

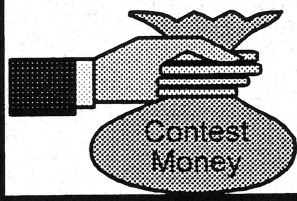
The President's Club Monthly

THE MONTHLY NEWSLETTER FOR
THE RETAIL DIVISION OF THE AMERICAN HOMESTAR CORPORATION

21st Century Mtg. Corporation Begins Accepting Applications from Two Locations, More to Come on Line Soon!

Denton's Susan Lewis Takes Lead in 2nd Qtr Contest

The Amazing **Susan Lewis** of Denton continues to knock the competition out. In September, her four big new home deals and excellent insurance penetration earned her an impressive 45.9 President's Club Points. This production gave her the top spot in the 2nd Quarter Sales Contest, with two months remaining. Just behind her is Longview's **Dave Crocker**, whose seven big deals placed him right behind Susan with 45.1 Points. In third is Mesquite's **James Pearson** with 41.3 points and in fourth is **Lanita Blalock**, also of that extraordinary Denton team. Rounding out the top five is **Dale Jones** of Lancaster. It looks like it is going to be a great ride, so hang on everybody!



A Message from the 21st Century Management Team

Hello, American Homestar dealers, from the 21st Century Mtg. Corporation. On Monday, October 23rd, three loan applications were approved for Instant Living Gulf Freeway, Houston (#17) and one for Instant Living, Spring (#64). This is clearly a sign of good things ahead.

"SERVICE" is job one at 21st...everyone here knows how to operate as part of a vertically integrated company

and understands that all parts of the company have to make a profit. Nothing happens until a prospect is converted to a customer and the people at 21st century realize they have to work with the retail organization to find a way to approve profitable business.

If you have not heard, 21st Century Mtg. Corporation is a 50% owned mortgage subsidiary of American Homestar. Other owners are Clayton Homes (25%) and the management team (25%). The formation of 21st was announced on September 19th. The Management group

consists of the following people: **Tim Williams** - President, formerly head and President of Vanderbilt Mortgage for over 14 years.

Rich Ray - Chief Financial Officer, formerly CFO of Clayton for 13 years.

Rick Conner - Chief Information Officer, former CIO of Clayton for over 20 years.

Other Key Start-Up Staff:

Mary Lou Baxter - Credit Manager. She has 7 years of manufactured home experience with Ford Consumer, Security Pacific,

Continued on Next Page

Company Continues Aggressive Expansion with New Braunfels Location

There's no holding back **Chet Kearney**! The man continues his penetration of the Central Texas/ San Antonio markets with a new location five miles North of beautiful New Braunfels. Situated on seven acres and 900 feet of I-35 highway frontage, the sales center will be unique in that it is positioned on a considerable elevation. "There will be three distinct levels of homes," said Kearney, "and they will be terraced so that there will be at least a partial

view of each row from the freeway." At first, the location will carry 11 multi and 12 single sectional houses, but will increase its inventory in the Spring selling season.

Nationwide in New Braunfels will probably open between December 1st and January 1st, with cooperation from mother nature. It will be headed by new General Manager, **Dianna Stoeltje**, formerly with Magna-home. She and Kearney are currently hiring the five salespeople they expect to employ in

the winter. Good luck, New Braunfels, team!

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OCTOBER, 1995

President's Club Monthly

COMPANY BIRTHDAYS

Gary Hillis
November 1st
Cindy Patterson
November 1st
Don Click
November 2nd
Torey King
November 2nd
Clara Wilson
November 4th
Sean Slade
November 5th
Brian Shear
November 6th
Laura Wilson
November 8th
Aurora Hernandez
November 11th
William Greer
November 11th
Richard DelaGarza
November 12th
William Freeze
November 12th
Stephanie Hicks
November 13th
Adolfo Reyna
November 16th
Suzelle Hollis
November 16th
Jim Tierney
November 17th
Rogena Ewing
November 18th
Rick Carey
November 19th
Randy Taylor
November 19th
Jennifer Henry
November 21st
Elaine Snouffer
November 23rd
Roy Youngblood
November 24th
Ray Cox
November 25th
Gilbert Chavez
November 30th
Cherry Sheppard
November 30th

A Message from 21st *Continued*

and Vanderbilt Mortgage. Nationwide dealers should feel right at home with Mary Lou as she has worked with dealers in the Southwestern market for most of her lending life!

