P
1,239.70
+10.60

NYSE
7,423.64
+70.19

BUSINESS



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ALBUQUERQUE JOURNAL

Friday, November 11, 2011

AROUND N.M.

Journal and Wire Reports

Grants, Loans Aid Rural N.M. Lenders

Agriculture Secretary Tom Vilsack this week announced the selection of 35 rural microdevelopment organizations including two in New Mexico for loans and grants to support rural business development.

The New Mexico Community Development Loan Fund Inc. will receive a \$500,000 loan and \$105,000 grant to capitalize a rural microloan revolving fund to make loans to rural microentrepreneurs and microenterprises.

And the Women's Economic Self-Sufficiency Team Corp. will receive a \$400,000 loan and a \$100,000 grant to capitalize a rural microloan revolving fund to make loans for the same purposes.

"We are pleased to partner with the N.M. Community Development Loan fund and WESST to help finance small businesses around New Mexico that need help with their start up or expansion," USDA Rural Development State Director Terry Brunner said in a statement.

Anderson Students Develop Campaign

A student-run marketing agency at the University of New Mexico Anderson School of Management, has developed a marketing campaign as part of the PHS Commissioned Corps Recruiting Challenge.

The campaign is aimed at raising awareness and consideration for dental, family medicine and psychiatry careers with the United States Public Health Service as well as creating a network with UNM for future PHS interaction.

The campaign is a portion of a program UNM marketing students have been participating in this term. The project, known as the PHS Commissioned Corps Recruiting Challenge, is designed to give students a unique, real-world business experience by creating a marketing campaign for a leading organization.

Belen Metal Firm Gets Solar Grant

HydroCut LLC, a metal cutting business in Belen, has received a \$49,000 grant to offset the cost of a \$196,000 solar power system that is currently under construction.

The project was made possible through the Rural Energy for America Program, USDA Rural Development said in a news release.

USDA Rural Development provides grants and loan guarantees totaling up to 75% of the cost to install an alternative energy system for small businesses, ranchers, and farms in rural areas of less than 50,000 people.

The new 156-panel solar panel array will provide enough power to cover the majority of HydroCut's energy consumption.

THE NATION

30-Year Mortgage Below 4% Again

WASHINGTON — The average rate on the 30-year fixed mortgage fell below 4 percent for just the second time in history.

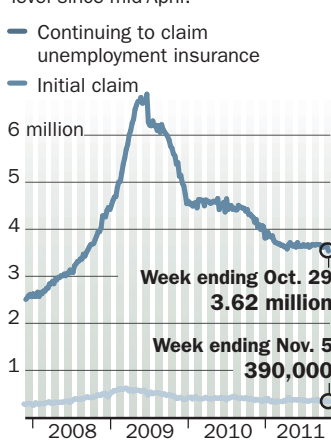
Freddie Mac said Thursday the rate on the 30-year fixed loan fell to 3.99 percent, down from 4 percent last week. Five weeks ago, it dropped to a record low of 3.94 percent, according to the National Bureau of Economic Research.

The average rate on the 15-year fixed mortgage fell last week to 3.30 percent from 3.31 percent.

Jobless Outlook Brightens a Bit

OUT OF WORK

First-time claims for unemployment insurance dropped to their lowest level since mid-April.



NOTE: Report on continuing claims lags initial claims by one week
SOURCE: U.S. Department of Labor MCT

■ *Benefit applications dip last week to lowest level since April*

BY DEREK KRAVITZ AND MARTIN CRUTSINGER
The Associated Press

WASHINGTON — The outlook for American jobs and trade looked a little brighter Thursday, despite growing uncertainty overseas.

The number of people who applied for unemployment benefits last week fell a seasonally adjusted 390,000, the Labor Department said Thursday. That's the fewest since April.

The U.S. trade deficit nar-

"The labor market is still weak and quite stagnant but there are hopeful signs of some modest improvement."

STEVE WOOD,
INSIGHT ECONOMICS

rowed to \$43.1 billion in September, its lowest point of the year, the Commerce Department said. Foreign sales of American-made autos, airplanes and heavy machinery pushed exports to an all-time high.

The data suggest layoffs are easing and the economy grew

slightly better over the summer than the government had estimated a month ago.

The reports "are modestly strong relative to expectations — encouraging confidence that the economy is gaining a bit of momentum," said Pierre Ellis, an analyst at Decision Economics.

Weekly applications for unemployment benefits have declined in three of the past four weeks, the Labor Department said. The four-week average, a less volatile measure, fell to 400,000, also the lowest point since April.

The downward trend in applications suggests businesses are laying off fewer workers. Still, applications need to consistently

drop below 375,000 to signal sustained job gains. They haven't been at that level since February.

"The labor market is still weak and quite stagnant but there are hopeful signs of some modest improvement," said Steve Wood, chief economist at Insight Economics.

In September, exports increased 1.4 percent to a record \$180.4 billion, reflecting a big increase in shipments of U.S. made autos and auto parts, the Commerce Department said. Imports were up a smaller 0.4 percent to \$223.5 billion. Oil imports slowed after huge gains earlier in the year.

The deficit has narrowed for the last three months.

Foreclosure Threat



THE ASSOCIATED PRESS

A foreclosure sign sits in front of a home in Denver. Nationwide, initial foreclosure actions were up 10 percent in October, partly spurred by lenders correcting foreclosure paperwork and other processing problems.

N.M. Oct. Filings Leap 75% Over Sept.

