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Commercial Corp Finance,
D/B/A of Gary Meyers Realty, Inc., founded 1977.
Provides Real Estate Consulting and Lending Service.

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THE MEYERS REPORT

by Gary S. Meyers and Robert Genetski, Ph. D.

NLRB Filing Deadline

As we noted in the February 4 and March 4, 2013, editions of this newsletter, the Court of Appeals for the District of Columbia on January 25, 2013, ruled that the recess appointments by President Obama were invalid.

As a consequence, of the decision in Noel Canning, the NLRB may not have jurisdiction to hear any cases. Further, "hundreds of cases are subject to being voided if the decision is not overturned by the SCOTUS (Supreme Court of the United States). The NLRB, via the Justice Dept., must file a petition with the Supreme Court of the United States by April 25," said Chicago-based labor law attorney Jim Hendricks, who practices throughout the US. "It is unlikely that the case would be heard before October. Employers are filing affirmative defenses to all new cases citing the Noel Canning case, stating the NLRB has no jurisdiction to hear the case since without the recess appointees they lack a quorum. Much rides on the appeal of the case."

THE MEYERS REPORT Economic Notes

Change in China

We got an email from a reader who currently is in China on business. He shared these observations with us.

"Today I met with suppliers. Business is good for them, but they work very hard, long 70-hour weeks. Democracy is gaining. Today in a crowded place, a supplier told me that the government is not good, which was something of a no-no here 10 years ago. Now voicing your opinion is allowed. The Chinese are speaking candidly. They do and are not afraid to say what they feel...communism is dead!"

Housing Running Into Softness

April was the third straight month of declining attitudes for the nation's homebuilders, according to the NAHB/Wells Fargo Market Housing Index. April's 42 was a six-month low for the index. Rising costs and the availability of buildable lots appear to be the cause. An index number below 50 indicate pessimism. April's decline came counter to most forecasts, although for months THE MEYERS REPORT has been warning of over exuberance in the housing market.

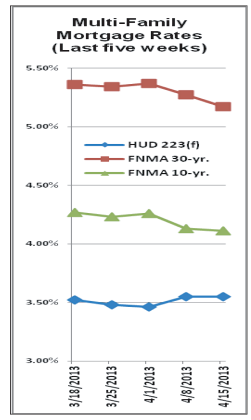
On Monday's trading, major publicly traded home builders saw declines in their stock prices. Pulte and Lennar both fell 7%, and D.R. Horton was down 6%. Pulte lost 7% on the stock market Monday as the major averages tumbled on weak Chinese and U.S. economic data, and crashing gold prices. D.R. Horton fell 6% and Lennar 7%, even though they had good land positions.

Smaller, local builders are having a much rougher time, especially for getting financing.

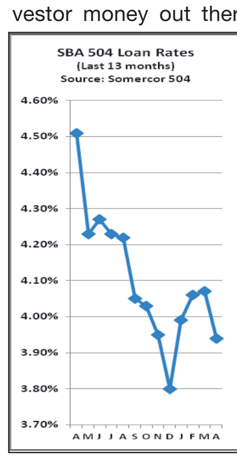
HUMOR

A man wrote a letter to the IRS: "I have been unable to sleep knowing that I have cheated on my income tax. I understated my taxable income and have enclosed a check for $200.00. If I still can't sleep, I will send the rest."

Commercial Lending



Multi-family lending rates are mixed. Heavy activity in the HUD programs have caused a slight increase over the past few week, with 223(f) up by 0.03%-age points and 221(d)4) rates up by 0.13%-age points. However, because there is still significant amounts of investor money out there waiting to be put to work, agency rates have fallen slightly over the same four weeks. SBA 504 (real estate based) loans have fallen from last week to 3.94% and have appeared to have broken the string of three consecutive monthly rises. For details on these and other programs, call Gary Meyers at (224) 715-5555.



The Fed's attempt to boost the economy by holding down interest rates has not been successful, in part because of the ongoing stress in the banking system. The stress is from a combination of Dodd-Frank regulations, depressed asset values and a highly erratic Fed policy regarding bank reserves.

For the year ending in February, bank reserves (less excess reserves) increased by only 3%. Year-over-year numbers are highly volatile (January was 11% and Genetski estimated 8% for March).

Even so, if the banking system were healthy, an 8% increase in bank reserves would be sufficient to boost spending by a similar amount. Unfortunately, the banking system continues to struggle. Bank loans and investments rose only 4% in March from a year ago. With the banking system under stress, we cannot expect even an 8% increase in bank reserves to lead to a faster pace of spending.

Rather than his previous forecast for an increase in spending to a 5% rate, Genetski now expects current dollar spending more likely to remain at a sluggish 4%-4½% range for at least the next 6-9 months.

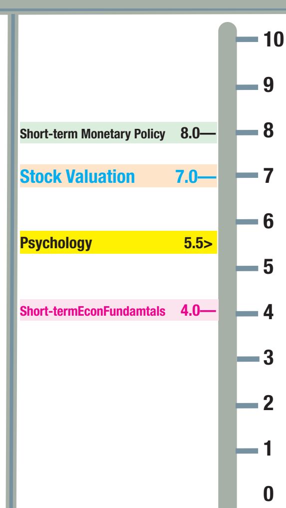
Commercial Real Estate Loan Trends

Type	Term Yrs.	Current Rate	Four Wks ago	Am. Yrs.	LTV
HUD 223(f)*	35	3.55%	3.52%	35	83%
HUD 221(d)4*	40	4.05%	3.92%	40	83%
FNMA M-F	30	5.27%	5.36%	30	80%
FNMA M-F	10	4.13%	4.27%	30	80%
FNMA M-F	7	3.70%	3.92%	30	80%
		Mar.	Jan.	3 mo.	
SBA 504	20	3.94%	3.99%	0.27%	90%
Bridge loan	3	4.5-7.5%	I.O.		70%
Hard money	3	10-12.5%	I.O.		65%

* Includes MIP

Robert Genetski's Weekly Financial Update & Stock Impact Gauge

	Fundamental	Actual	Immediate Outlook
Fixed-income: 10-yr Treas.	5.0	1.79	relatively stable
Equities: S&P 500	2000	1593	heading higher
Equities: Dow Jones	16,000	14,865	heading higher



Ratings for	10 is best
forces	— means no change
impacting	> change for better
stocks	< the other direction

Friday's retail sales report continues the recent trend toward weak numbers following stronger ones. The trend appears to contain more noise than substance.

Market Outlook Stock prices moved sharply higher this past week as most of the key indexes gained about 2%. The gains came on stronger trading volume.

Technical indicators remain positive. All markets maintain the gold cross with their 10-day averages above their 50 day averages. Moreover, the overall market found support at its 50-day average and has since moved to a new all-time time.

While the overall market appears to be technically strong, the key indexes (S&P 500, NASDAQ and Dow) have all moved to the highest point in an upward sloping channel. If they break out of this channel on the upside, it would be extremely positive. However, the odds are these markets will run into some temporary resistance near current levels. Hence, I'm maintaining my recommendation for equities positions to be at 75% of fully-invested in stocks.

Long-term interest rates moved erratically lower, then then higher before falling back close to where they were a week ago. While the near-term momentum is down, my outlook for longer-term rates remains at neutral. With rates close to historic lows, the risks of an increase are far greater than a decline. Hence, even with the recent downward momentum the odds are against a further decline in longer-term interest rates.