Marty Weigel - Credit Investigator. 10 years with Vanderbilt Mortgage.

Denise McDearmon - Administrative Assistant. Previously with Vanderbilt and with Iowa State Savings Bank in Clinton, Iowa.

Chuck Turner - Computer operator who left the Cumberland County, TN hospital after 5 years. He knows about those big bit boxes!

Joining 21st in November will be:

Melissa Battista - Credit Manager. A five year veteran

from Vanderbilt and BankAmerica.

Sandy Akins - Credit Investigator. More than three years with Vanderbilt.

Bobby Weaver - Payables Accountant who was previously with UPS. He worked as an electrician for the Clayton Halls plant while getting his accounting degree at night. Bobby operates a profitable electronic network bulletin board in his spare time. (He should have less spare time in the future.)

The 21st team wants to start off with minimal glitches... so sales centers will be turned on as systems and procedures are debugged. **Buck Teeter** and **Chuck Carney, Jr.** are con-

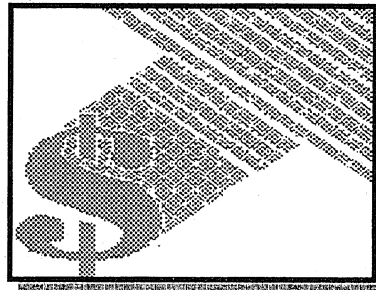
sulted as each new location is activated.

Since we (Nationwide, Oak Creek, as well as 21st) own the loans, we want to be sure that we minimize our risk on each one in

any way possible. Otherwise, no one comes out ahead.

The 21st Century finance programs will be like the other

major lenders' plans and rates (Buck and Lad made that part of the deal!). Tim and Rich will meet with every company President, General Manager, and Business Manager to review plans and procedures. They want to know how to expedite credit review and what you would like to see happen with your own mortgage company.



AMERICAN HOMESTAR

OF LANCASTER, INC.

News from Brian Shaw

Brian Shaw, former Professional Wrestler and well known humanitarian, is Sales Coordinator of American Homestar in Lancaster

Lancaster Quality Directive

With an eye toward continuous improvement, American Homestar of Lancaster has once again taken

an extra step to achieve this goal. Random units are being selected from the production line by the Quality Assurance Manager and are then thoroughly reviewed by the entire Quality Assurance Inspection team. Special emphasis is being placed on the retesting of all electrical and plumbing systems. This program is just another part of our continuing effort to ensure that the product leaving the Lancaster plant is, in fact, of the highest quality possible.

Vinyl Siding: You asked for it, You got it!

Lancaster has prototyped and finished the first vinyl sided house and is now ready to roll!

Lou Pommier, General Manager of Nationwide of New Iberia sells a majority of his houses with the vinyl siding. Lou had lots of good things to say about our new vinyl product: "We received the vinyl sided home yesterday. I have walked through it and I am very impressed. It is the best application of vinyl I have seen in a long time. The salespeople are also excited about this new home. Please keep up the good work and the fast service." Get your order in for a vinyl sided house immediately!

President's Club Monthly

Laurie Lowery

Insurance Today

SEPTEMBER NUMBERS

Rumor had it that September was a less than spectacular month for our retail division. In this case, rumor was reality. And, insurance sales followed suit, naturally, declining some 30% in premium volume from previous months. Many forecasted that the new "10% cap" would contribute to a decline in insurance volume. Had that been the case penetration numbers would have jumped through the roof. Though at this time those numbers are not complete, it appears that our month had more to do with fewer deals and lower penetration.

