

HOMEFront

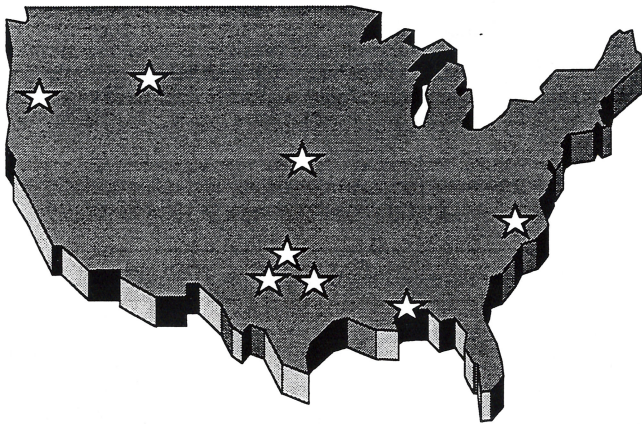
American Homestar Reaches Agreement to Acquire Heartland Homes

Retail Group Manu-Fac is also Part of the Deal

On July 30, American Homestar announced that it has signed definitive agreements to acquire Heartland Homes, a single plant manufacturer of homes located in Henderson, North Carolina, and Manu-Fac Homes, Inc., a contractually affiliated group of fifteen independent retailers with locations throughout North Carolina. The transactions are expected to be completed on or before August 30, subject to satisfactory completion of due diligence and certain other conditions. Including the four plants that are part of the pending Guerdon transaction, this brings American Homestar's plant operations to a total of eight, covering a geographic area from the East Coast to the West Coast.

Operating under the CHOICECENTER or WESTWOOD trade name, the Manu-Fac Homes group is a major distributor of the homes built by Heartland and provide the Company a loyal network of retailers for its products and services.

"These acquisitions give American Homestar an immediate and established presence in North Carolina, South Carolina and Virginia," said co-chief executive officers **Buck Teeter** and **Lad Dawson**. "Those three states accounted for nearly 59,000 manufactured housing shipments in 1995 and represent one of the largest markets for manufactured housing in the nation. In addition, the current management of both Heartland and Manu-Fac will remain intact so there will be no loss of momentum." Teeter and Dawson see this acquisition as a starting point for continued growth in the region, saying "it paves the way for expanded manufacturing and retailing activity as well as a growing base of business for our mortgage and insurance operations."



*The Eight
Manufacturing
Facilities of
American
Homestar -
Manifest
Destiny
Realized!*

Building a High Growth Company

Growth Strategy - Part 1

by Buck Teeter, Chairman and Co-CEO, and Lad Dawson, President and Co-CEO

In June's issue, we presented the overview of the Company's Growth Strategy based on a business plan of vertical integration. Beginning with this month, we'll break down our Growth Strategy and discuss in more detail each of its elements. We want every member of the American Homestar team to understand what he or she can do to help implement the plan. Growing the Company 20% or more each year is a big job, and it's going to take a total commitment from each of us to make it happen! To meet our goals for FY 1997, we need to grow net sales by at least \$50 million and pretax profit by \$4.0 million, not counting acquisitions. Let's review the key elements of our Core Growth Strategy!

1. Open At Least 10 New Sales Centers:

We plan to meet or exceed this target in FY 1997, and it's a key part of our Strategy. We expect an average sales center to generate 100 new home sales per year, or about \$4.5 million in revenues. That means 10 new sales centers could add about \$45 million to our revenues. But new centers take time to start up and reach full volume and solidly profitable operations. So while we're opening new centers, we need to make sure last year's new centers are maturing properly in both volume and profitability.

In FY 1997, we'll be opening a few
Continued on Page 4

Stars and Stats

Cabo Winner

Manufacturing's Top Dealers

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4 The Value Guide Close

6 Insurance News

10 & 13

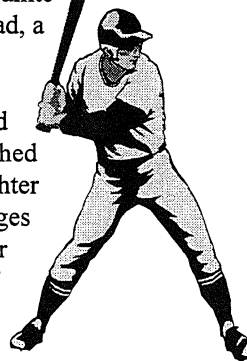
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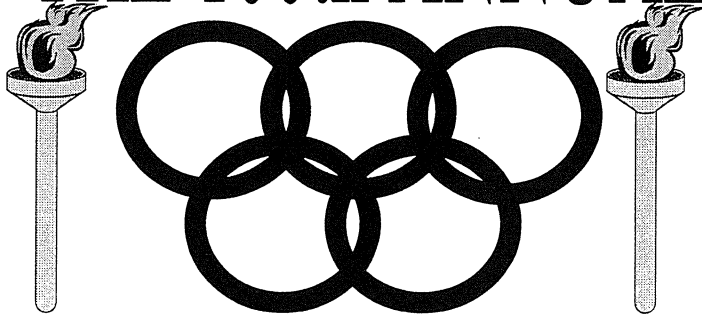
JULY, 1996



Every four years, the nations of the World unite to compete in the historic Manufactured Housing Olympiad, a competition pitting our country's greatest sales talents against their overseas counterparts. Since the first Olympiad in Athens 100 years ago, to the most recent held 150 miles West in Dallas, the eyes of the world have watched as American Homestar's great sales pros have shined brighter and longer than all others. Now that the East German judges are out of work, the playing fields are more level than ever and the games have begun! Check out the great results of American Homestar's Sales Athletes and look in the box below to find the next fresh face to appear on a box of Wheaties!



THE 100th ANNUAL



MANUFACTURED HOUSING OLYMPIAD

Randy "Tyler" Taylor, longtime Tyler sales pro, starts off fiscal 1997 where he belongs... on top. The big man took down eight sales in June (seven of them new) and earned an incredible 61.1 President's Club Points! Holy Cow!

HOME RUN HITTER!

All of these great Olympians sold four or more homes in the month of June. Talk about a DREAM TEAM!

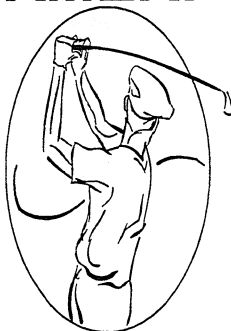
Salesperson	Lot	NS	ND	NEW	U	R	T	PG
Randy Taylor	Nationwide Tyler	3	4	7	1	0	8	\$ 32,052.00
Veronica Alvarado	Instant Living El Paso	3	2	5	0	0	5	\$ 22,976.96
Craige Bryant	Nationwide New Braunfels	1	3	4	1	0	5	\$ 33,279.00
Jack Doss	Advantage Channelview	4	1	5	0	0	5	\$ 27,806.00
Gina Reece	Advantage Longview	2	2	4	0	0	4	\$ 28,697.07
Clifford Archer	Nationwide Rosenberg	4	1	5	0	0	5	\$ 27,756.32
Virginio Deangelis	Instant Living Albuquerque	1	2	3	2	0	5	\$ 37,665.60
James M. Karrh	Nationwide DeSoto	0	3	3	0	0	3	\$ 34,600.46
Houston R. Legg.	Instant Living Spring	1	3	4	0	0	4	\$ 25,048.56
Vernrtte Pack	Nationwide Lorena	1	3	4	0	0	4	\$ 23,094.00
Larry Key	Instant Living Granbury	0	4	4	0	0	4	\$ 27,385.00
David Rexrode	Nationwide Boerne	1	5	6	0	0	6	\$ 23,302.22
Melssa Guinn	Nationwide Lake Charles	5	0	5	0	0	5	\$ 21,864.32
Daryl Wilkinson	Advantage Greenville	0	3	3	0	1	4	\$ 24,077.00
Kash Mullins	F&M Nationwide	3	0	3	3	0	6	\$ 22,984.00
James C. Morrison	AHFO Lancaster	2	1	3	0	0	3	\$ 25,166.64
Janice Dent	Nationwide Abilene	1	3	4	0	0	4	\$ 22,151.00
Roy Sandiford	Nationwide Tyler	2	1	3	1	0	4	\$ 27,727.00
Charles Jerger	Nationwide Monroe	1	3	4	1	0	5	\$ 18,574.52
Nedra M. Ware	Nationwide Bossier City	2	2	4	0	0	4	\$ 17,350.00
Garland Gregory A.	Advantage Jacksonville	3	0	3	0	1	4	\$ 21,021.00
Alan Waren	Nationwide Burleson	1	3	4	2	0	6	\$ 19,630.93
Billie P. Rolando	Nationwide Corpus Christi	3	1	4	1	0	5	\$ 15,972.00



Veronica Alvarado - Whoa! As soon as the El Paso locations joined the fold last year, we saw Veronica's name immediately appear in "Who's Hot." Well, that was no fluke, and Veronica is committed to showing everyone that 1997 is her year. All in all, she took down five big new home sales in June. Nice month!

TOP PERFORMER!

Craige Bryant - A new name to **HomeFront**, Craig showed the Company how one maximizes opportunities for points. His four new home deals earned the company over 8k in payable gross per sale and placed Craig in third place in the big contest with two months to go. Look for continued greatness from this rising star in Central Texas!



Longball Driver!



The INCREDIBLE Jack Doss - Channelview's one-man manufactured housing sales machine laid the competition to waste in June, taking down five big new home deals and earning 42.8 PCP's in the process. Hail to the Mobile Home King!

ENDURANCE CHAMP!

