

HOME *Front*

A Monthly Publication of
AMERICAN HOMESTAR

MARKETING STRATEGY CONTINUES TO BUILD BRAND RECOGNITION

By Ronnie Richards, Vice President of Retail Marketing

While many manufactured home retailers continue to take the low road with a "stack'em deep and sell'em cheap" advertising philosophy, American Homestar has positioned its long term marketing strategy on a solid base that emphasizes quality, value, space, and amenities at an affordable price. Our marketing tactics consist of a number of elements, none of which are mutually exclusive. It's not just TV commercials that drive our sales, it's a combination of the unique elements that have evolved from years of experience coupled with a substantial financial investment that define our strategy.

PEOPLE

Our customers and associates form the foundation of our strategy. It all starts with our continuous efforts at communicating and listening. We listen to our customers who tell us their wants and needs and we listen to our front line sales and service associates to assure we are providing the best products and services available in the market.

RECRUITING AND TRAINING

Retaining the best people and franchisees in the industry assures long term success and allows effective implementation of our marketing strategy while maximizing the benefits of our marketing and advertising dollars.

LOCATION, LOCATION, LOCATION

Attractive sales centers with high visibility signage located on premium real estate assure prospects easy access to our sales centers while the appearance and improvements on the sales center reflect the image we want to project.

IMAGE VERSUS IDENTITY

Identity is defined as how we are viewed today while image is how we aspire to be viewed. Over the last 18 months there has been a metamorphosis as we moved from Nationwide Mobile Homes, Instant

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AMERICAN HOMESTAR CORPORATION ANNOUNCES RECORD RESULTS FOR SECOND QUARTER WITH NET INCOME UP 25%!

By Buck Teeter, Chairman and Co-CEO and
Lad Dawson, President & Co-CEO

Sincere congratulations to each and every member of the "Homestar Team" for yet another outstanding Quarter! Following are the comments made on December 19th during our quarterly conference call to the investment community highlighting this Quarter's accomplishments:

As we moved into Fiscal '98, we saw a number of challenges developing in our industry. Many markets were crowded with over-capacity at retail, as a result of the dramatic growth in the number of retail stores over the past 3-4 years. Manufacturing capacity had clearly outgrown retail demand in a number of market areas. As industry retail sales growth rate slowed, and as the growth in retail inventories subsided, shipments actually declined. This decline in shipments was primarily the result of the inventory building component going away, a component that had accounted for as much as 10-15% of shipments in some regions during the 1994-1996 period. We also saw a developing destabilization of the independent retailer base as more and more retailers decided to sell their business. A growing base of retail store buyers, including the vertically integrated companies, resulted in higher valuations on sale and a greater interest level in selling.

More competitive retail market conditions have also increased retailers' motivation to sell. Recent developments, including the successful

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President's Club

21st Century News

Telemarketing

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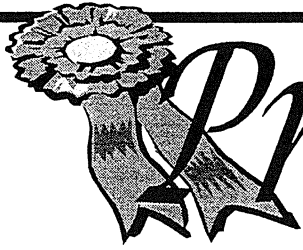
5 Training

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19

21

DECEMBER, 1997



Presidents Club

RETAIL STANDINGS

TOP 25 SALES- PEOPLE		LOT#	YTD
Nathan "Trey" Webb	NW-Austin	56	562.86
Minerva Pipkin	NW-Denton	78	526.12
Crystal Sullivan	NW-Denton	78	500.87
Ricardo De La Rosa	NW-Austin	56	489.06
Randy Wilson	NW-Lufkin	79	477.73
John Wells	NW-Seguin	94	445.54
Toby Cooksey	NW-Mesquite	60	427.15
Ronan Ramirez	NW-Lumberton	96	418.88
Roger Williams	NW-Bossier City	74	407.15
Bambi Huddleston	NW-288 (Houston)	28	395.93
Allen Breedlove	NW-Desoto	55	381.28
Christi Lancaster	OCV-Lancaster	51	380.67
Jo McBride	NW-Tyler	59	366.97
Gina Reece	NW-Longview	39	347.64
David Dalley	OCV-Lancaster	51	346.28
Anna Wells	NW-Jacksonville	49	331.47
Keith Gerhart	NW-Abilene	26	326.86
Joseph Woods	OCV-Lancaster	51	325.98
Billy Wayne Wilkerson	OCV-Azle	48	325.3
Myron "Tom" Kline	NW-Denton	78	319.73
David Dunn	NW-Monroe	98	318.31
Robert Stevenson	OCV-Lancaster	51	315.61
Barry Rogers	NW-New Iberia	15	309.8
Garney Gray	NW-Boerne	92	309.12

TOP 5 BMS		LOT#	YTD
Cathy Jackson	OCV-Lancaster, TX	51	807.5
Christine Baker	NW-Mesquite, TX	60	806
Jack Smith	NW-Denton, TX	78	801
Terri Raymond	NW-Lufkin, TX	79	629.5
Trudi DeRouen	NW-Abilene, TX	26	572.5

TOP 20 GMS		LOT#	YTD
Dave Shetler	NW-Mesquite, TX	60	565
Don Simonson	OCV-Lancaster, TX	51	551
John DeRouen	NW-Abilene, TX	26	386
Dennis Williams	NW-Austin, TX	56	369.5
Richard Aranda	NW-El Paso, TX	42	357
Brian Shear	NW-Denton, TX	78	330.5
Phil Essex	NW-Burleson, TX	21	315.5
John Raine	NW-Desoto, TX	55	307
Jim Tierney	NW-Lufkin, TX	79	296
Carrie Shipp	OCV-Azle, TX	48	293.5
Sandy Roberson	NW-Greenville, TX	57	269
Paul Taylor	NW-Lumberton, TX	96	266.5
Jim Rea	NW-Spring, TX	64	266
Jim Mixon	NW-Houston, TX	17	250
Mike Levin	OCV-Ft. Worth, TX	33	243.5
Lou Pommier	NW-New Iberia, LA	15	226
Tim White	NW-Lorena, TX	27	223.5
Peggy Lewis	NW-Lake Charles, LA	16	214.5
David Fortriede	NW-Tyler, TX	59	203.5
Jim Phillips	NW-Farmington, NM	70	189.5

TOP 20 OMs		LOT#	YTD
Kim Stafford	NW-Mesquite, TX	60	429
Linda Toombs	OCV-Lancaster, TX	51	318
Gracie Hernandez	NW-Abilene, TX	26	308
Chere Kelley	NW-New Iberia, LA	15	263
Peggy Duke	NW-Lufkin, TX	79	248
Julia Green	OCV-Granbury, TX	24	246
Betty Haney	NW-Tyler, TX	59	241
Belinda Humphrey	NW-Lumberton, TX	96	207
Curtis Hardick	NW-Austin, TX	56	204
Sean Deloach	NW-El Paso, TX	42	186
Laurie Davis	NW-Granbury, TX	23	186
Chandra Pannell	NW-Denton, TX	78	181
Tiffany Vanlandingham	NW-Oklahoma City, OK	54	162
SaDonna Rogers	NW-Midland, TX	88	162
Renee Bouma	NW-Albuquerque, NM	69	156
Bekki Miller	NW-Opelousas, LA	14	156
Mary Benson	NW-Greenville, TX	57	150
Kristy Neighbours	NW-Longview, TX	39	147
Dana Tideman	NW-Tulsa, OK	58	146
Shana Donahue	NW-Boerne, TX	92	138

Insurance News by Lisa Smith

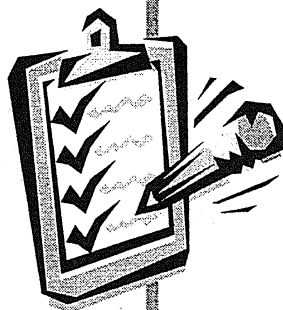
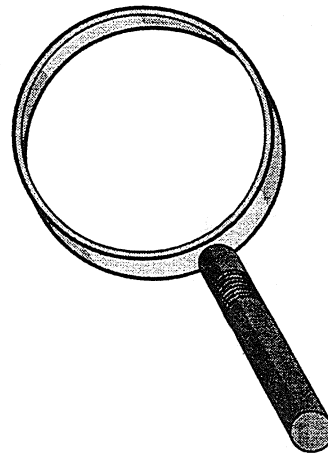
CREDIT LIFE OVERHAUL

Please make a mental note!!! The forms and procedures used for our Credit Life insurance are changing. You should have received a packet from American Bankers Insurance Company within the last few weeks. It included a cover letter and two new forms to be used for credit life insurance. You will no longer be completing a credit life certificate. You no longer have the authority to issue a policy. You will submit the application for processing. If everything checks out, the policy will be issued once we have received funding.

This is due to some **SERIOUS** and **COSTLY** errors in the past. Most of these errors have to do with taking incorrect information in regards to the health questions. The customer must answer "NO" to all health questions. If "YES" they are ineligible for credit life

coverage. We will be doing random phone audits to verify that these health question have been answered correctly. Also, as a reminder, please return all of the previously sent numbered certificates to our office. As always, give us a buzz if you have any questions.

Get on the Band Wagon with your **HOMES FOR THE HOLIDAYS** Sale. Check with your manager regarding qualifying homes and let this sale make your New Year Happy!



WE'RE UPON A NEW YEAR!!!