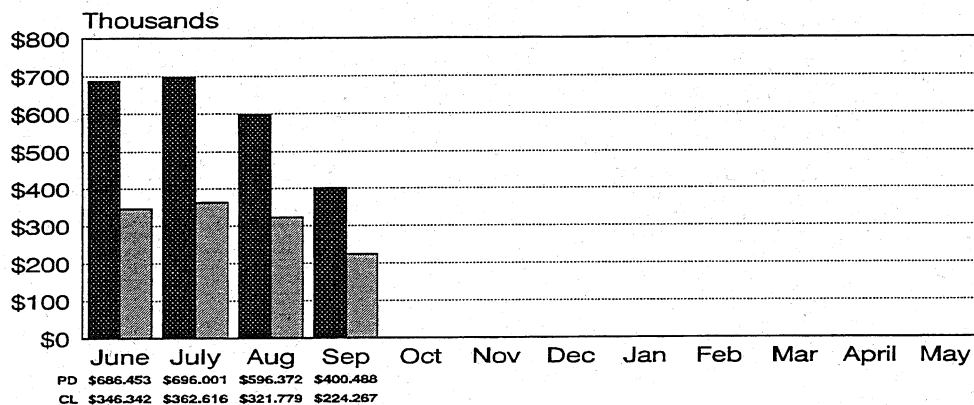
In this war between caps and profits, the key lies in remembering that credit life is by far the biggest profit center for both the company and the Business Manager. The ideal situation will always be to finance 60-120 months of credit life (first) and at least one year PD or as many years as the cap will allow. Also keep in mind, we should not market credit life for less than 25% of the loan term because the product is designed to buy the customer enough time to build equity in the home. A longer term is better for both the customer and the company.



QUALITY TIME & PLACE FOR TRAINING

Because of cost considerations and the sheer breadth of our retail expansion, gone are the days of on-site insurance training. Business Managers that require training will be sent to our new offices in Houston where they will spend the day not only in insurance training but also meeting and spending time with key personnel in the Nationwide home office staff. This arrangement will make better use of the company's money and the time of the trainer/trainee. Also, our new digs will offer a variety of space for training individuals or small groups and an opportunity for the Business Manager to get away from their office and focus on the business at hand.

note: New BMs should be scheduled for training within 6 weeks of their hire date.



FOR YOUR INFORMATION...

Land/Home: It seems that some of our stores are doing more land home business than usual. Our problem, historically, has been that land home finance programs require that the principal balance of the loan be covered by the PD, rather than the purchase price of the home. We cannot cover a home for more than its purchase price. In terms of credit life, some land home programs allow the opportunity for credit life, some do not. Check with the finance company in regards to their own insurance limitations.

Variable Rate Credit Life Calculations:

Our product is a straight line decreasing credit life program. If you quote the credit life based on the initial finance rate, the customer may find that the policy will not pay off the loan balance. I recommend that either an average or maximum rate be used. In the first case you should explain

that a slight difference may occur between the benefit and the payoff. In the later case, the worst scenario would be that the second beneficiary would be due the overage. Please make sure the certificate reflects whatever finance rate has been used.

Insurance applications: Just as the loan document is a contract of sale so too is the insurance application. No deal would be funded if the loan docs looked like our insurance applications. They are incomplete and erroneous. We often do not get our originals. It appears that some customers are told to sign blank insurance applications. This has got to stop.

COMING ATTRACTIONS.....

New Texas physical damage rating discs from American Modern are due in November. American Banker's new PD product which excludes windstorm is due by December 1st.

RACE FOR GOLD

Bus Mgr PC Club delayed

Sorry for the inconvenience but calculating penetration based on the new cap has proven a bigger challenge than anticipated. There will be a slight delay in the distribution of the PC Club Report as a result.

Stay tuned!

WHO'S HOT

Susan Lewis **Nationwide in Denton**

She brings home the bacon and fries it up in a pan! Denton's Super-Working Mom continues to shine in Fiscal Year 1996. In September, she took down four big new home deals and sold plenty of insurance in the process. Keep rolling, Susan!