	CL	VPTS	Phys. Dam.	Credit Life	Income
9.00	6,001.13	5	7	2	32.06
.00	7,026.80	5	5	5	22.97
.00	0.00	2	4	0	33.28
.00	2,426.87	5	4	2	27.8
.00	4,448.86	2	4	3	28.7
.00	3,102.06	5	5	2	27.75
.00	0.00	0	2	0	37.67
.00	6,417.26	0	3	2	34.6
.00	5,619.89	2	3	3	25.05
.00	6,054.22	2	4	4	23.09
.00	7,355.47	2	4	2	27.38
.00	1,342.77	5	2	1	23.29
.00	0.00	5	4	0	21.86
.00	5,189.50	0	4	2	24.07
.00	3,843.93	0	4	2	22.98
.00	3,578.75	0	3	2	25.16
.00	0.00	2	4	0	22.16
.00	0.00	0	3	0	27.73
.00	0.00	2	4	0	18.57
.00	0.00	2	3	0	17.35
.00	3,043.11	0	4	2	21.02
.00	3,122.52	2	3	1	19.63
.00	0.00	2	3	0	15.97

The Olympic Gold Medal Contest

a.k.a. the Quarterly Sales Contest



Winners must be an employee in good standing at time of award issuance to be eligible. Remember, the airport in Lagos, Nigeria does not maintain adequate security standards. Offer void in Utah.

The five salespeople to earn the most President's Club Points from June through August will earn one of five prizes...

Gold Medal Level

1st Place Finisher
\$2,000

Silver Medal Level

2nd Place Finisher
\$1,500

Bronze Medal Level

3rd Place Finisher
\$1,000

Brass Medal Level w/ Accents of Cubic Zirconium

4th Place Finisher
\$750

Elvis Commemorative Plate Level

5th Place Finisher
\$500

Gina Reece - It looks like Longview has got a star on their hands in Gina Reece. She used a balanced attack of 2 new singles and 2 new multi's to place high in the quarterly contest standings. All in all, she earned 42.7 President's Club Points and is currently placed fifth. Good luck, Gina!

Tough to Beat!!!

YTD

and
QUARTERLY
TOP 10
Salespeople



- Randy Taylor**
Tyler 61.1 pts
- Veronica Alvarado**
Ins. El Paso 45.0 pts
- Craige Bryant**
New Braunfels 44.3 pts
- Jack Doss**
Channelview 42.8 pts
- Gina Reece**
Longview 42.7 pts
- Cliff Archer**
Rosenberg 41.8 pts
- Virginio Deangelis**
Inst. Albu. 41.7 pts
- James Karrh**
DeSoto 41.6 pts
- Houston Legg**
Inst. Spring 38.1 pts
- Vernette Pack**
Lorena 37.1 pts

Building a High Growth Company, Continued

more sales centers in Texas, with focus on the I-35 corridor. In addition, we're looking at New Mexico, Oklahoma, Louisiana, and Arkansas. Each of these surrounding states have at least several key markets we would like to be in.

The key to our retail growth plan is growing tomorrow's new sales center managers. If you have the talent, desire, and willingness to work hard, the opportunity to move up to a management position in the Retail Division over the next several years could not be brighter!! Our retail growth is only limited by the availability of top notch managers who have received the training and seasoning necessary to start up a new lot.

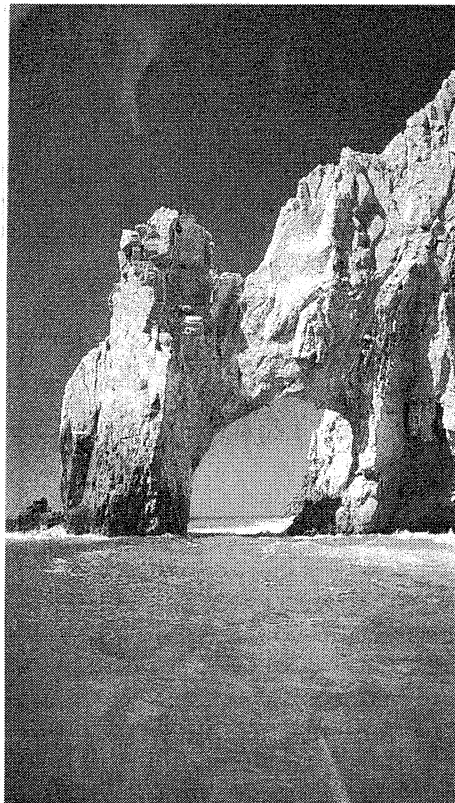
2. Increase The Proportion Of Company Manufactured Homes Sold By Our Own Retail Sales Centers:

About 65% of the homes we sold at retail last quarter were produced by our plants. Our goal is to move that to 80%, so pushing the sale of Company products first is a key element of our Strategy. When we do that, we make a retail profit plus a manufacturing profit on the retail sale. That helps our combined profit margin to be a higher percentage and increases the value of our Company in the eyes of Wall Street.

We are boosting production and expanding product offerings so we can move toward the 80% goal in FY 1997. You might ask, if 80% is better, why not go for 100% Company product?

In fact, some of our newer stores will be 100% Company product, but it's an important part of our Strategy to continue to outsource about 20% of our product needs at retail. Why? Because it provides us with the "SHOCK ABSORBER". When retail sales are real strong in the summer months, our own factories might not be able to keep up. Our 20% outside supply gives us an important source of extra product to sell, so we can maximize the retail sales in the best sales months. In the winter, when sales are lower, we can keep our factories running at 100% of capacity by boosting our retail inventories and by cutting back on sales of Brand X products. So, we might actually sell 30% outside product in the peak season and only 10% in the slower season, averaging out to the 20% target. This "SHOCK ABSORBER" is a valuable tool of vertically integrated companies in maximizing retail profits in the summer and maximizing manufacturing profits in the winter months. The "SHOCK ABSORBER" Strategy is just one more reason that the market values vertically integrated companies more highly than our non-integrated competitors.

Next month, we'll talk more about the other elements of our Core Strategy. In the meantime, we want to thank all of the members of the American Homestar Team for your hard work and outstanding performance in making Fiscal 1996 another record year for the Company!



Cabo San Lucas Trip Winners Announced

It's fun in the sun during February in Cabo San Lucas, Mexico for President's Club Sales Pro's, Business Managers, Office Managers and special guests. The sunsets are unforgettable, the people friendly, and the food scrumptious at this World Class resort that lies at the southern tip of the Baja peninsula.

There is never a dull moment unless you must want to sit back and enjoy the view from your Pacific Ocean front room at the Melia San Lucas Hotel. Some of the activities available include golf, tennis, snorkeling, skin diving, the best game fishing in the world, Sea Doo riding, ATV riding, sailing, parasailing, water skiing, whale watching, table dancing and tequila shooting, just to name a few.

The climate in Los Cabos is very unique. The Sea of Cortez and the Pacific meet and blend against a background of desert mountains. You will see a very famous landmark here which is a huge arched rock known as "Land's End."

Mark your calendars for February 12 through 16 for this great adventure. Congratulations to our winners!

1996 Cabo Wabo's!

Kim Stafford
Office Manager - Mesquite

Brian Shaw
Sales Rep - Lancaster

Cathy Jackson
Bus. Mgr. - AHFO

Cesar Garza
Sales - New Braunfels

Charlie Boyer
Sls. Mgr. - Oak Creek

Charlie Lohin
Sls. Mgr. - AHB

David McMichael
Sales - Key Athens

Debbie Maxey
Office Manager - Burleson

Devra Norton
Office Manager - Lufkin

Don Simonson
V.P. - N/W of Mes.

J'nette Allred
Sales - Mesquite

Jack Williams
G.M. - Jacksonville

Jerry Swaddling
Div. Mgr. - Oak Creek

John Gutierrez
Bus. Mgr. - Mesquite

Larry Key
Sls. Mgr. - Ins. Granbury

Linda Toombs
Office Manager - Lanc.

Mitch Brown
Bus. Mgr. Longview

Randy Taylor
Sales - Tyler

Ron McClure
Sls. Mgr. - Burleson

Toby Cooksey
Sales - Mesquite

Tom Bradford
G.M. - Abilene

Cheryl Cowie
Office Manager - 288

Brad Carlton
Business Mgr. - Ins. Gulf

Diane Wilganowski
Home Office

Phil Essex
Sls. Mgr. - Everywhere

Susan Lewis
Sales - East Texas

Rita Mallott
Home Office

MANUFACTURED Arlington Style

NEWS

Here We "Grow" Again

Have you ever gotten lost in the lunatic loop of our phone system here at the Arlington corporate office? If you have, you've probably experienced frustration and disgust in not being able to reach a human. Well, consider the loop broken. We've remedied the problem with an addition to our ever-growing staff . . . when you call now, you'll hear the very cheery voice of **Koti Wootton**. Koti brings with her alot of administrative experience which she's gained over the past years and fills the long needed void as Receptionist/Secretary for our office. Welcome aboard, Koti!



And The Award Goes To.....

Our office is extremely proud of both **Buck** and **Lad's** award for "1996 *Entrepreneurs of the Year*". To show our appreciation and pride in our fearless leader, we honored Lad with a champagne party on Friday, June 30th in our conference room. Lad made a speech turning the honor over to the Company employees saying, "**Buck and I couldn't do it without all of your hard work and dedication**", but without Buck and Lad, we know we wouldn't be where American Homestar is today. *Way to go, guys!!*



(Lad's speech to office group)



(Corporate office group)

CUSTOMER CORNER



by Jim Moravec

All you armchair warriors and couch potatoes need to find your remote controls and get ready!

For months we've been developing a video for use by all retailers during the closing process. The long anticipated and much talked about video is titled "**Building & Caring For Your New Home**", and should be showing everywhere by the end of the Summer. All customers will be required to view the video and sign a copy of the script.

This tool will build value into the closing experience by increasing customer awareness relating to delivery, installation, warranties, and ownership.

Many customers do not read the important information we provide; and after shopping around, their minds become filled with information concerning various products and services. It is important for us to get their expectations in line with what they purchased and what we actually will and will not do for them.

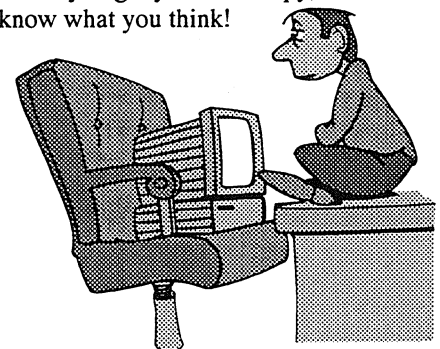
The "**Building & Caring For Your New Home**" video is a cutting edge tool that will supplement your efforts to balance expectations and achieve a greater level of customer satisfaction.