As we enter 1998, it's a great time to set some goals. One goal I would greatly appreciate is a new dedication to completing insurance applications. I recently did a short audit and determined that 36% of the applications that enter our office have missing information or misrated premiums. As you know, these problem applications take extra time for our office as well as yours.

Wouldn't it be nice not to have to stop everything to find an effective date, serial number, etc. for Western? We love talking to you, but we also know how busy everyone's schedule is. Let our goal be to handle every insurance application only once. The only way to make this happen is to make it a priority.

Everyone needs to be educated for their part. If you need training, examples, etc. give us a call. We'll be happy to assist you.

Training and Licensing Reminder

Each dealership is entitled to training on rating the insurance and completing the applications. If you are in need of this training, please call me, **Lisa Smith**, at (281) 334-9776. We will try to get you scheduled ASAP!

Also, each dealership must have at least **ONE**, but preferably **TWO**, licensed insurance agents on the premises. If your location does not fit one of these categories, call me immediately.

Also, remember that only licensed insurance agents can quote premium rates. Texas law forbids insurance quotes from unlicensed individuals. If salespersons on your location are quoting insurance, please modify this practice.



21st Century Mortgage CHRONICLE

LENDERS IN THE NEWS

"Credit card debt may present growing problem"

USA TODAY, 12/17/97

BANK CREDIT CARD LOSSES AT 14 YEAR HIGH

WALL STREET JOURNAL, 11/20/97

The **USA TODAY** story states the average credit card debt is \$7,000. Several large banks (Wells Fargo, First Union, Mellon and Advanta) had credit card losses in excess of 8% in the 12 months ended June 30. These financial institutions say they have now tightened their credit standards. But, the article points out, this did not deter lenders soliciting consumers --- over **881 million** mailers were sent out in the quarter!

What does it mean?

While some financial institutions got out of control, others have been prudent: wise credit underwriting, staying within their guidelines, and good collection effort. Even with all the seeming "bad news" there are **a large number of successful lenders growing and making money.**

Loss of Creditability

The big gorilla in the manufactured home finance business got some bad press in November. Its stock price tumbled almost 50% in just a few days. Concerns about repo losses are being discussed by Wall Street. But it was not possible credit losses that triggered the price drop ---- it was a news release by the company that it was making a \$150 million writedown of its assets because homeowners are paying off their loans faster than originally projected. The gorilla has lost its creditability. The president resigned --- probably over the embarrassment of presiding over the \$2.4 BILLION LOSS in market value of the company (decline from \$36 to \$19 a share)

No Surprises

Now Wall Street is anticipating other negative surprises. When there is uncertainty about a company its stock price will drop. The same rule about no surprises applies to big business just as it does to the day to day dealings between a dealer and its customer or the finance company. None of us currently can cause a billion-dollar loss like what just happened. But none of us can afford to lose the confidence of a customer or vendor or stockholder.

(continued in next column)

The news about Green Tree broke just as 21st Century was selling **\$37 million** of asset backed securities. Our deal got done with the **lowest cost of funds** in the last two years! **21st Century has creditability.**

The Good, the Bad & the Ugly...

New Staff

Land/Home - Amy Branscom and Leslie Lakey.

They have a combination of real estate closing and manufactured home experience. It may take a few days for them to get their arms around the pipeline of business but they are committed to superior service.

Credit - Jeff Thompson, Jonathan Goforth, Chip Hatcher, and Chris Kittle have joined the growing staff of Credit Assistants. They bring with them experience and enthusiasm from a variety of backgrounds ranging from banking to the legal profession.

Other - Kathy Jones is our new face and voice at the reception desk. She was a South Central Bell operator for 8 years and is undaunted by our busy front desk. **Dan Gray** is the Remarketing Manager after a stint with Vanderbilt Mortgage.

DIRECT LENDING

Russell Irwin has assumed direction of this profit unit at 21st Century. The refinancing rates offered by Russ's loan arrangers offer the homeowner lower monthly payments or a chance to convert to BUBBA. In November loans totaled in excess of \$2,400,000 with great yields. Recognition for outstanding achievement is due **Johnnie Bivins, Carol Holtz, and Alicia Jones.**

CRADLE TO GRAVE

Its one thing to make a loan --- the hard part (and the necessary part for making money) is collecting the loan balance. Each month **Troy Fussell** sets collection goals for each Credit Manager. The **GOAL BUSTERS** for November were **Mark Pilson, Chris Helwig, and Alan Clapp.** The overall delinquency rate was a fantastic 1.62% on November 30 --- the **results of a great team effort.**

Lanette Carpenter



The Critical Path to Selling Homes

Inbound Telemarketing

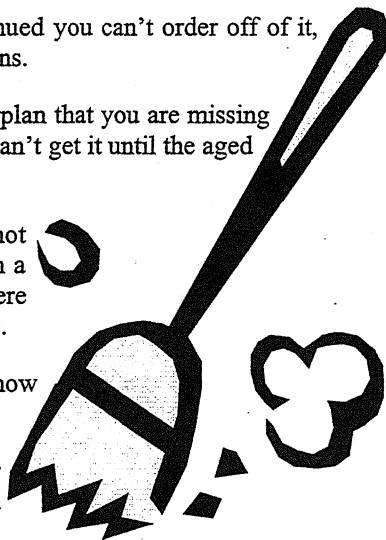
For the next few months I'm going to cover sections out of the telemarketing book. If you do not have a telemarketing book, call Ana at 214-320-2667 and request one for your location.

Out with the Old, In with the New!

Since this is the December HomeFront it's a good month to discuss out with the old years inventory in with the new years inventory.

We have the need on some of our locations to move aged inventory. Let's look at the down side of an aged home from the salesperson's perspective:

1. If it's a model that's discontinued you can't order off of it, this limits you inventory options.
2. There is an exciting new floorplan that you are missing from your inventory but you can't get it until the aged home is gone.
3. You are missing out by not replacing this aged home with a new home with options that were not available in the aged home.
4. Old decor Vs. being able to show the new decor.
5. You can't keep up with your competition with aged inventory.



And there are many other reasons, so I guess it's pretty clear. Your aged inventory is costing you sales. So how do you move those houses?

Suggestions:



1. All the Sales Team should go out into the home together with pen and paper and make notes of simple improvements. (ie. A new shower curtain, flowers on kitchen table, etc.)
2. Make sure home is spotlessly clean inside and out. Make sure

steps are level and sturdy.

3. Have a feature benefit contest on the aged house. Have everyone participate and everyone vote for best presentation. With a prize for the winner.
4. As a team discuss why the house hasn't moved. Example: "One bedroom is too small." Then come up with an Objection Handling technique.
"Mr. & Mrs. Client our home designers have found that many people prefer smaller 2nd and 3rd bedrooms and larger common living areas. This way the whole family can enjoy the extra space."
5. Show the Home! If the aged home fits your Client's wants, needs and budget, show them the home.
6. Request a Tracker Customer Listing Report with the criteria relative to your target homes.

Sometimes as salespeople we walk around aged homes and forget they are even there.

With the New Year it's a New Opportunity to refresh your Inventory by replacing the aged home with a New One!

Have a Happy and Prosperous New Year!



(Continued from page 1)

Record Second Quarter (cont.)

IPO of HomeUSA, and the emergence of Champion and the Fleetwood-Pulte venture as buyers of retail stores, have only accelerated the consolidation and resulted in further destabilization of the retail base.

What does all this mean to American Homestar? For one, it reinforces the fact that the strategy of vertical integration we have employed over the last four years is the correct strategy for building a long-term growth company in a competitive industry. Second, it increases the urgency of implementing our integration strategy and gaining control over the majority of our distribution base in new markets outside our core southwest market base, where we are fully integrated. As a result of these conclusions, we launched several initiatives in early fiscal '98:

1. We created and launched a new channel of dedicated or captive national distribution in the form of an innovative franchise program called Oak Creek Village. If successful, the franchise would give us a way to forge long term, contractual, dedicated, exclusive distribution alliances with independent retailers. As exclusive distributors of our homes and financial services products, these outlets would enable us to expand more rapidly our base of dedicated distribution.
2. We installed a new and greatly expanded retail management organization based on four divisions, each divided into 3-5 regions, each region slated for 10-15 stores.
3. We developed new retail operating guidelines, budgets, and inventory targets. The plan was intended to make us "lean and mean," lower per-center overhead, and break-even volumes, increase inventory turn rates, and allow us to make money at lower volume if necessary in markets that are experiencing excess retail capacity.
4. We installed new compensation plans at the sales center general manager level to increase the focus on sales center profit performance and to provide outsized rewards for superior results. This new plan will assure that we retain high performance managers and help us recruit top industry talent to fuel our growth in retail stores.
5. Finally, with those plans in place, we planned a dramatic acceleration in the growth rate of our company store base which has grown 10 new stores per year over the last few years.

Okay, so where do we stand.

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The new retail management structure is in place and beginning to function effectively. The Regional VP's are now in place and learning their new job skills and functions. We now have 12 regional VPs across four divisions, giving us an organizational structure to support a company store base of 120 to 140 units.

New "Regions" have been established in Arkansas, Tennessee, Alabama and South Carolina. Each of those regions have zero sales centers today, but are being actively developed by a new RVP toward a goal of 6-8 centers in each region by this time next year.

Including the North Carolina Homes acquisition, we've added 21 new sales centers so far this year. We expect to end FY'98 with at least 30 new sales center additions for the year.