Dave Crocker **Advantage in Longview**

The King of the Wild Frontier sold an incredible seven homes in September, earning 45.1 President's Club Points in the process. Folks, watch out for this man in the big contest!

Lanita Blalock **Nationwide in Denton**

Those Denton stars keep propelling the company to new heights. Lanita, a new name to this column, is bound for greatness. In September, her five deals (4 of them new!) earned her an impressive 38.4 President's Club Points and a fourth place standing in the big contest.

Dale Jones **Nationwide in Lancaster**

caster

It looks like that incredible Lancaster team, now lead by Asst. G.M. **John Raine**, has another star on their hands. Dale Jones knocked the socks off of the competition, taking down four big deals in September for over 25k in payable gross. Folks, this guy is a HOME RUN hitter!

Randy Taylor **Nationwide in Tyler**

Some things you can just count on... the sun rising in the East, a dog's nose being cold and wet, and Randy "Tyler" Taylor

selling lots of manufactured housing. In September, he sold five big new homes for over 25k in payable gross. Way to go, Randy!

Jack Williams **Advantage in Jacksonville**

Now that Jack's married, don't expect him to sit back and take it easy. Its just not going to happen! In September, he showed everyone just what he's made of, taking down four new home deals with healthy payables. Roll, Jack, Roll.

Bill Hopkins

Instant Living - Gulf

Bill, who has gotten off to a slow start this year, seems to have "Big Mo" back on his side. In September, he rocked the South Houston market to the tune of five deals. We're looking for you on the big trip again, Billy... keep it up!

James Batten **Nationwide of Seguin**

The Seguin location has gotten off to one of the fastest starts in company history. A big reason is the performance of James Batten. In September, his four new multi-sectional deals propelled the location to another strong month. Well done, James!

Geoffrey Owen **Nationwide in Seguin**

Another rising star on the Guadalupe, Geoffrey continues to make a big impression. His production in September shook out this way: 5 deals, 17k in p.g. and 26.4 President's Club Points. Heck of a month!

Paul Taylor **Nationwide in Lufkin**

This man is a selling machine who needs no fuel, oil or water.... just keep giving him plenty of customers! In September, he sold five deals and earned an impressive 25.5 President's Club Points.

Nedra Ware **Nationwide in Bossier City**

Word on the street is that this lady is destined for SUPER STARDOM! In September, she gave us a glimpse of things to come, selling four big deals for over 22k in payable gross. Nice month, Nedra!

Daniel Griffin **Advantage in Jacksonville**

Jacksonville's new Young Gun has made an impression very quickly. In September, he showed everyone what he could do, taking down four deals for over 22k in payable gross. Daniel was a big reason for Jacksonville's incredible month!

Bill Yokum **Nationwide in Midland**

10 deals for the incredible Mr. Yokum! You read right... big bad Bill took down three new and seven used in September and earned a healthy 23.4 President's Club Points in the process. Nice month!

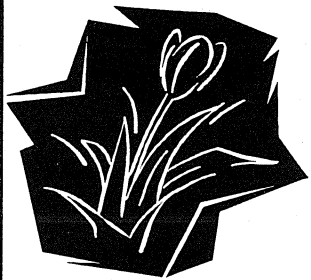
M'Lissa Manning **Nationwide in Tyler**

You KNOW you are always going to find M'Lissa's name in this column. The woman gives new meaning to the term SUPERSTAR! In September, she rocked the Tyler market to the tune of five deals and 22.4 President's Club Points. See you at the top, M'Lissa!



Redman's Charlotte Lee, Longtime Company Friend, Passes Away

On October 9th, Redman of Athens Sales Representative Charlotte Lee passed away after a long illness. A memorial service was held on October 12th and was attended by many family members and friends. Those close to her wish to express their appreciation for all of the cards, letters and flowers sent in condolence. Charlotte is survived by two daughters, Jill and Asher, and will always be remembered as not only a first rate factory rep, but also a close friend. She will be sorely missed.



Lancaster News *Continued*

Congratulations to the Top Ten Sales Centers!