As we were writing the script for the video, I gained a greater understanding of how difficult it is to communicate every bit of important information to the customer. The amount of important

information is mind boggling.

Our original intent was to keep the video length to less than 10 minutes. However, after trimming the script, the video weighs in at just over 20 minutes. Of course, we all know it's the longer films that get all the accolades, anyway - right?

When you get your first copy, let me know what you think!



AMERICAN HOMESTAR MANUFACTURING GROUP

**RECOGNIZES TOP TEN
SALES CENTERS**

Fourth Quarter

AMERICAN
HOMESTAR

BURLESON

Nationwide Lancaster
Nationwide Burleson
Nationwide Albuquerque
Nationwide Mesquite
Nationwide Granbury
Nationwide Desoto
Nationwide Greenville
Nationwide Abilene
Nationwide Cedar Park
Nationwide Denton

AMERICAN
HOMESTAR

LANCASTER

Nationwide Tyler
Nationwide Lancaster
Instant Living Granbury
Nationwide Sequin
Nationwide Cedar Park
Advantage Longview
Nationwide Lumberton
Nationwide Lufkin
Advantage Cleveland
Nationwide New Brunsfels

OAK CREEK

Nationwide Mesquite
Nationwide Spring
Nationwide Albuquerque
Nationwide Burleson
Nationwide Oklahoma City
Nationwide Lancaster
Nationwide Boerne
Instant Living Granbury
Nationwide Tyler
Nationwide Odessa

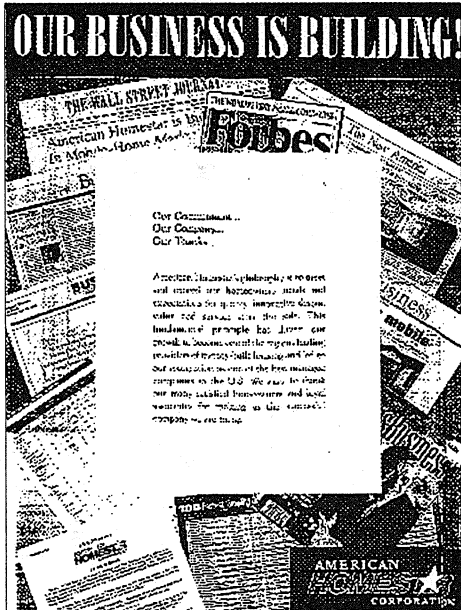
BURLESON OAK CREEK LANCASTER PLANT

COMBINED

Nationwide Lancaster
Nationwide Tyler
Nationwide Burleson
Instant Living Granbury
Nationwide Albuquerque
Nationwide Mesquite
Nationwide Cedar Park
Nationwide Spring
Nationwide Oklahoma City
Nationwide Sequin

Building OUR BUSINESS

By Ronnie Richards



By now, you should have received a poster headed "***OUR BUSINESS IS BUILDING.***" It is a collage of magazine and newspaper articles that recognize your Company and it's management for it's high growth and strong financial performance.

As we all know, it's important to let our customers, prospects, and prospective new associates know that we are a financially stable, well-managed Company! This poster can help accomplish that.

These posters represent a substantial investment and they need to be framed and displayed appropriately in your offices. Frames are available in the 18" x 24" size for as little as \$11.49 at M.J. Designs. Discount stores also offer attractive do-it-yourself frames.

DON'T PUT IT OFF.....

.....GET THIS GREAT PROOF SOURCE UP NOW!!

LANCASTER NEWS

By Brian Shaw

By *Brian Shaw*

Look at these *heavy hitters* from the American Homestar of Lancaster softball team! The “STARS”, who practice on Tuesdays and play in a league on Thursday nights, recently finished third place in the Wichita Texas Weekend Softball

Tournament. The team is coached by Co-Production Managers ***Gary Bryant*** and ***John Verde***, and Assistant Q.C. Manager, ***Aubrey Cryer***.



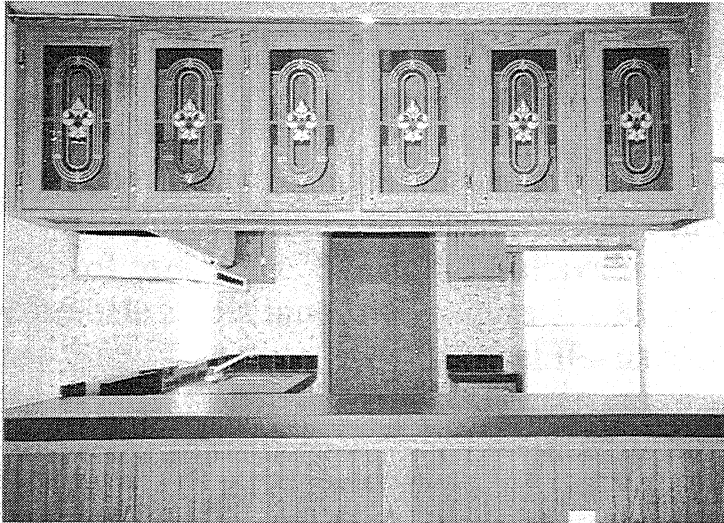
A special thank you goes to *Neil Scarbrough* for the great uniforms.

NEWS (continued)

LANCASTER

Galaxy 688MVP 16x80 Is The Hot Seller!!!

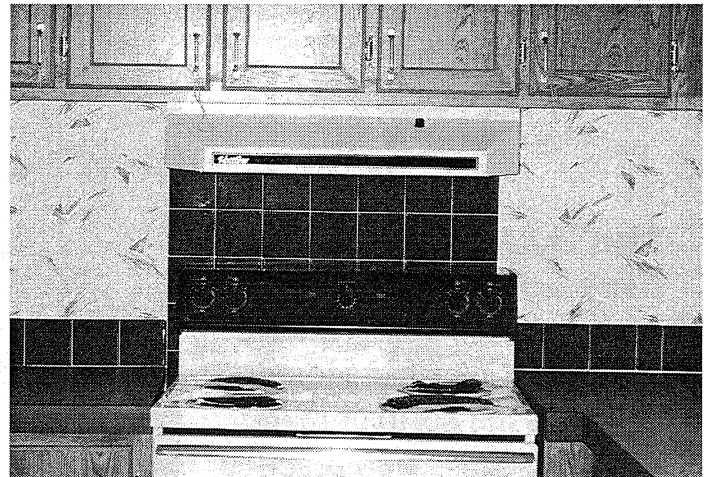
In fiscal year 1996, we built 191 688MVP's, and have already taken many orders on this model to jump start fiscal 1997. Many bells and whistles are included in this singlewide. As you can see, there are numerous overhead and base cabinets in the kitchen. In the Living Room, we've set up a nice glass display on the overhead bar. The Utility Room, located in the back corner of the Kitchen, includes freezer space and a nice utility window to add some natural light to the area.



New Options Are Taking Off

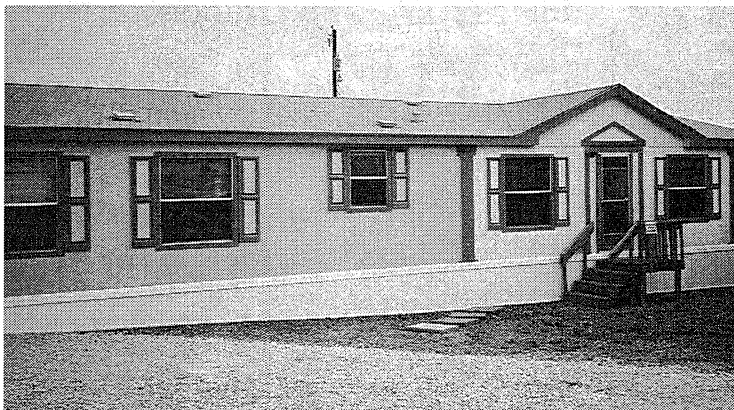
New Ceramic Backsplash

Our new ceramic backsplash behind the range is a very *hot* item for the price. For only \$60, your customers can have a protective backsplash behind their range. This backsplash is put together using 4x4 ceramic tile squares and adds a great accent to the Kitchen.



Accent Simulated Column Treatment

The accent simulated column treatment is a must. This new option adds a lot of eye appeal to the front side of the doublewides. For only \$75, your customer can get two simulated masonite columns on both sides of the front door with a different accent color starting at one column painted to the other column. This also makes the home look much longer.

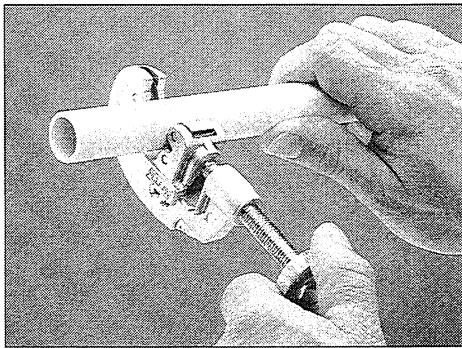


CPVC Plumbing Is Staying On The Right Track!!

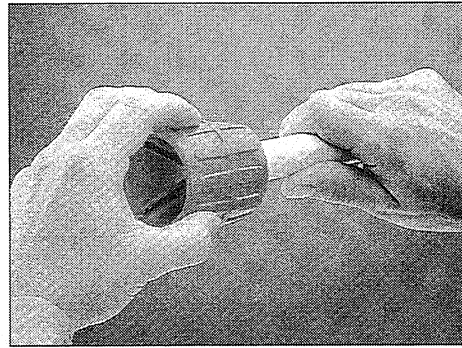
Our homes are now being produced 100% with the new plumbing system - Flowguard Gold CPVC. We've been monitoring service and production and have received excellent results over the three months we've utilized the new CPVC plumbing system. Flowguard Gold CPVC is currently being used in the more exclusive site-built neighborhoods, and is the preferred plumbing system of engineering contractors.