Most of these new sales centers have not yet contributed significantly to our results. The North Carolina Homes unit is being completely restructured with new personnel in many slots, a new sales center name, new signs, sales center renovation, and product inventory transition. The overhaul is expected to be completed by late spring, and we expect to see solid results and growth in outlets for this division in late '98 and early '99.

Most of the other new stores are start-ups late in Q2, but are expected to be contributing in a meaningful way by Q4. The continuing effects of the realignment of the existing retail network impacted Q2 results more than expected.

As for positive results, overheads and break-evens have been substantially reduced, and gross margins are improved. Inventories have been cut by more than 5 homes per (southwest) sales center since the beginning of the fiscal year. In fact, the average inventory today is 24 versus 31 a year ago. Brand "X" inventory has been whittled down to less than 10% and our internalization rate (excluding North Carolina) is nearly 90%. We are much "leaner and meaner" than ever before.

However, it has taken longer to put in place all the new managers and to deal with all the personnel changes the realignment required. As a result, sales productivity in the quarter was down and was not up to our expectations, although multiwide mix was up and average sales price per sale was up to nearly \$50,000.

Unit volume is under pressure because of the single-wide decline, increased retail capacity, and in the most recent quarter, some very aggressive financing by several competitors featuring low down payments and lower credit quality. However, we have retooled our retail arm to deal effectively with this competitive market, and we have great

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*(Continued from page 6)
(Record Second Quarter continued)*

confidence that sales productivity will be back to our targeted results by Q4.

As for the franchise program, it's a bit early to measure results, but we are very excited about the program. Contracts have been signed for 15 Oak Creek Village franchises, and another 20 or more locations are in the active pipeline.

All in all, we expect to end FY'98 with at least 110 dedicated outlets, defined as company stores plus franchises. At that level, we will have doubled the dedicated distribution base for the company during the fiscal year. That projected distribution base represents a total retail demand equivalent to more than 70% of our current production rate.

On the manufacturing front, it was a great quarter. Two of the former Guerdon plants have now moved into the \$1.0M/per Q in EBIT ranks. The North Carolina plant is making good progress, and we expect to see dramatic earnings growth there in the next year – The Deep South plants had a very successful show in Tunica this Fall, and have performed above expectation.

Major construction, renovation and expansion projects are about to get under way in the Alabama plants. As the newer plants continue to increase volumes and margins as a result of our management efforts and vertical integration strategy, we have the opportunity for very significant growth in earnings from the existing base of 11 plants, even before consideration of the additional plants planned.

I might also add that we have plans to increase production rates nearly 20% in the Texas plants over the next year as a result of the new company stores and franchises we are adding this year in our core

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southwest market.

21st Century continued its successful growth trend with another record quarter. Loan origination volume was \$55 Million, bringing our income producing portfolio to \$269 Million.

21st has established and maintained sound credit standards -- our delinquency rate is safely under 2.0% and average credit scores continue to track plus or minus a few points from the target levels set at day 1.

Furthermore, we have used very conservative income recognition accounting – about 1/3 of our volume is funded through the Associates and there is no up-front income recognition on this portion of our business. Our Vanderbilt securitizations are accounted for, as now required, under SFAS 125, which determines how to compute the gain or loss on the excess servicing spread expected to be received over the life of the receivables sold:

This calculation is based on three elements that are certain for each securitization: Interest Received, Costs related to the securitization, and Yield paid the investor.

The other four elements are subjective, and are assumptions set by the issuer. These four elements are:

- Cost of servicing
- Provision for Credit Loss – Frequency model and severity assumption
- Prepayment speed or rate
- Discount rate for the present value calculation.

At 21st Century, we use very conservative assumptions so as to minimize gain on sale to around 1% currently of the total securitization. We want to retain the earnings in the portfolio, to flow out as the payments are received, and build a growing earnings annuity for the future.

All in all, we are very pleased with the initiatives we started

(Continued on page 22)

about this newsletter...

*Published in Austin, Texas on no particular day of any given month.
We recycle what we write, so please recycle what you read!*

If your location does not have a recycle bin, we encourage you to contact your local recycler and ask for one.



Got a story, contact the appropriate editor below and it could be in the next edition!

Manufacturing Editors

Tom Jewell

Robin Cooper

Retail Editors

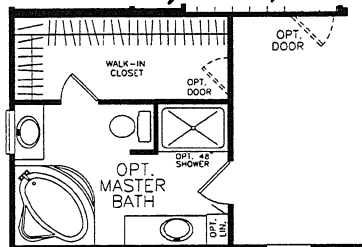
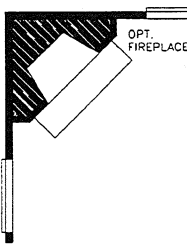
Dwayne Teeter

Richard Eklund

Travis Prescott

4 *New ways to get
Southern Hospitality*
crafted by American Homestar of Burleson

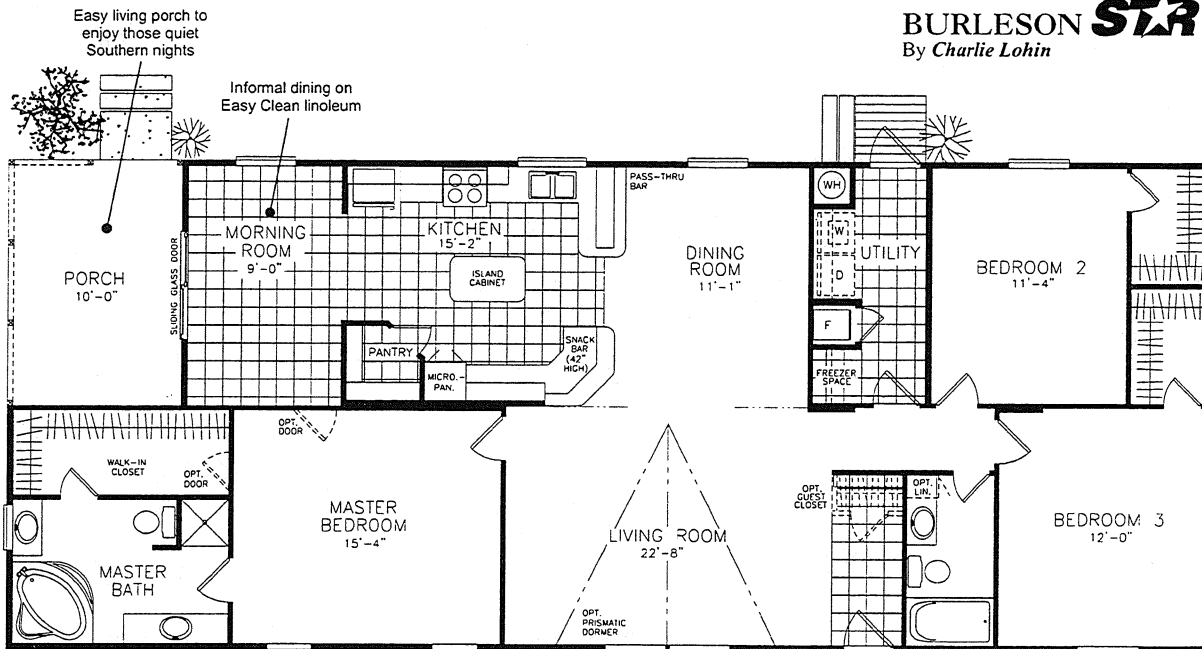
The Montgomery, the Richmond, the Charleston, and the Nashville have been ***specially*** packaged to give your customer 1,859 square feet of exceptional value including ■■■■■■■■■■■■■■■■■■■■



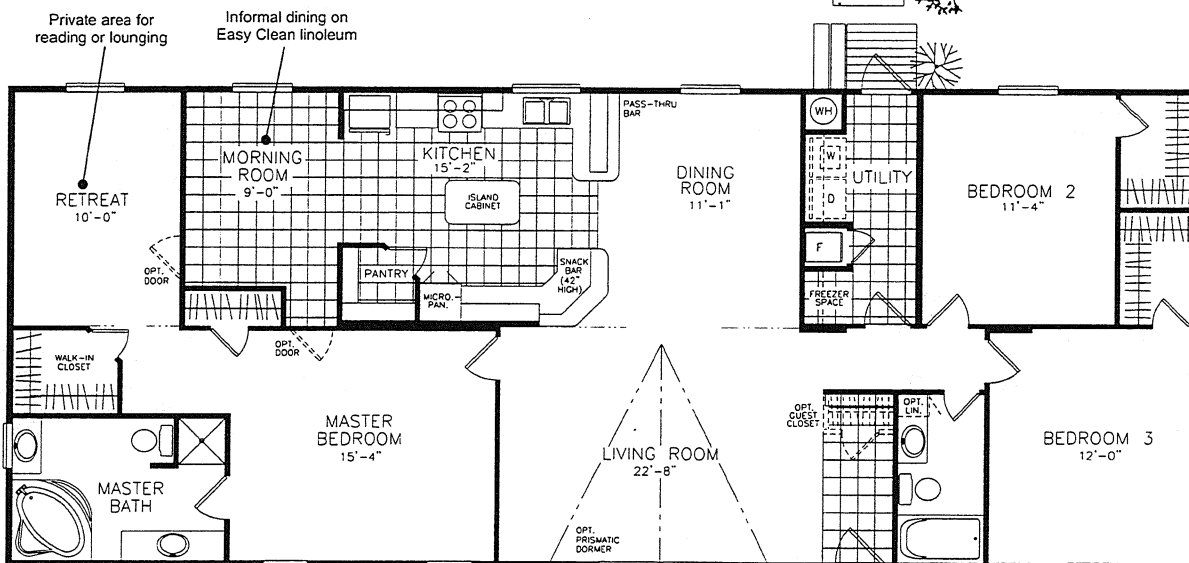
- ✓ **Special pricing from American Homestar of Burleson.**
- ✓ **Special pricing on every retail lot.**
- ✓ **Special financing from 21st Century.**
- ✓ **Special decor and furnishings specifically for the “mansion” from corporate design.**
- ✓ **Special floor plans from corporate engineering with the most versital design anywhere!**
- ✓ **Special advertising to bring flocks of customers to the lot created by corporate marketing.**