We want to thank all of our sales centers for a job well done selling the Lancaster product line. We want to recognize the top ten sellers....

- 1) Nationwide in Burleson

- 2) Nationwide in Tyler
- 3) Nationwide in Seguin
- 4) Nationwide in OKC
- 5) Nationwide in Spring
- 6) AHFO in Lancaster
- 7) Nationwide in Mesquite
- 8) Instant Living - Gulf
- 9) Instant Living - Granbury
- 10) Nationwide in Monroe

"Hot Wheels" Are Burning on the Galaxy Singlewides!!!

Does your singlewide line

need to be "spicened up?" We've got just the right spice to make your singlewides SPICY! We are pleased to be introducing the model 686 and redesigning the Galaxy 682 into a quality price leader featuring a great island kitchen. Look in the mail and on your fax machine for information on this great new house. If you have any questions or want to spec out these models, give **Brian Shaw** or **Brian Owens** a call.

BURLESON NOTES

by Glenn Meier

A Star is Born

Once again, we have taken away all the excuses. No longer should you hear, "Well this is a little out of our price range." Coming soon from the factory to you, an American Homestar of Burleson non-tape and texture home. This new product line will be introduced as the "Morning Star" and will feature vinyl walls instead of tape and texture. This exciting home will have a variety

of options not available by other manufacturers at a very competitive price.

This series of home will have many of the same quality standards typical of American Homestar, as well as many of the same features you have grown accustomed to. Although some of the main features may be optional, this series still allows many items to remain standard, such as 30 gal. hot water heater, 34x80 HTD w/ Storm, acoustically blown ceiling, 90

inch sidewalls, Sherwin Williams exterior paint and much, much more. This series is bound to be a big hit with all customers interested in manufactured housing. Please contact your District Sales Manager for more details or any questions you may have concerning the new MORNING STAR from American Homestar of Burleson. We look forward to taking your orders soon!!!

How to Spell or Pronounce Any Location Overseen by Chet Kearney

SEGUIN

Usually spelled SeQuin on all publications or documentation released by company. They're doing so well, its time we spelled their name correctly.

Rhymes with "The Teen"

BOERNE

Misspelled 100 ways
Pronounced "Bernie" like the former Brown's Quarterback, Kosar. Hopefully will perform better than said athlete.

NEW BRAUNFELS

Commonly misspelled as "New Braunfles"
Mispronounced by many as "New Braunville" or "New Brownsville"
Should be pronounced exactly as spelled.

We know that everyone feels pretty comfortable with Corpus Christi. Judging by his taste in cities with unusual names, we expect Kearney to expand next to either Waxahatchie or Mexia.

Under the Oaks

by Charlie Boyer

A former body double for David Hasselhoff of television's Baywatch, Charlie Boyer is Sales Manager of Oak Creek Homes and is known to be kind to women, small children and manufactured home salesmen.

Oak Creek Sales Embarks on Computer Literacy!!!

On Thursday, October 19th, Oak Creek Homes and AHS Arlington Computer Guru Steve Flory met to start the ground work of computerizing the Oak Creek Sales Staff and orders processing. What a better way to get ready for the 1996 selling season than to find ways to make all of our jobs easier. We are just starting this journey and what lies ahead can only mean good things for all of us. Wish us luck!! We will accept any recommendations you may have to streamline the system.

Jack Maxey - Keep Your Customers Away from the Plant!!!

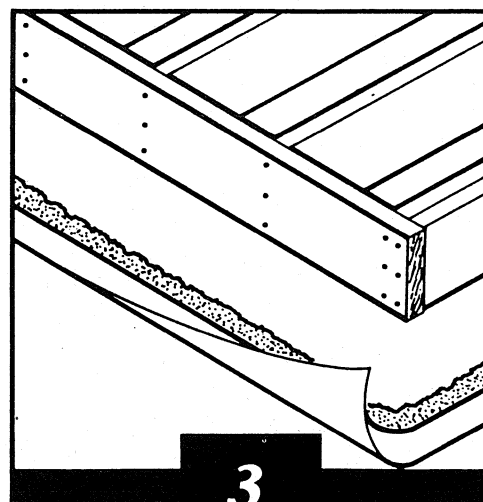
Another Southern Star Success Story! **Jack Maxey**, of Nationwide in Burleson, just can't keep the #1780 18x80 Southern Star homes on his location. After anticipating the arrival of his new "Stock Unit" (Keep in mind his last three "stock units" sold in less than 72 hours), Jack sent a prospective customer to our plant for a tour and a quick look at the 1780! Guess What!!! They wanted the stock unit delivered to their