Flowguard Gold CPVC has fewer fittings than the previous system and by using external fittings (as opposed to the internal fittings used in the old system), your homeowners are afforded higher water pressure. Assembly of this system requires no unusual tools as you can see in the picture demo. CPVC Gold has proven itself highly reliable in the field with a thirty-five year track record while meeting national codes.

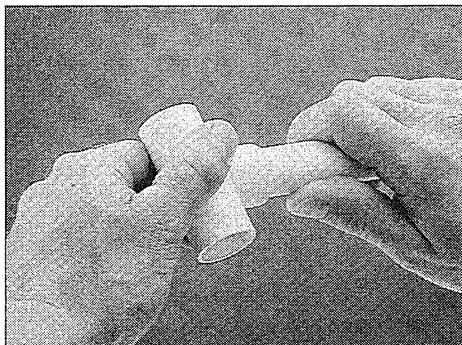
JOINING CPVC TUBING AND FITTINGS



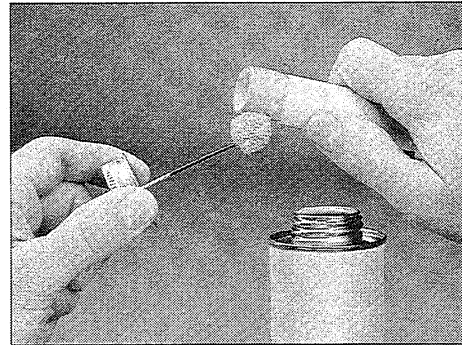
① CUTTING



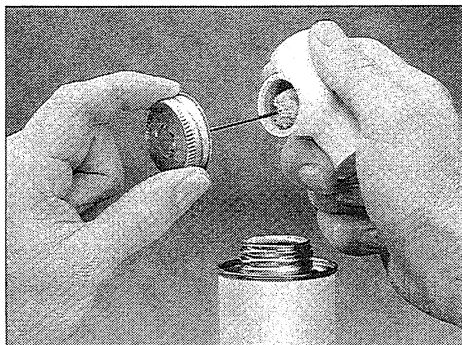
② DEBURRING/BEVELING



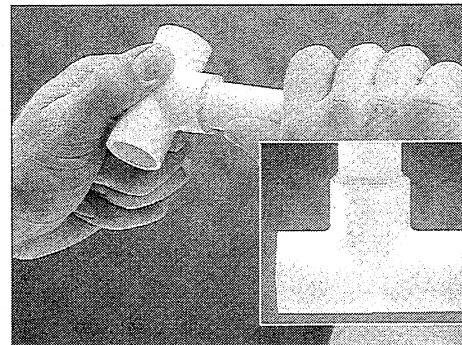
③ FITTING PREPARATION



④ SOLVENT CEMENT APPLICATION



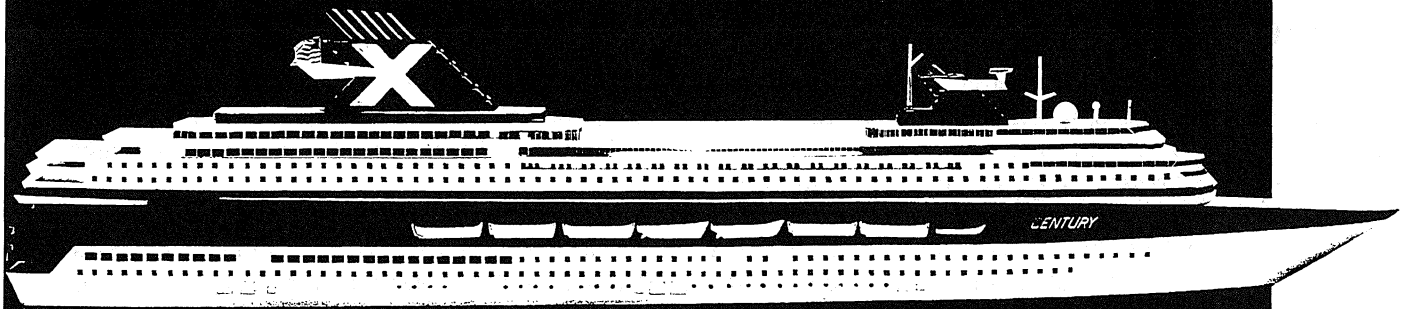
⑤ SOLVENT CEMENT APPLICATION



⑥ ASSEMBLY



AMERICAN *HOMESTAR* CORPORATION



'96 PRESIDENT'S CLUB CRUISE



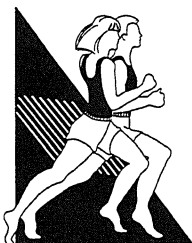
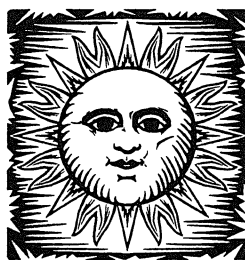
Rauscher Pierce Issues "Buy Focus" Rating on American Homestar Stock

Respected Investment Banking firm and underwriter Rauscher Pierce Refsnes, Inc. released a research commentary on American Homestar on July 30, 1996. The extremely positive article emphasized the attractiveness of American Homestar Stock, an opinion made stronger since the acquisition of Heartland Homes and Manu-Fac Homes in North Carolina. The following is a list of reasons for the "Buy Focus" rating (Rauscher's Highest), as quoted from the release:

- 1) Faster retail growth than street expectations.
- 2) Fifteen more retail centers would be financing homes through 21st Century.
- 3) Immediate, established presence in the NC, SC, and VA markets, which represent approximately 10% of total U.S. manufactured home shipments.

Business Mangers Hit the Ground Running

This year's Presidents Club program has put a huge emphasis on our in-house lender 21st Century and rate bumps. Those that are already working well with 21st Century reaped big points this month. These company minded BMs included the Michael Johnson of finance, **Jack Smith of Nationwide Denton**, who scored 31 of his 108 PC pts on rate bumps and 39 pts on 21st deals, **Cathy Jackson of Lancaster fame**, **Bruce Reynolds of Instant Living Granbury**, newcomer **Debbie Maxey of Fort Worth** and **Karen McVey of Nationwide of Oklahoma City**. Also deserving notoriety is **Jim Rea of Instant Living** who had an all around great F&I month, scoring high in all the categories for a total of 73 pts. You guys are setting the pace! Great job!



about this newsletter...

Published in
Austin, Texas
on the 25th of
every month.
Please
Recycle!

Manufacturing Editors
Tom Jewell
Robin Cooper
Retail Editor
Dwayne Teeter

Retail Promotion Package Under Development

A theme advertising and promotional package for use by all sales centers is being developed by **Ronnie Richards**, Marketing VP in conjunction with a local ad agency. The theme will focus on the company's 25th Anniversary and include both indoor and outdoor display pieces as well as professionally designed newspaper ad layouts and Tracker Mailers.

Target date for release is early September and this promotion represents the first of many pre-planned promotions that will be developed based on ideas that come from the sales centers. By mass producing banners and other elements of a promotional package we can achieve a very professional and high quality ad campaign at a much lower cost per sales center than everyone going out on their own to achieve the same results. For additional information, call Ronnie at (713)334-9706.

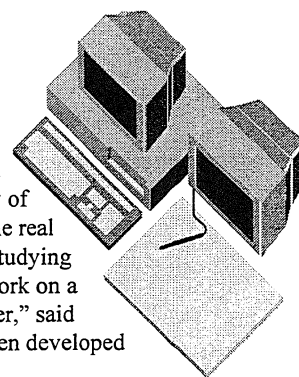
Tracker News

Some of you may hear a new voice on the phone when you call Austin starting August 1st. **Marc Crane** has joined the team in the capacity of Assistant MIS Developer. Marc is a Junior at the real UT (The University of Texas at Austin) and is studying database development. "It's exciting to go to work on a mature program like American Homestar Tracker," said Marc, "and learn how a large application has been developed from scratch."

The new version of Tracker (3.5) has been installed on a second location on Ben White Blvd. in Austin. So far, both users of the program have been very happy with its performance. "It's so much easier to use," said Cedar Park's office manager, "and it's great having all of 21st Century's documents so easily available." Starting on August 1, one Texas location per day will receive the upgrade. Work has begun on producing the paperwork for the other states, but they will not be installed until after Texas is complete. We're not playing favorites, it just made a lot of sense in terms of time management to do it in this order.

Tracker Training for all positions is already booked for the month of August, but a waiting list has been established for those wishing to attend in September. If this is your intention, my advice is to call now.

- Dwayne Teeter





News from 21st Century Mortgage NOW SERVICING OVER \$29 million! by Rich Ray

To meet its goals of timely and quality service, 21st Century Mortgage continues to recruit top talent. In June, **Granville ("Granny") Young** joined the 21st Century Mortgage team as Credit Manager. He is initially working with a number of locations supervised by **Larry Speck, Chet Kearney, and Chuck Ladd**. Granny worked over 8 years with Vanderbilt Mortgage so he knows all about manufactured home lending. He worked extensively with dealers in the Texas market for a number of years. His wife Lynne is also in the financing business with a Vanderbilt background... guess where they met? They have an "all boy" five year old son, Ryan, who keeps them hopping.

Granny is another UT(enn) grad and is a big time Vol sports fan and golfer.

Land home update: **Steve Dickmann** who started with 21st Century on July 1 was president of a mortgage company with national operations. His number one job is to design and begin originating land/home loans secured by a manufactured home and the real estate on which it is sited. This type of loan will closely resemble a traditional site built mortgage. The key to developing this mortgage is finding a funding source. Steve is working with FNMA, FHLMC and conventional mortgage investors. In addition, Steve is working to develop a "stage funding" feature for our existing land/home programs. The 21st Century goal is to offer a program for land purchase, and improvements such as well, septic, paved driveways, sidewalks, decks, porches, garages, carports, etc.