See next page for the "Charleston" and the "Nashville".



the "Charleston"



the "Nashville"

Fab 5 For December (YTD)

1.	Nationwide/Burleson	Phil Essex	102 Floors
2.	OCV/Lancaster	Don Simonson	70 Floors
3.	Nationwide/Mesquite	Dave Shetler	62 Floors
4.	Nationwide/Tulsa	Rick Vaughan	60 Floors
5.	Nationwide/Austin	Dennis Williams	56 Floors

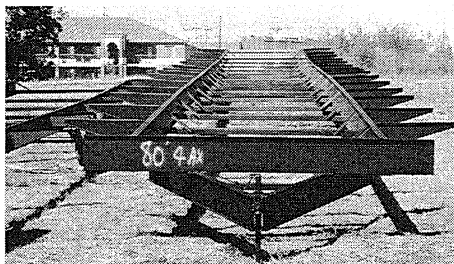
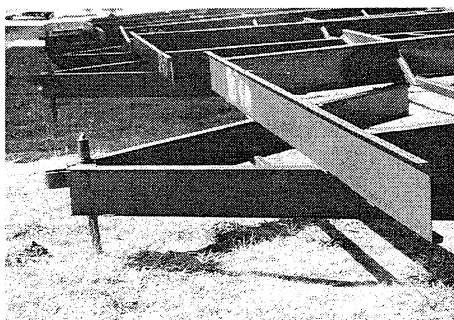
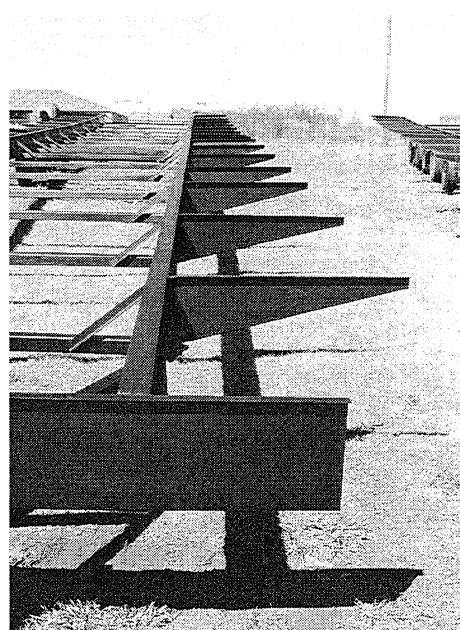
Great Job!!

NEWS LANCASTER

by Brian Owens, Brian Shaw, & Paxton Green

OUT-RIGGING THE COMPETITION

How important is the foundation of your home? If you don't know by now, the foundation is the most important feature of your home. Our homes feature non-corrugated, 10" or 12", heavy duty American made I-Beam (12" I-Beam is featured on our 16' wides where some of the competition is still using 10" corrugated I-Beam), and our outriggers are spaced 4'-8' apart depending on the weight of the home. American Homestar of Lancaster uses twice or three times as many outriggers as the nearest competition, so the next time you're shopping "Brand X", don't hesitate to take a look. What's the purpose of outriggers? Outriggers give the house perimeter strength, stability during transportation, and foundation longevity to protect the investment of your customer.



Neil Scarbrough (GM) & Brian Owens (SM) Award Don Simonson (GM Extraordinaire) with the Top Dog and Star Performance Awards

Simonson- THE Top Dog

After three consecutive months of being the Top Dog of Lancaster, we felt it imperative that we award Don Simonson and his outstanding sales team on a job well done. Anytime you're in the area of Oak Creek Village of Lancaster, stop by and ask for some pointers from this amazing group.



L to R: Robert Stevenson, RD Thomas, Linda Toombs, Christi Lancaster, Don Simonson, Charles Jergler, & Joe Woods)

TOP DOGS for NOVEMBER:

For those who don't know, this section is devoted to those well-rounded salespersons who step up to the plate each month & bat home runs. "Top Dogs" (winners) in this monthly contest are awarded trophies for 1st place while 2nd, 3rd, & 4th place runners up receive framed certificates.

And the "Top Dogs" are:

- | | |
|--------------------------------|---|
| 1. Oak Creek Village/Lancaster | Don the "Black Lexus Simonson Man" |
| 2. Nationwide/Austin | Dennis "The Menace" Terrorizing Ben White |
| 3. Nationwide/Cedar Park | Russell "The Cav." Crawford |
| 4. Nationwide/South Houston | Dave "The Schwartzmister" |
| Nationwide/Denton | Brian gets in with "Shear Determination" |
| 5. Nationwide/Mesquite | "PGA's Finest" Dave Shetler |
| Nationwide/New Braunfels | Bill "Waking 'Em Up On the River" |



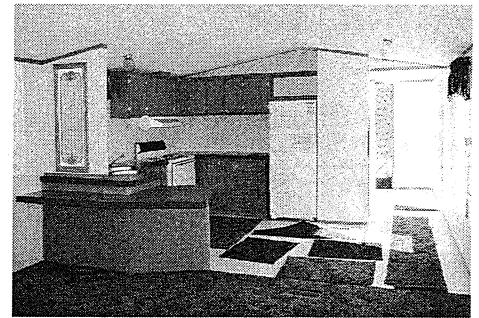
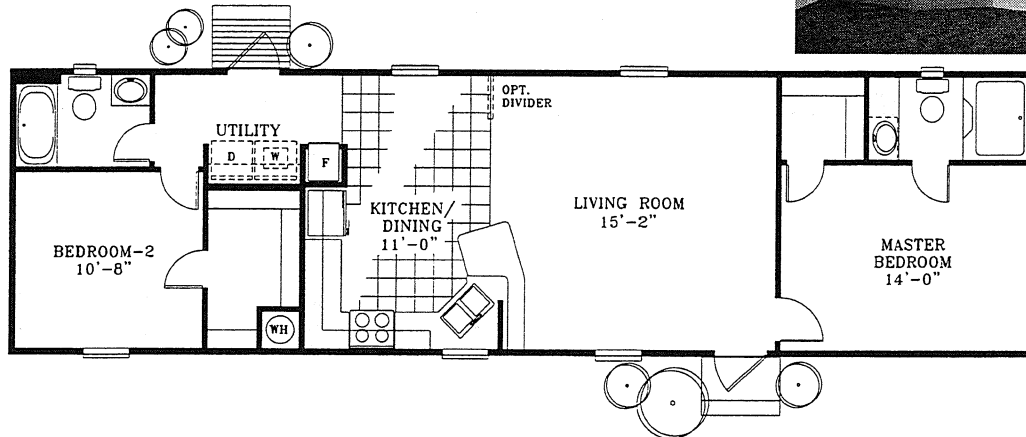
(Note from the Journalist: Oops, we made a mistake - Carrie Shipp rather than Bill Sedwick was the Top Dog at Nationwide/Azle in September prior to her move to the Oak Creek Village lot. Now that they're in competition with each other, we expect both Carrie & Bill will aspire to the Top Dog level every month!!)

LANCASTER

by Brian Owens, Brian Shaw, & Paxton Green

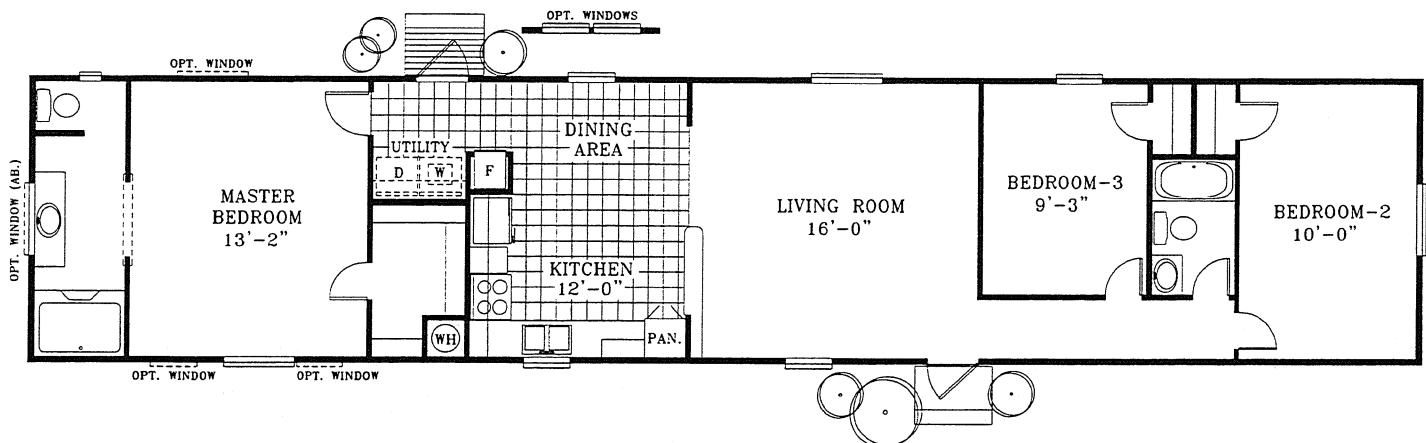
NORTHSTAR 604LE - A ZESTY LITTLE NUMBER

This 16' X 60', 2-bedroom/2-bath will leave you yearning for more. Loaded with grid mirrors, kitchen cabinets, 14' master bedroom, walk-in closets in both bedrooms, a 60" garden tub, and valances & mini-blinds throughout, to name just a few. They must've had the 604LE in mind when they invented the cliché "dynamite comes in small packages"!