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BY RICHARD METCALF
Journal Staff Writer

The ranks of New Mexico homeowners falling behind on mortgage payments swelled in October, mirroring what's happening around the country, new data show.

Initial foreclosure actions filed in state district courts against homeowners jumped 75 percent from 350 in September to 611 in October, Irvine, Calif.-based RealtyTrac reported Thursday. The pace of these initial filings is still down from the 663 reported statewide in October 2010.

Nationwide, initial foreclosure actions in October were up 10 percent from the previous month.

"The October foreclosure numbers continue to show strong signs that foreclosure activity is coming out of the rain delay we've been in for the past year as lenders corrected foreclosure paperwork and processing problems," said RealtyTrac CEO James Saccacio in a statement in the company's latest report.

The brakes were put on foreclosure actions in late 2010 with the eruption

Foreclosure rates by county

1. **Santa Fe:** 1 in every 452 homes
2. **Sandoval:** 1 in every 539 homes
3. **Bernalillo:** 1 in every 551 homes
4. **Valencia:** 1 in every 662 homes
5. **Doña Ana:** 1 in every 973 homes

— Source: RealtyTrac

of the so-called robo signing scandal, which centered around banks and other mortgage holders mass producing foreclosure actions with little or no legal oversight.

At the end of the foreclosure process in New Mexico, actual bank repossession of homes dropped by half from 325 in September to 164 in October, RealtyTrac reported. Notices of pending foreclosure sales sent to homeowners dropped 19 percent from 256 in September to 207 in October.

Foreclosure filings of all types

increased about 5 percent from 931 in September to 982 in October, although total activity was down 19 percent from October 2010. Nationwide, total foreclosure filings decreased 7 percent in October compared to September, but were down 31 percent from October 2010.

New Mexico's foreclosure rate was one out of every 894 homes receiving a foreclosure-related notice in October, the 22nd highest ratio among the 50 states but healthier than the national average of one out of every 563 homes. The national average is weighted heavily by troubled housing markets in Arizona, California and Nevada.

Among New Mexico counties, Santa Fe had the highest ratio with one out of every 452 homes receiving a foreclosure-related notice in October. The second highest ratio was one out of every 539 homes in Sandoval County, which usually has the most foreclosure activity in the state.

Bernalillo County's rate was one out of every 551 homes in October, while Dona Ana County's rate was one out of every 973 homes. Grant County had the lowest rate of one out of every 14,312 homes.

Fannie, Freddie Exec Bonuses Defended

Millions Paid Out To Retain Talent

BY DEREK KRAVITZ
The Associated Press

WASHINGTON — The government regulator of Fannie Mae and Freddie Mac said Thursday that million-dollar bonuses paid to executives at the companies were necessary to keep the mortgage giants running.

Edward DeMarco, the acting

director of the Federal Housing Finance Agency, sent a letter to U.S. lawmakers that paying a total of \$12.8 million in bonuses was a way of keeping talented executives with the companies. Without them, U.S. taxpayers would incur greater losses.

"We will need expert management of those guarantees for years to come," DeMarco wrote in the letter to a bipartisan group of 60 senators who have urged him to stop the bonus payouts. "Given the amount of money at risk here,

small mistakes can be easily amplified to losses far greater than the compensation paid to enterprise executives."

The government rescued Washington-based Fannie and McLean, Va.-based Freddie three years ago after they nearly folded because of big losses on risky mortgages they purchased. Taxpayers have spent about \$170 billion to rescue the two firms, the most expensive bailout of the 2008 financial crisis. The government estimates the bailout could reach up to \$220 billion

through 2014.

Fannie and Freddie own or guarantee about half of all mortgages in the U.S., or nearly 31 million home loans.

This month, Fannie asked for \$7.8 billion and Freddie requested \$6 billion in extra aid to cover large quarterly losses, mostly caused by low mortgage rates reducing profits.

The House Financial Services Committee will meet Tuesday to consider a bill to stop the bonuses from being paid.

S. Valley Project Moves Ahead

Vote OKs Talks On \$1.5M Grant

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BY DAN MCKAY
Journal Staff Writer

Bernalillo County commissioners narrowly agreed this week to move forward with negotiations to award a \$1.5 million grant to a company planning to build a South Valley shopping center.

The project, known as Las Estancias, would be on Coors Boulevard, just south of Rio Bravo.

The commission's approval allows a more specific agreement to be negotiated, outlining the company's responsibilities.

The county would provide an economic development grant of \$1.5 million for street improvements. The development company might have to repay some or all of the money if the project doesn't create the jobs that are promised.

The project will come back to the County Commission for final consideration after the agreement is negotiated.

Supporters and opponents alike turned out at a commission meeting Tuesday to speak about the project.

Commissioner Art De La Cruz, who represents the area, said nearby residents want the same shopping amenities readily available in other parts of the county.

Critics questioned the legality and wisdom of granting the money. It wasn't clear from the initial grant application whether the project was eligible for the money, county staff said, but a revised application indicated it would indeed qualify.

In any case, scrutiny of the application triggered plenty of debate. Commissioners Maggie Hart Stebbins and Wayne Johnson voted against moving forward.

Stebbins said she had serious concerns about spending money on the project, given the county's lean budget.

Commissioners approved negotiations on a 3-2 vote, with De La Cruz, Michelle Lujan Grisham and Michael Wiener in favor.

The 79-acre project could include a big-box retailer, restaurants, medical offices and a movie theater. The application team includes developers Mike Mechenbier and Steve Maestas.



DE LA CRUZ: Votes to advance project