Send to Steve sample documents of any programs in your area which appear to fit your needs. Special thanks to Ray McKinney who has sent us one package.

BE A HERO TO YOUR BUYER

Show them the cost savings of shortening their term loan. If the loan is \$40,000 with an 11.25% APR, cutting the term from 360 to 300 months increases the payment only \$10.80 (that's \$.36 a day!). HOWEVER, it SAVES YOUR BUYER \$20,070 in interest! A short cut way to illustrate the approximate savings is to simply multiply the number of payments cut (say 60) times the payment amount -- in this example $\$388 \times 60 = \$23,280$ -- over 50% of the price of the home!

Showdown on the Bayou!

Peggy Savant Lewis and her sales force in Lake Charles have thrown down the gauntlet at those crazy Cajuns of Lou Pom-

mier's in New Iberia. The contest is to see which cadre can sell the most new units in August. This is the biggest match since the College of Family Housing's narrow defeat of Oak Creek University in the Mobile Home Bowl on New Year's Day. The humbled losers will be serving a steak dinner to the gracious winners at a river retreat secured by Peggy. Keep your eyes peeled to this periodical to see the victor's celebration.

RUMBLE
IN CAJUN
COUNTRY!



Clark Takes Lumberton, Taylor Named G.M.

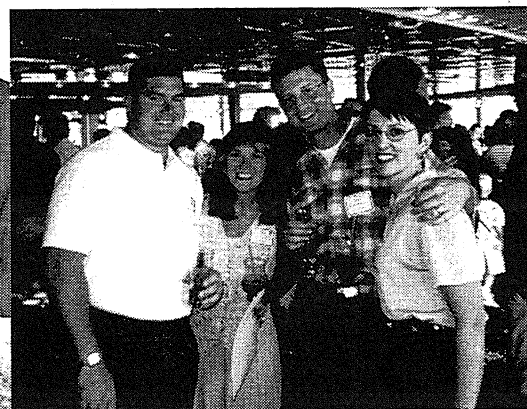
The man with the golden touch, **Jim Clark**, of Nationwide of East Texas fame, takes the reigns of the Lumberton location as of August 1. This will be Jim's seventh dealership in a division which includes such stellar performers as Tyler, Jacksonville, Lufkin and Longview. Joining in the capacity of General Manager will be none other than **Paul Taylor**, formerly of Lufkin. Jim's confident that Paul can translate his sales success to management. "Paul has been in the top 10 for each of his two years with the company," said Clark. "He's a dynamic sales personality and he's going to bring his unique energy to this location. I'm sure the results will be there." Good luck, Lumberton crew!



Lufkin's Tierney, taking requests for personalized license plates

Lufkin's Tierney Arrested!!!!

In an effort to raise money for MDA, a police officer arrived at Nationwide Mobile Homes and arrested Lufkin G.M. **Jim Tierney**. He was sentenced to a maximum of one hour in jail but was eligible for early release if he raised \$500 before that time had passed. Forty minutes later, Jim had solicited the money from his co-workers and was set free. As with all of his previous arrests, Jim made many life-long friends while in his cell and looks forward to going back. "Anything to help a good cause," said Tierney.

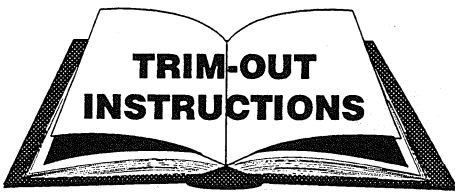


BURLESON **STAR** NOTES

By *Charlie Lohin*

C'est La Vie to T & T!

The last total tape & texture home is finally built! Finishing the final retail commitments helped create many delays in delivery times. Thanks for your patience! Now those precious production spots can be used to keep your location supplied with those "Hot Selling" Benchmarks and Lifestyles.....
.....*Magnifique!*



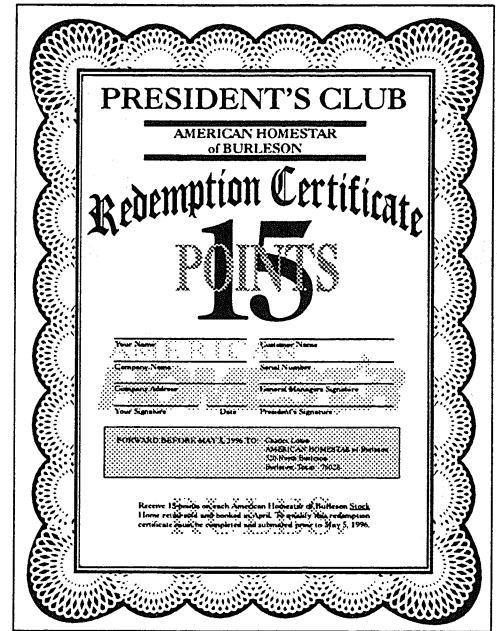
Trim-Out Instructions...

.....They're Included!

Trim-out instructions are now being sent with Benchmark and Lifestyle homes. These easy-to-read, step-by-step instructions are designed to help your installer determine what trim goes where! The instructions also include a print showing the required support block locations for standard homes. Instructions are shipped with the trim-out material.

61 Opportunities For 15 President's Club Points Remain!

Get an early start on next years trip by simply doing what you do best...*Sell...Sell...Sell!!!!!!* Sell a stock American Homestar/Burleson tape & texture home out of inventory and receive 15 President's Club Points. 61 stock tape & texture homes still remain company-wide, so here's your opportunity to help the company and yourself. Book the deal in August and Fax the Redemption Certificate (see insert) to **Charlie Lohin** (Fax #817-295-3352) at the Burleson plant to receive those 15 valuable President's Club Points!



P.S. If you are having trouble locating a certain model, contact your sales representative for assistance.

The FAB **5** For Benchmark/Lifestyle April - June

① American Homestar Factory Outlet	Lancaster	22 Floors
② Nationwide	Burleson	20 Floors
③ Nationwide	Mesquite	16 Floors
④ Advantage	Greenville	10 Floors
⑤ Nationwide	Abilene	10 Floors

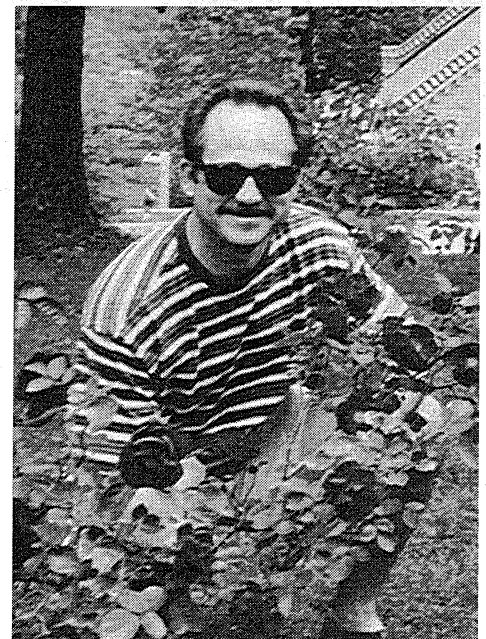
PEOPLE POWER:

Sam Houston Winn, III - District Sales Manager

This Navasota, Texas native and Sam Houston State graduate is no stranger to the manufactured housing industry. **Sam** brings a wealth of production experience to his sales position - his 18 years of production-line expertise includes 10 years as a production manager. If you need help with any construction questions, "*Sam's The Man!*"

Sam's recent shift to the Sales department has been an energizing addition to the Burleson team. Sam's at work early in the morning and never minds staying late to help his customers. As a "*Feature Benefit Man*", Sam has few equals.

Sam loves to spend his free time with his lovely wife **Angela**, and three children, **Hollie** (15), **Sam, IV** (13), and **Katie** (8). His hobbies include golf, baseball, football, and puttering around the yard.



PRESIDENT'S CLUB

AMERICAN HOMESTAR
of BURLESON

Redemption Certificate
15
POINTS

Your Name

Customer Name

Company Name

Serial Number

Company Address

General Managers Signature

Your Signature

Date

President's Signature

FORWARD BEFORE SEPT. 6, 1996 TO: Charles Lohin
AMERICAN HOMESTAR of Burleson
320 North Burleson
Burleson, Texas 76028

Receive 15 points on each American Homestar of Burleson Stock
Tape & Texture Home retail sold and booked in August. To qualify
this Redemption Certificate must be completed and submitted
prior to September 6, 1996.

Floors Designed to Last!