648LE - A BLIND SALE

Before we could even build all of the 648LE's that our retailers ordered, we were getting customer sold orders. In a few instances, some dealers would call me to switch their stock units to a customer sold unit while asking us to build them another one just like it. Evidently, this is a hot item. If you don't have your hands on a 648LE, you're missing the sleigh this Christmas season. We've only been building the 648LE for a very short period of time, and to date Nationwide and Oak Creek Village have retail sold 12 homes . . . that's 12 houses in less than one month.



UNDER THE OAKS

By Charley Boyer

OAK CREEK MOVES "LUXURY AND CUSTOM CLASSIC" SERIES TO NEW "SOUTHERN STAR" LINE!!!!



LOWER PRICES!! REDUCED SPECIFICATIONS ON BEST SELLING MODELS!!! CUSTOMER SAVINGS GALORE!!! STANDARDIZATION OF PRODUCT LINES!!!!

Effective January 5, 1997, Oak Creek Homes will standardize our product lines to the "Southern Star" and "Meridian" Series of homes. The existing product lines of "Luxury" Single Sections and

■ "Custom Classic" Multi-Section homes will be reduced in price and specifications to the Southern Star lines.

■ What does this mean to you? Savings for your customers

■ and great homes in the more affordable price range!! Our best selling models #893 (18x80), #985 (28x80) and #974 (32x76) will become "Southern Star" models to better assist your customers with their buying decision!

REMEMBER THESE FACTS:

"Luxury and Custom Classic" standards will now be optional to meet the needs of your customers who want to buy a home "just like your Stock Model".

All Southern Star Multi-Section models will now be offered with the ever popular "Architectural Exterior" Option to provide that spectacular curb appeal found in the "Custom Classic" lines.

Prices and Specifications are lower on these converted homes to meet your customer's budgets!

Luxury Series Model Numbers will change to #1793 (was #893) and #1763 (was #297)!!

New literature floor plans will be coming soon, but use the current literatures until the new plans arrive!

The all-new "Meridian" series of homes will not change in Price or Specifications!!

The Whispering Oak Says..... 1998 New Years Prediction:

"The new Southern Star Model 974 (32' x 76') sales will far surpass the sales projections from when it was a Custom Classic Model".



By Charley Boyer

TIMBERLINE 325# ROOF SHINGLES - WHAT IS IT????

The new Oak Creek "Meridian Residential Series" line of distinctive homes requires the use of "Timberline 325# Asphalt Roof Shingles" . . . new to the manufactured housing industry, but commonly used in the upper-scale "Site Built" housing sector!!!

What are "Timberline Shingles? What advantages to they have? What are the "Features and Benefits? Why is this product so expensive? Can we get it on homes other than the Meridian?

These are all good questions and we will try to outline this exciting new feature which is available **ONLY** on "Oak Creek" products.

The "Timberline #325 Asphalt Roofing Shingle" was introduced years ago to primarily offer a much stronger and more attractive roofing design to upper-scale site-built homes. The 325 lbs. per square listing is 65% heavier than standard grade 210# shingles found on most manufactured homes today! The heavier the shingle, the more durable and longer it will last against the elements. Each shingle is actually a double layer of asphalt material and is listed with a 25-year warranty!

There is widespread use of the Timberline shingle in today's site-built housing market as a suitable replacement for

"Wood Shake or Wood Shingle". City and county building codes now require Wood Shingle to contain "Fire Proof Treatments" and replacement of older wood roofs in subdivisions which have deed restrictions against standard grade asphalt shingles, however, they allow the use of Timberline grade roofs to meet the aesthetic and fire proofing requirements. The Timberline Shingle has the appearance of a wood shake shingle with the durability of the heavy grade asphalt shingle!

Option prices vary per size of home and generally range from \$795.00 to \$1,295.00 per home! The introduction has been for the "Meridian Residence Series" only at this time!!!

TIMBERLINE 25



**REMEMBER! TIMBERLINE 325# ROOF SHINGLES...
...ONLY BY OAK CREEK!!!!**

UNDER THE OAKS

By Charley Boyer

(Cont.)

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.



Ammonia Clean-Air Treatment

Home sweet smelling home. We treat each home with anhydrous ammonia gas at the factory to neutralize distracting odors associated with various building products, glues, resins, and solvents used in the construction of all homes. Make yourself at home from the first day.

Good Luck and Good Selling!!!

STAYTON

By Jon Moon & Erin Summers

12 Days of Christmas - It's Back!!!

The Christmas spirit continues to grow on a daily basis at Guerdon with the 2nd Annual 12 (Production) Days of Christmas - an event held in appreciation of our production staff. Each day, an employee's name is drawn to visit the office for their chance at up to \$200. The prizes range from \$50 gift certificates to \$200 CASH! A great way to increase their shopping budgets or to multiply their own present collection.

The weather outside was far from frightful but the party inside was delightful at the Stayton Division Christmas Party on Saturday, December 6th. Erin Summers, Party Coordinator extraordinaire, estimates over 225 people attended the grand event. Turkey & ham with all the trimmings were served. Even Santa & Mrs. Claus along with three of their elves (see picture of Patty Isaak, Scott Iverson & Dawn Gladden) stopped in to spread some holiday cheer. The Christmas party committee improved on last year's gifts with an estimated total value in excess of \$3,000, including a new 27" TV. Service awards were also handed out during the celebration in appreciation of our tenure'd employees many years of hard work and commitment. We wish to thank all the volunteers that made the party such a huge success!

Ho, Ho, Ho!!



New Franchisees in Oregon and Washington

The Stayton Division of Guerdon Homes would like to welcome four new Oak Creek Village franchisees:

Great Western Homes - Bend, Oregon
Randock Homes - Spokane, Washington
Great Western Homes - Springfield, Oregon
Valley View Homes - Klamath Falls, Oregon

Stay tuned for more exciting announcements of other Oak Creek Village franchises that are currently "in the works".

Vicksburg BLURB

By Melanie Hood

New Kid on the Block

We'd like to say hello to **Kimberly Harris**, the new Accounting Clerk for the Vicksburg Division. Welcome aboard, Kimberly!!

Congratulations To:

Lynda Ragan on her promotion to head Accountant. **Lynda** has been with us since February of 1997.

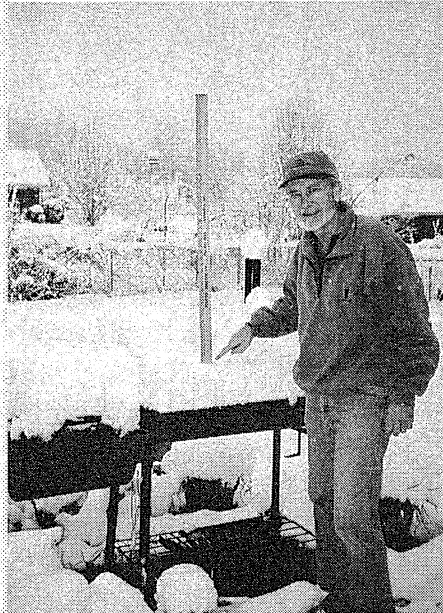
Larry McCormick (Production Supervisor) and his wife **Debra** on the birth of their son, **Austin Kyle**, on November 8, 1997.

Preston Martin (Material Handling) on the birth of his new son, **Christopher Deshaun**, born December 8th at a whopping 7 lbs., 7 oz.

Richard L. Derby on his November 14th retirement after a long & loyal 27 year career with Guerdon - thanks for all your hard work & we wish you all the best, **Richard!!**

Almost a White Christmas... In Vicksburg?!?!?!?

On Sunday, December 14th, Vicksburg got between 7" & 8" of snow - a record snowfall in this area.



Roy Netz measures up the 7" snowfall at his Vicksburg home.)