Venture Into Vintex

Applicable to American Homestar of Burleson Tape and Texture Houses

To help reduce service costs with tape and texture close-up, we have standardized on a panel type marriage wall and ridge beam close off. This system uses white painted Vintex board for midline walls and 1/2" x 6" wood beam for ceiling close off.

Once properly installed, this system looks as good as tape and texture close-up but will eliminate complaints of cracks at the mid-line.



29 Reasons You Live Better in an Oak Creek Home

Superior design and high quality materials make our floors flat and durable. Oak Creek uses double floor joists at each end of the home. Joists are sixteen inches on center rather than the common 19 or 24 inch spacing. The 2x6 joists (on 14 foot wide homes) and 2x8 joists (on 16 foot wide homes) are top grade #2 or better lumber, nearly 50% stronger than commonly used #3 lumber. Under the premium tongue and groove decking (or optional 3/4" T&G plywood) is a heavy duty fiberglass reinforced bottom board, a barrier to insects, rodents and air infiltration. A fiberglass insulation blanket under the entire floor helps eliminate energy leaks. Kitchen and bath floors and deck penetrations are water-proofed. Wire mesh protects the axle area.

property ASAP!!! Jack, how will you ever inventory the hottest house in Texas if you don't stock it!!! Maybe we should inventory one at our plant and one on your lot? Any way you want to do it, big boy, just keep those Southern Stars rolling! Sell what you want and we will build more!!!

The Whispering Oaks Says:

* People will forget what you say!

* People will forget what you did!

* People will never forget "How You Made Them Feel"

Oak Creek Introduces "Ultra-Flor"

Within our never ending search for continuous product improvement we have found a flooring product to improve the looks and durability of the Vinyl flooring in our homes! Ultra-

Flor by Congoleum is a new product with a super thick wear layer of vinyl to reduce cuts and scrapes and a high gloss finish for superior customer appeal and acceptance. This new product has a substantially higher cost, but we will eat the increase in an effort to produce a better product for you and your customers - That's just the kind of guys we are!!! Look for your new samples in the mail really soon!

29 Reasons You Live better in an Oak Creek Home - Reason #3!!!

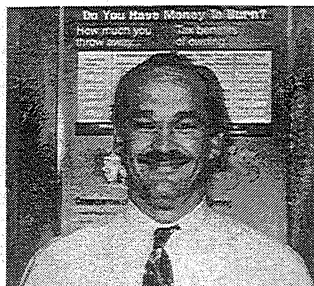
Each month, we will feature one of our copyrighted "29 Reasons" to assist in your education of "Why You Live Better in an Oak Creek Home." This information is also listed in detail in our famous "29 Reasons" brochure. Each sales center has this brochure to use as a sales training tool and point of purchase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

President's Club Monthly

Folks, this is How it is Done!

ASK TIM

Tim White is the #1 Salesperson in the company and has agreed to share his wealth of knowledge with his fellow sales professionals.



Instant
Granbury's
Tim
White

Any help on how to handle these get away stories would be great.

- Gary Vaughn, Nationwide in
Oklahoma City

Dear Tim,

Schwep's Selling System is definitely the way to go. My question is, if you've done everything by the book and you think they are about to close and they throw you one of the following objections, how do you handle them?

Objection #1: "We need to think it over."

Objection #2: "This is the first place we've stopped."

Dear Gary -

This is a very good question and I'm sure these two objections stop many sales. A secret to handling any objection is to have a game plan of how you're going to handle it when it comes up. Then, practice your answer until it is smooth and professional.