1 Only Top Quality Fasteners Are Used:

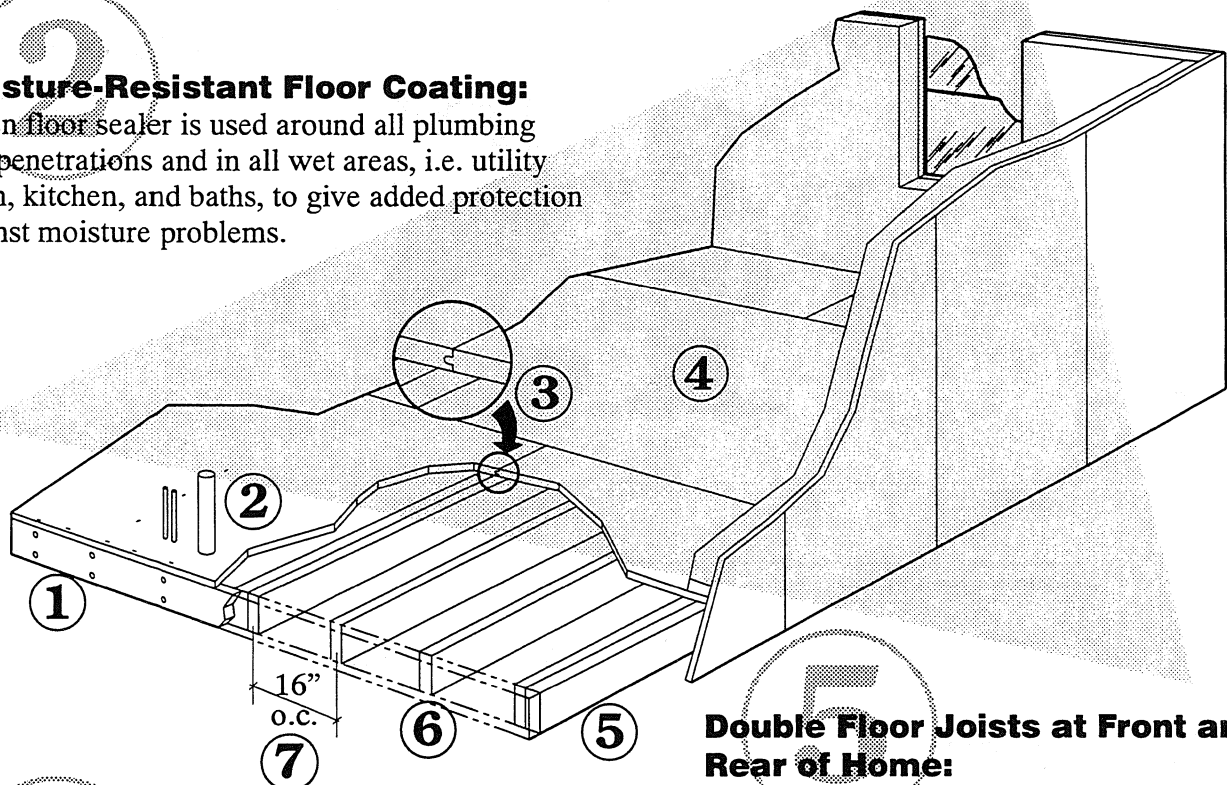
After the application of high-quality wood glue, decking is fastened to the 2x6 joists with twist shank nails (others use staples). Firmly glued and fastened decking eliminates costly repair work of raised floor seams and noisy floor squeaks.

4 6ft x 16ft Sheets of Decking Used:

Unlike others who use 4ft x 8ft sheets of decking, our larger decking reduces the number of floor seams in the home! Fewer seams mean fewer floor problems in linoleum areas.

2 Moisture-Resistant Floor Coating:

Green floor sealer is used around all plumbing line penetrations and in all wet areas, i.e. utility room, kitchen, and baths, to give added protection against moisture problems.



3 Thick 13/16" Novadeck Tongue & Groove Decking:

Thicker decking simply means a stronger floor (others use only 5/8" decking!). Tight tongue & Groove installation eliminates the need to weaken floor joists by notching them to install glue strips. Tongue & Groove decking also helps eliminate floor squeaks caused by square-edged flooring (commonly used by others). In addition, quality *Novadeck* flooring carries a 10-year limited warranty.

5 Double Floor Joists at Front and Rear of Home:

Adds more wood to screw and lag endwalls compared to single joists - provides a tighter bond between floor and wall.

6 #2 Grade 2x6 Floor Joists:

Better quality lumber adds strength to the floor - a full 50% stronger than commonly used #3 grade lumber.

7 Floor Joists Spaced 16" on center:

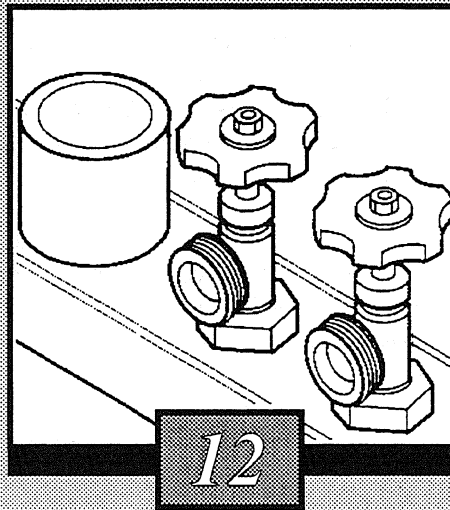
Close spacing eliminates "bounce" between joists - a more solid feel under your feet compared to homes using 19" spacing or more!



By Charley Boyer

29 Reasons You Live Better in an Oak Creek Home

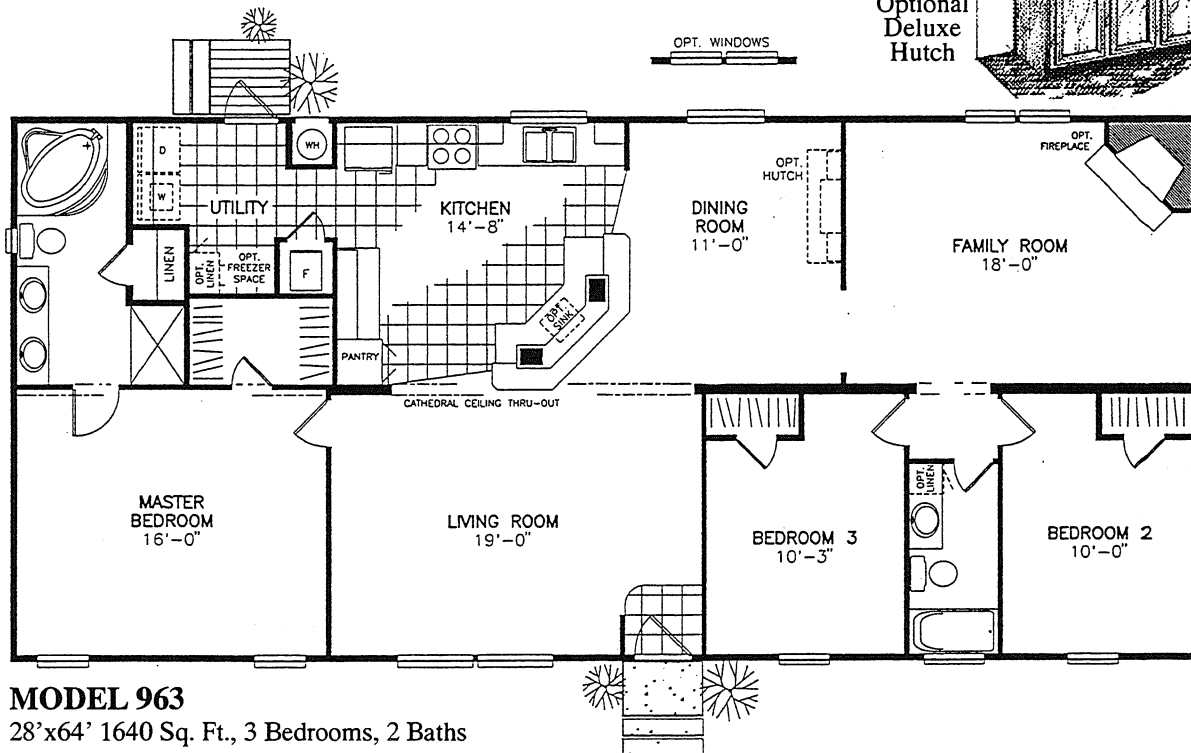
Each month, we will feature one of our copyrighted "29 Reasons" to assist in your education of "Why You Live Better in an Oak Creek Home". This information is also listed in detail on our famous "29 Reasons" brochure. Each sales center has this brochure to use as a sales training tool and point-of-purchase sales brochure.



Washer and Dryer Plumbing and Wiring

Each Oak Creek home comes "utility ready" to accommodate your home laundry appliances. Utility rooms feature solid brass faucets to connect hot and cold water lines to the washing machine, 220 volt outlet for electric dryer, and flexible hot air exhaust to vent the dryer to outside. Another quality convenience you can count on in an Oak Creek home.

Southern Star, experience the Value!



MODEL 963

28'x64' 1640 Sq. Ft., 3 Bedrooms, 2 Baths

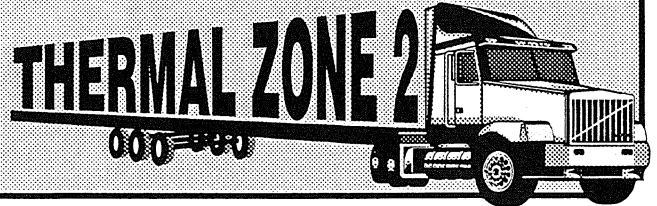
MARKETING THE ZONE OFFENSE

By Ronnie Richards

When ordering a customer sold home always offer Thermal Zone 2 as an option since it will reduce the customer's energy bill and allow you to pick up extra profits.

Texas sales centers need to remember that only **Thermal Zone 2** homes can be delivered into New Mexico, Oklahoma, or Louisiana. This includes all new homes and **any used home built after October 25, 1995**. Likewise, New Mexico sales centers need to remember that Colorado requires Thermal Zone 3 construction.

The Thermal Zone can be confirmed by checking the data plate located in the home. An effective marketing tool is to stock several models with a higher Thermal Zone rating than required. Educate your prospects that your homes are very energy efficient and exceed the Federal requirements for your area and in effect have the "Northern Energy Package" which means they are better built.



Boise BULLETIN

By Mike Booth

Boise Sales Update

Two new letters of intent to establish Guerdon Village locations have been signed with new retailers in Billings, Montana (scheduled to open in February 1997), and Livingston, Montana (scheduled to open in October 1996).

The Boise Team



Here's an update in the never ending saga of "man against the game of golf": Dave Shigekawa (Division Manager), John Myers (Service Manager), and Ken Hollibaugh (Sales Rep), have had videos produced of their golf swings so that they can be analyzed and hopefully corrected. Beware - they may break 100 soon, so watch out for these guys when they ask for strokes!!!!

Meet The People

Old Hands

Mike Justice, Purchasing Manager:

Mike has been with Guerdon Homes since 1990 and was promoted to Purchasing Manager last year. He was in the RV industry before joining Guerdon.