Yuletide Yummies

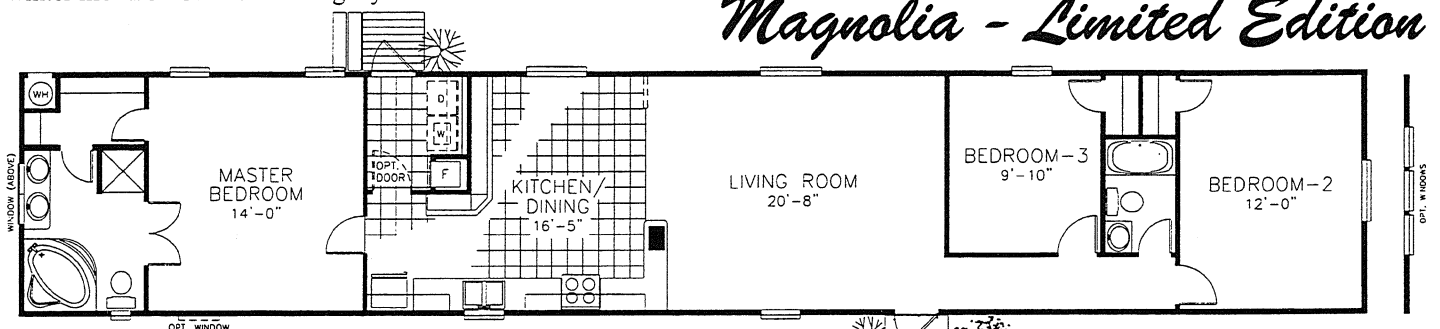
Our Annual Christmas Luncheon was held on December 19th at Rowdy's. Rowdy's is a local restaurant that has been catering

this event for us for years. Once again, they outdid themselves this year with a tasty turkey, to die for dressing, and all the usual accompanying trimmings.

More Space = More Sales

Our new 90 Footers have only been in the field for a couple of weeks, and the response has already been tremendous - we had 5 homes turn the first day they were on the lot. When questioned as to why the 90 Footer fit their needs, our customers' #1 answer was the extra space provided at so little cost! This home as 1,216 square feet with a 21' Living Room and a 2nd Bedroom that's larger than most Master Bedrooms. It comes standard with Sahara carpet, a Luxury Master Bath, wrap-around hutch, woodgrain metal, vaulted Living Room, Kitchen, Master Bedroom & Bath, and many, many more features. This home will definitely get you through the winter months. Call us now to get your 90 Footer TODAY!!

Magnolia - Limited Edition



Deluxe Model V-483-90 LE (1376 sq. ft.)

Dealer of The Month Our newest dealer of the Month Award goes to **Kash Mullins** at **Nationwide of Opelousas, Louisiana.** Way to go, Opelousas!!!

New Retailers:

Choice Homes - Calera, OK
Stepp Homes - Tahlequah, OK
Oak Creek Homes - Bay Minette, AL



Brilliant Homes would like to wish everyone a very Merry Christmas and a very prosperous and happy New Year!!!!

Larry Nix, Sales Manager
Benita Spann, Sales Secretary
Tex Johnson, Sales Rep.
Brett Huddleston, Sales Rep.
Mark Holsonback, Sales rep.
Chris Lawson, Sales Rep.
Ralph Trallo, Sales Rep.
Scott Mitchell, Sales Rep.
Gerald Bull, General Manager



Silhouette

By Reta Hill

A RECORD BREAKING MONTH

Silhouette Homes had a record breaking month in sales for the month of November. For the first time ever, over \$4 million in gross sales was invoiced by the Lynn, Alabama facility. I would like to thank the Management Team and all the employees of Silhouette for an outstanding job, as well as our retailers who purchased Silhouette products - this exceptional month would not have been possible without each of you!

It's all about TEAMWORK, and we're all TEAM PLAYERS!!

Thank You,

Jerry Cummings
General Manager

STAFF NOTE

TO: Jerry Cummings
FROM: Your Staff
SUBJECT: *Appreciation*

A special thanks to you, Mr. Cummings (aka Head Honcho), for your dedication, knowledge, and staff support. Your strong leadership has gotten us where we are today.

Way to go Jerry!!!



GERING GOSSIP



By Doug Tollin

It's a Hallmark Holiday

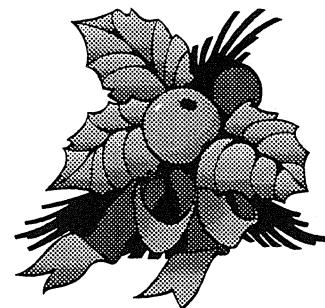
The Gering Magnolia Division has successfully entered into a contract with *Hallmark Holdings, Inc.*, of Golden, Colorado. Hallmark will be the exclusive provider of housing for their 366-lot subdivision to be located in Sterling, Colorado. Sterling is the site of Colorado's newest state prison, which is currently under construction. The housing project will be funded by municipal

bonding and is projected to be completed within a three-year time frame. Kudos to Gering Sales Representative, **Bobby Allbaugh** for his hard work and perseverance in bringing this nice project to fruition. GOOD JOB, BOBBY!

There's No Place Like Kansas

Congratulations to **Rollie Coe**, Gering Sales Representative, for breaking the barrier into the Kansas market. Rollie has inked *Melvin Homes of Salina, Kansas*, as the newest Retailer in our ever-expanding family of Retailers. We would like to welcome aboard John & Michelle Melvin and Jeff &

Karen Nelson, the proprietors, managers and sales team for Melvin Homes. NICE WORK, ROLLIE!



Seasons Greetings

The Gering Magnolia Division would like to take this opportunity to wish each and every one of you a very Merry Christmas and a Happy New Year!

Boise BULLETIN

By The Boise Staff

Welcome to the Boise Team

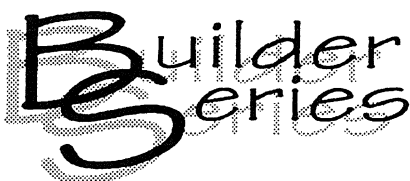
We are ecstatic to announce the arrival of our new Division Manager – **Dave Whitson**. Dave joins us after four and a half years with American Homestar's corporate office where he was the VP of Sales & Marketing. He also managed to squeeze in eleven plus years with Brand X. Dave and his wife, Connie, we hear, are gourmet cooks. We are all waiting to try a little of their home cooking. Dave's an avid hunter, fisherman and camper – he's gonna love Idaho. Welcome Aboard!!!



Idaho White Tail Deer

Scott Schlapia shot this buck in the backcountry of Idaho. Although somewhat smallish for an Idaho deer, it is the largest thus far shot by one of our employees. This rack measures forty-four inches across (well, we exaggerated a wee bit). Actually, it's an elk, not a deer – but is the largest Elk rack taken by one of our employees.

Guerdon Boise opened their 1998 Home Show with an astounding 175 people in attendance. The first three days of the show were devoted to Guerdon Villages, Franchise Candidates, and their Sales teams. Sales training seminars were given on a variety of topics, including feature benefit, value creation, customer personality profiles, and value comparisons. The focus of training was to really put some hands-on knowledge and weapons into the retail sales professional's arsenal. Four new models were also on display. The 7452 is the first 16-foot wide multi-section home in the Pacific Northwest – it's just HUGE!!! Featuring a 7:12 roof pitch on the tag unit, the retailer's initial reaction to the home was tremendous.



1674 Sq. Ft. 31'x45' / 15'-6"x18' 3 Bedrooms, 2 Baths



NOVEMBER'S

Deadly Weapons



LOOK OUT, 007!

Minerva

Pipkin of NW-Denton, TX finished #1 in PC points for November after finishing off 4 double agents, 5 new homes and 158.12 PC pts. NW-Desoto agent and hardest workin' man in our business, **Allen Breedlove** came in second with 12 homes, six of which were new. **Dave Shetler's** Mesquite crew rounded out the Top 5. **Lisa Dupre, Duane Ellis** and **Toby Cooksey** each had 3 or more new with 30K+PG. Excellent 21st penetration, too!

Plenty O' Homes

North Carolina's finest, **Betty Cox** showed us all how an expert works in December. 3 new deals with just shy of 40K payable gross- enough said. Cancun's favorite party guy, **Robert Stevenson** (from Dandy **Don Simonson's** location in Lancaster, TX) behaved himself long enough to sell 5 deals, 4 of which were new. You'll need it for that new baby, Robert. Coworker, **David Dalley** also landed in the top 20 with 3 new and some great support from the back office. #4 in the company YTD, **Ricardo DeLaRosa** from Austin, finished of over 35K on 3.5 new. Nice work!

Q was here

Ms. Cox was not the only East region salesperson to finish in the top 20 for the month. Double agent, **Rob Sauls** out of Winstem Salem, NC closed 3 new, 4 total with over 33K in payable gross. Busy new GM, **David Foy** from Huntsville, TX managed to make time to sell a few houses in December. Dave finished 20th for the month with 3.5 new and 9 total for the location. Very nice job!

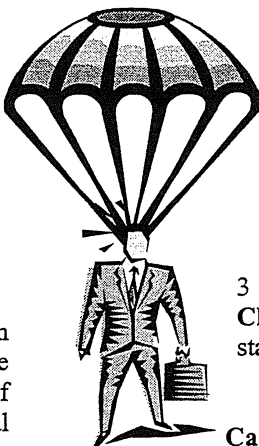


Payables Galore

Special agent, **Belinda Hicks** is helping GM **Russell Crawford** pull Cedar Park, TX out of its slumber. She closed 6 deals, 5 of which were new for over 40K PG. **Shane Harrington** of Lewiston, Idaho, international man of mystery, caught the bad guys and took down the highest PG for the month with over 45K on only 3 new! **Joe Crisp** with the help of Abilene's "Moneypenny", **Trudi DeRouen**, closed 5 new with awesome insurance and finance penetration for the 8th spot in the PC Club for the month. She's always there when you need her. Bossier City, LA's home town boy, **Roger Williams** need not take on a new identity. He's doing fine with the one he's got. 3.5 new and great F&I support put him at #9.