This is how I personally handle the objection, "We need to think it over." I

always use the summary question close: "What is it about the offer that you want to think over... is it the size of the home? Is it the colors or maybe is it the floor plan?" I ask them to please level with me. If they say they just need time to talk it over, I tell them I will leave the room and give them all the time they need to make a decision. I then say it is best for them to decide while they are on our location because they can go back out into the house and see and touch it again. I also tell them that if they go home to decide their normal, everyday challenges will get in their way. I tell them that most people forget 80% of the things about their house and make a decision based on 20% of the information they remember. I tell them that I know they would rather make a decision based on ALL of the information instead of just the 20%.

I handle the objection "this is the first place we have stopped" like this: First I say, "Great! Look at what you've done. As a first step, you have chosen to do business with a company that has been the industry leader in value since 1971... that's almost 25 years. This company can also offer you volume buying power on purchasing quality homes and the best financing options available." If this doesn't work, you probably don't have them in the right home.

Secret #4 - Getting the Phone Number

*"Gaining Control Up Front" by
Lanette Carpenter*

It has been my experience that the control of the sale starts with initial customer contact. Whether this initial contact takes place in the lobby of your sales center or on the phone, it is critical to have a game plan that puts you in control.

The best way to gain control of a telemarketing call is to get their phone number immediately and

set-up a call back. Why do this first? One of the best reasons is that this is when you have the most leverage. You have the information they want and they are willing to give you their number. Another good reason for calling them back is that they have invited you into their home (on the phone), thus, they are no longer "anonymous." Psychologically, this is a big advantage to you.

There are many good reasons why this is a good idea; now let's discuss how to do it most effectively. Your game plan should be to follow these steps....

Getting the Phone Number....

Step #1 - Always answer the phone enthusiastically.

Step #2 - Identify the ad they are calling on and the newspaper in which it appears.

Step #3 - No matter which ad they call on, your response is - "Great! That's a terrific home. My name is Lanette Carpenter. What is your name?"

"My name is Bob Smith"
"Bob, I would love to tell you all about this home but right now I am finishing up with another client, so I'll need to call you back. What is your phone number?"

Repeat the number back and end the conversation with - "It won't be more than ten

minutes. I look forward to speaking with you then."

Gaining control has a lot to do with the verbiage you choose. Don't ask them if they mind if you call them back. Always do an assumption close on getting the phone number.

To summarize, control is always up for grabs initially. Whoever takes control up-front has the edge. It's done through the use of a game plan and requires discipline to do the same way each time. The question you must ask yourself is "Do I have the discipline to stick to the game plan?"

AMERICAN HOMESTAR MANUFACTURING GROUP

RECOGNIZES TOP TEN
SALES CENTERS

**first
quarter**

AMERICAN
HOMESTAR

BURLESON

Nationwide Albuquerque
Nationwide Mesquite
Factory Outlet Burleson
Nationwide Sequin
Nationwide Tulsa
Nationwide Denton
Nationwide Boerne
Nationwide Burleson
Nationwide DeSoto
Nationwide Lumberton

AMERICAN
HOMESTAR

LANCASTER

Nationwide Burleson
Nationwide Tyler
Nationwide Sequin
Nationwide Oklahoma City
Nationwide Spring
Factory Outlet Lancaster
Nationwide Mesquite
Instant Gulf Freeway
Instant Granbury
Nationwide Monroe

OAK CREEK

Nationwide Albuquerque
Nationwide Midland
Nationwide Denton
Nationwide Sequin
Nationwide Huntsville
Nationwide Mesquite
Nationwide Spring
Nationwide Tulsa
Instant Granbury
Nationwide Odessa

COMBINED

Nationwide Albuquerque
Nationwide Sequin
Nationwide Mesquite
Nationwide Burleson
Nationwide Denton
Nationwide Spring
Nationwide Tyler
Nationwide Tulsa
Nationwide Oklahoma City
Nationwide Boerne