Mike Booth, Controller: Mike graduated in accounting from the University of Toledo in Ohio, and has been the plant Controller since 1990. Mike has previously worked in the banking, tool & die, and farm equipment businesses.

Kelly Glaser, Quality Control Manager:

Kelly attended the University of Central Arkansas and has been in our industry since 1988. Kelly has done an excellent job in maintaining our good relationships with the State IPIA's and with NCSBCS.

Lee Wilson, Engineering Manager:

Lee attended Boise State University and was previously employed by Guerdon Homes from 1981 to 1987. Lee started in our industry in 1977 and returned to Guerdon in 1993. He keeps us out of trouble since every sales order goes through his Engineering Department before it's released to production.

John Myers, Service Manager:

John attended the University of Utah and has been in the housing industry since 1977. John joined Guerdon Homes in 1993 after six years with regional building systems (which was then a sister company to Guerdon). After six years on the East Coast, John was glad to return to the Northwest.

New Hands

Fern Anderson, Human Resources

Coordinator: Fern was previously employed by Continental Life & Accident Company in human resources and we consider her a very valuable addition to our team.

Shain Zenor, Supervisor - Wall

Department: Shain has just recently transferred from our Stayton Division to head up Walls. He started this industry here in Boise (with Brand X), and is as happy to be back as we are to have him aboard.

Good luck New Guys & Gals

New Additions

Pat Garcia, Assistant Q.C. Manager, has a new grandson. Born July 10th, Isiah Nathaniel Perez came into this world at 7lbs., 12ozs., and a big 19½" long. Isiah makes #6 in Pat's whooping tribe of grandkids - 4 boys, 2 girls.

Tim Martin, Exterior Department, now has his first child - **A BOY!** Cage Martin was born July 11th and weighed in at a huge 5lbs./8ozs., and 18½" long. Cage's granddad, Rollie Sheilds, is our Assistant PA Manager.

Ron Padilla, Group Leader -

Final Finish, has his very first grandchild - **A GIRL!**

!!Congratulations to the Parents & Grandparents!!

GERING GOSSIP

By Doug Tollin
Home Front Nebraska Eye-Witness Reporter



And Doug Cried "Wah, Wah, Wah" All The Way To The Typewriter



Robin Cooper of American Homestar definitely doesn't realize who she's dealing with. First, she wants me to write some sort of uninteresting article for a corporate monthly newsletter (*journalist?*). Second, she has the nerve to tell me that just maybe I should take some pictures as it will help to better portray my article and leave me less space to have to be creative (*photographer?*). Third, she says I should record my articles on something called Word Perfect and send her a disc rather than a typed copy so that we can relieve her workload somewhat (*MIS man?*). People go to college just to try and master one of these three assignments, but we'll try to do the best we can with what's been given us. However, it may take a few articles until this "ol' moss-back" gets up to speed. (Darn, I really hate to have to give up my Sears & Roebuck manual typewriter.)

Mobile vs. Mod

Any of you guys and/or gals know the difference between mobile homes (manufactured homes) and modular homes? We manufacture both mobiles and moduls here in Gering. Some of us used to produce dual tags which gave our customers the option to go either way with the unit. However, this can get a little complicated and it's sometimes not worth the monetary effort to develop such an animal. Speaking from my end of the

business, the main difference between the two types of homes is that I can tell our sales reps to sell the doublewide moduls for \$20,000 more than the mobiles (even though there is very little difference between them). Usually, the customer will buy the idea and the house, except when you get a construction-educated consumer who thinks they should question the differences in construction vs. the price. At this point my "gig" is up because there aren't that many monetary differences between the two.

All kidding aside, **manufactured homes** are built under the HUD Code while **modular homes** are built to a State code. HUD is a preemptive and performance based code. There are two important features of the HUD Code which are unique among building codes. First, it is the only code that is mandated to be nationally recognized. The HUD Code preempts any state or local codes (e.g. CABO and BOCA) with respect to manufactured housing. Without this preemption, the construction of manufactured housing might have to meet different requirements in each state, and even localities, making it difficult and more costly to distribute models in a multi-state market area. The second unique aspect of the HUD Code is that it is "performance-based". Site-built housing codes, such as BOCA (Building Officials and Code Administrators) and CABO (Council of American Building Officials), are "prescriptive" - they state exactly the way something must be built (Ex: If a floor is made of wood and spans 20 feet, it must be constructed of 2x12 joists). By contrast, a performance code states how a particular building component or subassembly must perform (Ex: A floor must be able to resist certain stresses or loads placed upon it). A performance code allows manufacturers to develop different solutions for meeting a specific performance requirement (Ex: A manufacturer may show that by pressure-gluing plywood and 2x8 joists into a rigid assembly, a finished floor meets the same performance standards of a conventional floor built with 2x10 joists). An important reason for making the HUD Code performance-based is to encourage manufacturers to be innovative by developing better and more cost effective construction methods. **Modular homes** are built in compliance

with state codes (also known as prescriptive codes). Individual states adopt one of four building codes defining construction and safety standards for site-built structures. These same standards are then used for modular housing built in factories and sold for use within the state. Just as site-built homes are subject to inspection of specific phases of construction, factory-built moduls must be inspected in the factory as well as at the site once they have been delivered & set up. Many states use the same parties to conduct in-plant inspections for modular and manufactured homes. Nevertheless, these inspectors are looking for compliance with different codes.

Some people believe that modular construction is more durable than manufactured housing construction. For example, they point to the fact that modular construction uses deeper floor joists, but they ignore the fact that in manufactured housing the floor assembly consists of both the metal chassis and wooden floor joists tied together in a single assembly. Several careful engineering comparisons have demonstrated that in certain respects, the HUD Code may exceed requirements applying to modular construction, and vice-versa. In general, however, the codes applying to both are comparable.

HUD?
CABO?
MANUFACTURED?
MODULAR?
BOCA?
PREScriptive?
PERFORMANCE CODE?
STATE CODES?

Hope y'all can get something out of this. As the months roll along, I will give you more specific detailed differences that might be easier to relate with between the modular and the trailer house . . . ha ha!!

STAYTON

By Rick Murdock

Expanding Horizons

Since May, the Stayton Division has added three new retailers. We are very excited to welcome aboard *Affordable Homes* of Lynden, WA, *Premiere Homes* of Portland, OR, and *Great Homes* of Missoula, MT. This is Stayton's first venture into "Big Sky Country." These retailers recognized the high quality that have always come out of Stayton, and with the new models and spruced-up look coming soon, the division and all its retailers are at a level of excitement that, if it was bottled, would burst through the roof when uncorked. The uncorking begins in mid-August,

when we will set four of these homes next to the plant so that the retailers can get a first hand look at the abundant new features.

*"...in love
with the
home 100%.
Very
happy with
it!"*

Tari W., a recent owner of a new Guerdon, Stayton Division home in Washington stated it best when she wrote "...in love with the home 100%. Very happy with it!" This is what we constantly strive to achieve.

Extracurricular

In addition to the success of our homes, there has been some personal accomplishments on the home front. Obviously, more than just work has been up, as three new little ones were born recently . . . *Alan Grunstad*, *Nick Hartman*, and *Brian Warden* have all become very proud fathers over the past weeks!

No Discernible Purpose

As we enjoy Oregon's four weeks of summer sun, let me depart with a famous but true accounting story. The local Stayton underworld Boss was interviewing for a new accountant. He asked the first candidate, "What is 2+2?" The startled accountant stated that it was, "Of course, 4." The Boss slowly shook his head no. He asked the next candidate "What is 2+2?" The second accountant answered "*Whatever you want it to be.*" The Boss had found his man.

Vicksburg

By Melanie Hood and Dinah McCorquodale

Welcome Aboard!!!!!!

Newcomers this month include *Jeffrey Gibson* and *Patrick Bain*, both as Zone Managers in the Sales Department.

Jeffrey's territory includes North Mississippi, Alabama, Tennessee, Arkansas, Missouri, and Florida.

Patrick's territory includes Texas, New Mexico, and Oklahoma.

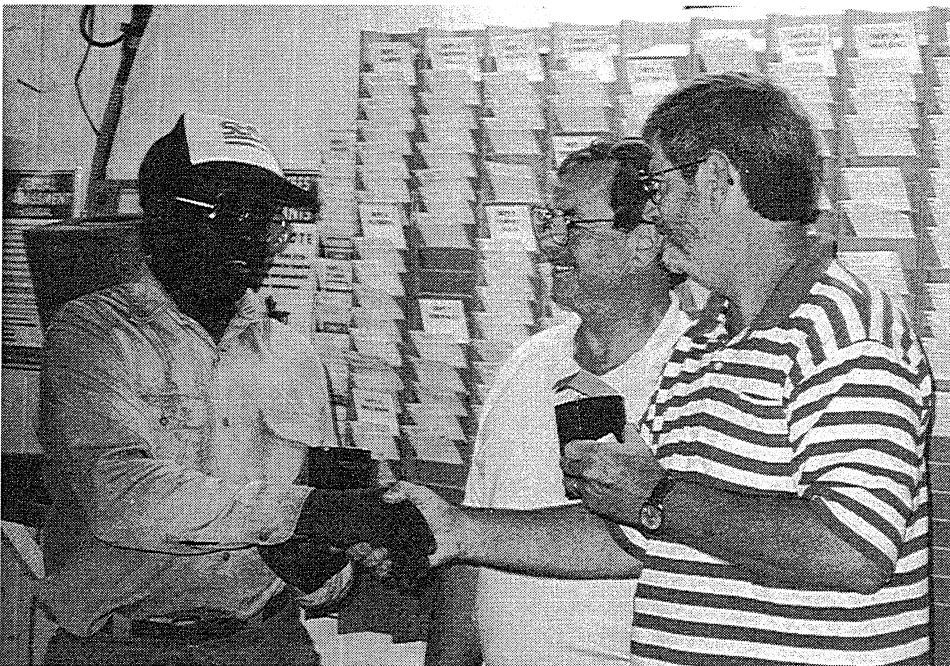
They join *Dinah McCorquodale* whose territories include South Mississippi, and Louisiana!!!!