Live and Let Sell

Recent 101 graduate, **Jo McBride** from Tyler, TX combined her knowledge with great instinct to close 5, 4 of which were new. Business Manager, **Mitch Brown**, supported her well with extra points from his area of expertise. El Paso, TX's **Allen Crawford** karate chopped his way to 5 new, all of which were financed with 21st. New Braunfels agents, **Craige Bryant** and **Claudia Race** placed 15th and 16th respectively, both closing 3 or more new with over 30K in PG. Coworker, **Chris Allen** rounded out the top 25 with similar stats.



Carrie Shipp's new power house in Azle, TX gets the "Goldfinger" award for a great debut month. The team, consisting of **Tony Byrne, Wayne Wilkerson, Eric Howell, Kristy Coleman, Allen Ferrell, Tom Perrard, Tim Marler, Wanda Hicks** and **Phil Omi**, closed 13 new, with great 21st penetration and near perfect insurance numbers on PD & ES. Tony and Tom finished out the month in the top 25, each with over 3 new and strong payables. Excellent teamwork!

GOLDFINGER

(Continued from page 1)

Living Mobile Homes and Advantage Mobile Homes to Nationwide Homes and Oak Creek Village, *your one-source home source.*

BRAND RECOGNITION

By consolidating retailing under Nationwide Homes and Oak Creek Village (and now American Homestar home center in the southeast) and using the colorful and recognizable Western singing group, Riders in The Sky, we are slowly building top-of-mind identity in our markets. The Coca Cola Company has spent literally billions of dollars world wide to make it's logo highly recognizable. Our strategy is to not only be recognized by our sign that appears at the end of each TV commercial, but also by "those three crazy cowboys," that appear in all of our spots, on banners at the front of your sales center, and in the lobby as a life size cut-out. Homebuyers will forget which company's commercial they saw on TV, but not the cowboys!

HARNESSING THE POWER OF VERTICAL INTEGRATION

Vertical integration allows us to meet the customer's needs with affordable quality homes and a high level of service while producing a profit for our shareholders. With vertical integration we combine manufacturing, transit, retailing, finance and insurance to develop programs that address the homebuyers needs in an efficiently packaged home and financing plan.

TECHNOLOGY AS A MARKETING TOOL

Technology is literally changing faster than the weather. Few manufactured home companies have the forward looking vision, financial resources or staff talent to take advantage of readily available low cost technology that will facilitate our company achieving it's Billion Dollar Vision as we reach the millennium. Just try calling our 24-hour toll free (bilingual) number from any state in the U.S. Or, ask about our geomarketing that pinpoints the zip codes that produce the majority of our homebuyers. Even our TV programming is selected based on demographics we gather from the 21st Century data base. And of course there is our Tracker system, which is the single most productive high tech tool in our arsenal.

TV - THE MEDIA OF CHOICE

Few major market manufactured home retailers are in the fortunate position of being able to commit to a TV ad budget that reaches a majority of the targeted market an average of 3 times per week. Few small market retailers have the resources to produce high quality TV commercials.

BROAD PRODUCT OFFERING CREATES NICHE MARKETING OPPORTUNITIES

Do you know any manufactured home retailer that offers a porch model cedar sided home with metal roof on a biweekly payment
(cont. on next column)

(cont. from previous column)

plan? How about our current single section "Home For The Holidays" special with only \$500 down and \$199 a month? Few of our competitors offer the broad range of home, financing, and insuring options available from our sales centers.

MOVING TO THE NEXT LEVEL IN 1998

Our continuing growth and increased vertical integration offer new opportunities as we move into 1998 and beyond. Starting in January we will introduce several new concepts in the southwestern market as we implement our winter marketing campaign. These new concepts offer proven profit opportunities for American Homestar and it's franchisees while creating a significant value for our customers. Without total team coordination and timing we cannot achieve the maximum benefits that can be derived from these programs. Now is the time to start getting ready. Here's the plan:

- New models are being introduced in a popular price range "**package priced**" with limited options.
- All company and franchise sales centers will stock the new models creating production efficiencies that will result in **lower manufacturing costs**.
- **Fixed retail pricing** will be advertised through a national marketing campaign.
- Each model will be **professionally decorated** with furnishings and decor preselected by the corporate design staff and bulk purchased at a discount price.
- 21st Century will provide a special **reduced rate financing program** on the featured models thus creating additional savings for our customers.
- **Regional TV campaigns** will be launched.
- **Marketing materials** supporting the campaign theme will be made available.

Planning should be underway at your location in preparation for the campaign. All sales centers buying from the Texas plants will need to display 2 multisections as part of the campaign. These featured homes need to be displayed in key slots on your sales center. Local promotions should be planned for February and March built around these two homes and our yet to be introduced campaign theme. As program details are introduced each General Manager should start training their sales staff to take full advantage of the program and the savings it offers homebuyers.

Watch your mail for details as we roll out the hottest marketing campaign yet!

The American Homestar University TRAINING Guide

by Laurie Lowery



WHALEY WINS THE WHOLE ENCHILADA IN BASIC TRAINING

Rex Whaley of Houston's Hwy 288 location scored the most points possible at December's Basic 101 Class. He not only "talked the talk", averaging 100% on all three exams, he "walked the walk" placing 1st in both the role playing contests. Dave Schwartz, Manager of the 288 sales center, commented that "Rex is extremely thorough with his customers and great with follow-up. His "stick-to-it-tiveness" will pay off." Alberto Garcia of NW-Springdale, Arkansas tied Mr. Whaley for the best Company Story role play. Excellent job, guys! Other BIG winners at December's 101 class include:

Company Story Interview Process Contest:

1st Place: Rex Whaley NW 288 (Houston), TX
Alberto Garcia NW Springdale, AR

2nd Places: Theresa Byrd NW Greenville, TX
Jimmy Standefer NW Huntsville, TX
Eric Donaldson NW Lufkin, TX
Gary Underhill NW Tulsa, OK
Larry McClellan - Franchisee

Feature Benefit Contest

1st Place: Rex Whaley NW 288 (Houston), TX
2nd Place: Floyd Palmquist NW Lufkin, TX
Eric Donaldson NW Lufkin, TX

Highest Test Scores: (all 100%)

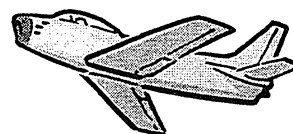
Rex Whaley NW 288 (Houston), TX

JIMMY MORTON: ON SITE TRAINING WHEN & WHERE YOU NEED IT!



For those you who are new with our retail organization, Jimmy Morton is our on-site sales trainer. Each month he visits our retail locations in the quest of passing on pearls of wisdom gleaned from a career that has spanned more than 30 years in our industry. Dependable, dapper and possibly one of the world's foremost authorities on the "model value guide close", Mr. Morton will train your salespeople on the company story, interview process, closing techniques, etc.. Call 218-334-9761 to schedule a training session and increase profits!

Congratulations to the Top Gun Winners for the month of NOVEMBER:



Rex Whaley NW- Houston, TX #28
Alberto Garcia NW- Springdale, ARK
James Standefer NW- Huntsville, TX
Theresa Byrd NW- Greenville, TX
Vickie Morgan NW- Lorena, TX



A STAR IS BORN SERIES an interview with new General Manager Carrie Shipp, #6 Salesperson for Fiscal 1997

Laurie: What did you do before the Nationwide years?

Carrie: Out of high school, I attended Dallas Court Reporting School and was a court reporter for 2 years. I quickly realized I did not enjoy court reporting and moved to San Antonio, Texas in 1979 to open a secretarial/executive suite company. I kept it for 2 years and sold out to a girl from Houston. In 1982, I got into the property management/real estate business in San Antonio. After getting my real estate license, I started a company called ProComm which managed homeowners associations and high end communities. I remained in the business from 1982 to 1995. In 1995, my daughter graduated from high school allowing my husband and I to make changes in both jobs and residence.

Laurie: What happened next?

Carrie: We moved to Granbury, Texas in 1995. With no job, I decided to go to Instant Living and introduce myself to the General Manager. Out walk three very nice gentlemen; one dark haired "super stud" Sales Manager, one "hot dog" Sales Manager, and a very intellectual "Papa Smurf" General Manager (Tim White, Larry Key, and Dave Davis). After interviewing with them 3 times, I was hired on as a sales rep on October 23, 1995.

Laurie: What about home life? Your husband is a great guy named Randall. Do you have children or pets?

Carrie: Yes, I have one wonderful daughter (Dusti, age 20) who is a junior at the University of North Texas in Denton and two step sons (Scott, age 29 and Corey, age 25). My last pet was Lulu my English Bulldog (age 8) who had to be put to sleep this past year.

Laurie: If you were giving advice to a new salesperson what would you tell them to work on?

Carrie: "Treat people like you wish to be treated", be consistent, find common ground with your customer, and do not rush or hurry the system. I've been accused of wearing blinders because when I have a customer in my

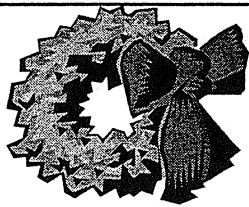
(Continued on page 23)

(Continued from page 7)
(Record Second Quarter continued)

in the First Quarter to build the foundation for our continued growth toward our new *Billion Dollar Vision*.