Retirement

Elonzo McClorine, 27 year employee, was honored Friday in a meeting with all employees. Charlie Smith (General Manager) and Charlie Miller (Production Manager) presented *Elonzo* with a watch engraved with his hire date of June 30, 1969, and retirement date of July 12, 1996. We wish *Elonzo* the best of luck! (picture right)

Makeover Magic

Magnolia of Vicksburg puts on a new face. Not only do we have super new product coming off line for our showing in August, but the office and grounds have a new look, too. Landscaping, a new fence, plus dynamic new signs on the outside and new carpet & paint on the inside. We're looking good, baby!!!!!!!!!!!!



The Critical Path to Selling Homes

Closing the Sale (Part #1)

by *Lanette Carpenter* (otherwise known as the woman with the lost luggage. It was sad to see her wandering the ship with a sign that read "will work for clothes.")

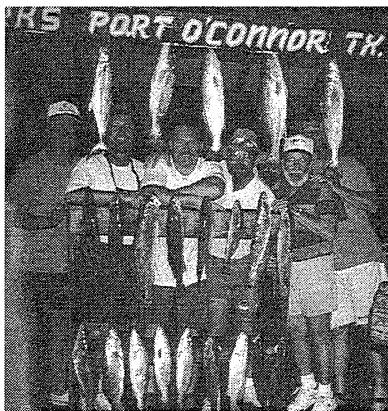
Closing the Sale is the fourth in a series of articles concerning the 5 negotiations each salesperson must win to deliver a home. The first negotiation on the critical path is "Setting the Agenda." The second Negotiation is "Getting the Issues on the Table," the third Negotiation is Presenting the Solution and the fourth is "Closing the Sale."

The Sequence of the Close...

There is a sequence to Closing. The first close should always be the Value Guide Close, also known as the Assumptive Order Blank Close. Jimmy Morton, our resident Value Guide Close Guru, has written how to use this Most Important of all Closes, and his article on the subject appears at right.

If your Sales Center hasn't had Jimmy Morton come and train you on this most crucial of all closes, then run, don't walk, to your nearest phone and request his presence at your location.

In Recognition of a Great Year...



by Ray McKinney

On June 20th, I took my managers on a fishing trip to Port O'Conner, Texas as a reward for a great year. There were 6 of us; me, Jack "Maximum" Maxey, Tom Bradford, Bill Hicks, Dave Davis, and Barry Park. We caught 77 fish (that we kept) and Dave caught the biggest (a 27" speckled trout) and, of course, I caught the most. The fishing team of me, Dave, and Bill Hicks won the money for biggest AND most, so I just kept all the money. IT'S GOOD TO BE THE KING! The other team of Jack, Tom and Barry spent 2 hours of the afternoon trying to land "the money fish" (a very big Jack fish- no pun intended) and ended up closing the fish, and the money, right at the boat. They had us down, too, after the morning outing by about 18 fish. But we hammered 'em in the afternoon and they spent the afternoon screwing with the big Jack fish (a worthless by very mean creature) that Jack hooked and they took turns trying to land, so as not to let any one person's beer get too hot. Anyway, a good time was had by all and we're looking forward to an even better year and a better fishing trip next year.

THE VALUE GUIDE CLOSE BY JIMMY MORTON



I. Identify the home: Mr. and Mrs. Jones, this is our inventory form; i.e., we call it our value guide", on the home you wanted to see the figures on. This is the home, isn't it?

Read out loud the description the description of the home, i.e., "the home you requested the figures on is an Oak Creek Multi-Section, 32"x76" (approximately 2,235 square feet) 4 bedrooms, 2 bathrooms and is identified by serial number OC 05968729.

Delivery is included within 100 miles, as is installation, air conditioner and one set of steps.



II. Blocked Value Guide Section (Construction)

Mr. and Mrs. Jones, these items listed here, verify and approve. All specifications and requirements are set by HUD, VA, the lenders and the insurance companies.

III. Discount

Mr. and Mrs. Jones, when we place orders from our manufactures for homes we will order 40 or 50 homes at one time. Our company operates 48 locations at the present time. An order for 40 to 50 homes only means approximately 1 home per location.



Now, when we give such an order to the factories, we are not going to pay the same price that a smaller dealer ordering one or two homes would pay. We demand, and we get a discounted price from the manufacturer. The discount that we received on the particular home we are now discussing here, is shown here on our Value Guide sheet as "less discount" and right now I am passing our discount on to you!!!



IV. Options

Mr. and Mrs. Jones when we place factory orders we first review our previous sales to purchases, who in the past have bought this same make and model home. The purpose of this review is to determine the deluxe and optional items preferred and purchased by our previous by our previous customers. We use this guide line when ordering homes form the manufacturing plants, and the optional items shown right there on the bottom section of the Value Guide. (Review the options)

Mr. and Mrs. Jones, when we add the optional items to the discounted factory direct price above we arrive at a total delivered price of \$-----.

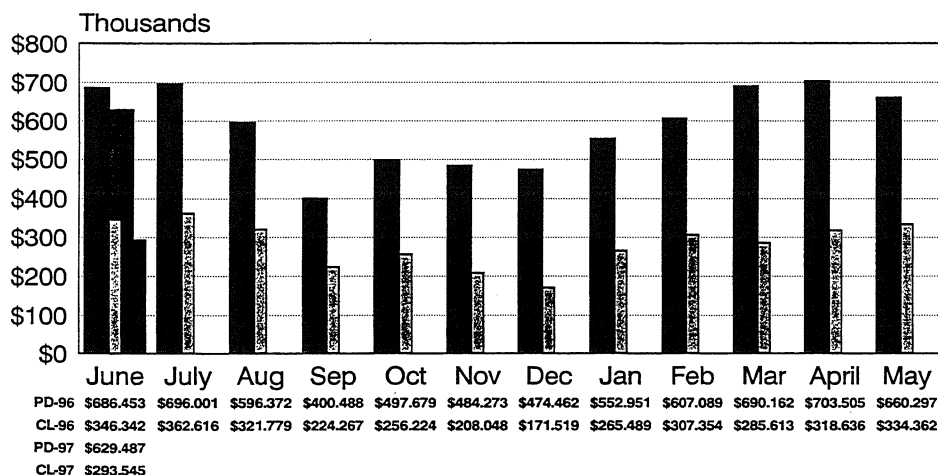
Mr. and Mrs. Jones, to start the process for this home to become your new home, all I need is your signature right here, and a small earnest money deposit.

***At this time, if the prospect is a serious buyer, he will ask "How much down?" "How much are the payments?" "What is the interest rate?" GO FOR THE CLOSE!!!



Every Deal An Opportunity for PD, CL & ES

For the last year the 10% cap on insurance has dictated how we view our insurance sales opportunities. Well, its a new year with a new perspective and a new method of calculating insurance penetration and measuring our success. Beginning in June, each and every deal was considered an opportunity for at least one year Physical Damage, Credit Life and Extended Service, this being in line with our goal to sell all three products to all our customers. Of course, there will be a few exceptions. For instance, cash deals with selling prices under \$10,000 are not considered an opportunity for any insurance and FHA, cash and MCI deals are not an opportunity for credit life. However, the average deal should allow for all the products if the physical damage term is kept to one year. When the cap allows for more premium to be sold, then the PD years can be increased. It was with this goal in mind that we changed the commission program in January to pay commissions on 1yr PD policies when credit life is financed. Credit Life is our biggest opportunity for insurance sales growth in the future. Look forward to upcoming training and incentive programs to further stimulate the development of this business.



Underwriting Insurance

Part of the process of selling and generating an insurance policy, whether we like it or not, is "underwriting the risk". In plain English, this means to determine whether the "risk", or the home, is insurable based on the guidelines set by the insurance company. We are required, per our contracts with our insurance companies, to follow these guidelines. As much as we may want to sell physical damage insurance to each of our customers, there are going to be those few that fall into the "Do Not Bind-Unacceptable" category i.e. the company will not insure them. Common "unacceptables" include: (1) Loss History: for example, American Modern will not accept anyone with a fire, theft, flood or liability loss in the last three

years. (2) Modified mobile homes i.e. homemade doublewides, site built additions (3) Homes on poles or pilings (4) Vacant homes (5) Waterfront Locations: within 1,000 feet of the seacoast or a river (6) Unusual Hazards: produced by dangerous animals, commercial risks, farms, trampolines, Day Care centers, etc.. (8) Homes located in Flood Restricted Areas. If you find that one of your customers falls into the "unacceptable" category of your underwriting guidelines, it is best to call Western as soon as possible. We may need additional information to get it approved, we may need to place the risk with another company or we may find that we cannot insure the home at all. Each of which is best handled before the

home is closed. If afterward we find that we cannot insure it, we must set the policy up for immediate cancellation. The customer has 10 days notice to find insurance elsewhere while we have their money tied up for 4-6 weeks processing the cancellation and refund. (Easy way to really dissatisfy a satisfied customer.) We charge the sales center and BM back for all their hard work and then wonder what was accomplished by all this. The morale of this lengthy story is that if we make the sale the correct way by being aware of our underwriting guidelines in addition to accurately representing the coverage and the premium, and providing complete and accurate paperwork, we can alleviate problems on the back end so we can focus on the next well informed, satisfied customer and the next profit opportunity. American Modern Underwriting Guides were distributed July 26th. Be sure to give them some attention. Credit Life underwriting guidelines are specific to each state. Ineligible risks are simply determined by age and health background, indicated by the underwriting questions on the app.. If they exceed the age limit or answer "yes" to the health question(s), then they are not eligible. This should also be determined prior to closing. If not, the premium will be refunded to the loan and the customers payment will not change.