We believe our product positioning, vertical integration strategy, and focus on building dedicated distribution through Company stores and franchises, will continue to set us apart from our competition and will allow us to meet or exceed our growth goals of over 20% per year into the foreseeable future. We believe that the power of vertical integration is increasingly evident in our results and will continue to drive performance well into the future.

We appreciate all your hard work and dedication which has resulted in another record quarter for American Homestar. Your commitment and loyalty are the driving force behind making our Billion Dollar Vision even closer to becoming a reality!



Seasons Greetings!

Nationwide East Announces the Top Performers! Congratulations All!

Top 5 GM's/Sales Centers

#1	Ashley Pierson	South Raleigh
#2	Maynard Wilkins	Durham
#3	Frank Shealy	Smithfield
#4	Mike Griffin	North Raleigh
#5	Keith Davis	Roxboro

Top 5 Salespeople

#1	Bettye Cox	North Raleigh
#2	Rob Sauls	Durham
#3	Vince Barbour	South Raleigh
#4	Gina Wilkins	Eden
#5	Chris Wilkins	Durham

Hot Tip!

Verify that your backup routine is running daily. If not, contact the Austin Computer office for assistance. Call (512) 457-0661.

From the
Computer
Desk

Cindy Kinder and Brenda Niles are the Tracker Top Guns for December!

Cindy Kinder, Office Manager from the American Homestar Factory Outlet in Colorado Springs led her class in the first of two Tracker Training Seminars in the month of December. Cindy is seen here with her gift certificate awarded for being the Top Gun of her class! Congratulations Cindy!



Cindy Kinder accepts her award.

In the second class in December, Brenda Niles, Office Manager for the soon to open Oak Creek Village, Austin, aced the four Tracker Tests! Brenda joined the elite club of Tracker Test Aces! A perfect 406 total score! Great gunning Brenda!

The new Oak Creek Village, Austin will be a force to deal with given their trained Top Gun staff!

Oak Creek Village, Austin's Brenda Niles (right) and General Manager, Charlotte Medley



**American
HomeStar
Tracker**

Help us help You! We at the computer office have received an alarming number of calls from retail locations saying that their hardware or software on their computer is not working correctly or at all! After discussion with the users at the locations we have found several location are attempting to install upgrades of Windows or MSOffice (word processing, spreadsheet, etc.). Please contact us before purchasing these items. In some cases the software is not compatible with Tracker, in other cases the upgrade will make applications disappear! It is much easier to solve the problems before they happen. Give us a call!



A STAR IS BORN Interview (continued)

(Continued from page 21)

office or on the lot, nothing else matters. My interview can last as long as 45 minutes before I even show a home. What's the hurry?

Laurie: Have you ever just shown a home without the interview?

Carrie: *ABSOLUTELY NOT!* If the customer absolutely refuses to sit in my office and go through the process (which has only happened two times in two years), I will take them out to a home and sit in the living room on the couch. I do not move from that couch until I go through the entire interview process. By this time, I have built rapport with the customer and have no problem getting the information.

Laurie: When you first came to work, was it difficult to become comfortable with our selling system?

Carrie: *Not at all!* I consider our selling system a "play script". When a customer enters our office...its **SHOW TIME!** I know sales reps have heard the script a hundred times but, **THE CUSTOMER HASN'T SEEN THE PLAY. THIS IS YOUR CUE!**

Laurie: Where do you see yourself in 5 years?

Carrie: *My husband and I are mobile and able to move wherever and whenever our little hearts desire. In 5 years, I would like to be debt free and have my daughter graduated from college. I would also like to be working in the manufactured housing industry, be known as one of the best and be considered for a Regional Vice President position.*

Laurie: You've accomplished so much in such a short amount of time. What motivates you?

Carrie: *LIFE MOTIVATES ME!* When someone tells me "NO or YOU CAN'T DO THAT" or "CREDIT DENIED", I get really motivated. A challenge motivates me!

Laurie: I met one of your salespeople in Basic 101 and he mentioned that you are his mentor. Do you have a mentor?

Carrie: *I'm not sure mentor is the right word but there are numerous individuals in this company that I admire and respect, such as Ray McKinney, Dave Davis, Mary Morton and Dave Shetler. Ray McKinney taught me the organizational skills, Dave Davis taught me the business from A to Z, Mary Morton is a mentor to all career women, and Dave Shetler continues to reinforce the issue that I CAN do this job and do it well. My only real "mentor" is my mother.*

Carrie Shipp is now the General Manager at our new Oak Creek Village store in Azle, TX.

Thanks for the interview, Carrie! I'm sorry about LuLu. -L.

Genius is nothing but a great aptitude for patience.
George-Louis de Buffon (1707 - 1788)

TEAM VISION CHALLENGE

fall contest winners

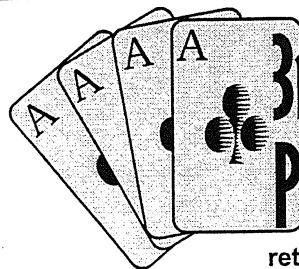


NW-New Iberia, LA
NW-Lake Charles, LA
OCV-Azle, TX
OCV-Lancaster, TX
NW-Cedar Park, TX
NW-Mesquite, TX
NW-Lumberton, TX



All the team members at these locations will receive American Homestar jackets, 50 bonus PC points and each team will receive \$1,000 for a team celebration.

Congratulations!



3rd Quarter Poker Play-Off

retail sales contest to
win a trip to Las Vegas or Lake Tahoe

Rules of Play:

- ♦ Game (contest) runs Dec. 1st thru Feb. 28th
- ♦ Players get 2 playing cards per eligible home sold.
- ♦ Eligible homes include: aged inventory (9mos or older), non-company/stock product, and Nationwide buybacks/repos.
- ♦ GM turns in card/point vouchers every 2 weeks.
- ♦ Cards are logged at H.O. and forwarded to player.
- ♦ Hands are published every 2 weeks from log.
- ♦ Players with best hands from the following regions win a 4 day, 3 night trip to Las Vegas or Lake Tahoe - winners choice.
- ♦ Players must hold 4 cards to win.
- ♦ Region groups:

Regions 1&2	Region 3	Region 4
Region 5	Region 6	Region 8
Region 9	Region 21	

If you do not have a card/point voucher or have questions about the contest, please call **Laurie Lowery** at 281-334-9761. Vouchers are to be faxed to 281-334-9737.

HOMES FOR THE HOLIDAYS

HOMES QUALIFYING AS AGED INVENTORY

\$500 & \$1000 Down

Check with your General Manager for a list of homes qualifying for the special financing available as part of our Homes For the Holidays (HFTH) promotion. Be sure to feature these homes now!

EASY STEPS FOR FINDING YOUR AGED HOMES A HOME FOR THE HOLIDAY

WALK EVERY HOME ON THE LIST AS A TEAM!

1. Walk each home with your GM and the rest of your staff.
2. Get the special pricing from your GM
3. Feature - Benefit each home
4. Make sure each home: has a HFTH sale sign, is clean and ready to show, and be sure needed repairs are completed.
5. Check the decor as a group, work up suggestions for furniture/decor - perhaps a seasonal theme.

OTHER SUGGESTIONS FOR YOU HFTH PROMOTION

- Mark the Model Value Guide for each featured home with a seasonal sticker,
- Prepare a HFTH Special Price List with "Was" and "Now" pricing (in red!)
- Review the price list with your sales team,
- Each HFTH home should be assigned to a salesperson that will assure that the home is clean and presentable, the salesperson is an Expert on that particular home, and that the home is walked daily.
- Discuss the "Payment Range" with your management for all HFTH homes,
- Request a Tracker Customer Listing Report with the criteria relative to your home selected,
- Review the aged inventory report for other locations in your area for homes that meet the needs of your customers,
- Participate in a Rally Night and "Cross Call" all Prospects!
- Remember, this sale Ends 1/31/98, Good Selling!

ARE YOUR CREDIT APPLICATIONS KILLING YOUR DEALS?

Discussions with 21st Century Home Mortgage Corporation as well as other lenders has brought an interesting concern to light: marginal deals can miss approval because the credit application was incomplete or incorrect. No individual can be given the responsibility for proofing every entry on every application, but the application begins with the salesperson and that is the easiest time and place to be sure that the application is correct.

Some of the areas that are known problem areas are listed below:

1. Incorrect, insufficient Applicant/Co-Applicant residential data; remember, you need at least three (3) years of residential information, if there is not enough room on the application, attach an additional sheet of paper with the information and note that this information is on an additional page. If the applicant has lived at four (4) different addresses in the last three years, include a narrative explaining why.
2. Incorrect, insufficient Employment information. Be sure that you fill in all of the boxes on the application with consistent data. Express the income amount for both applicants in the same time unit (both monthly or both weekly). If you have weekly for one and monthly for the other, multiply the weekly amount by 4.33 and use that for their income amount. Be sure to show three to five years of employment data. Finally, if one or both of the applicants were full-time students in the 3 to 5 years, be sure to note that on the application.
3. Other Income: This can make or break a deal. Child support, retirement, disability, alimony should be listed. . . be sure to show the time frame on a basis consistent with that in the employment section.

These are just a few of the items that sometimes get overlooked or misstated that can make that marginal deal a dead deal rather than a happy customer. Good Luck and Good Selling!