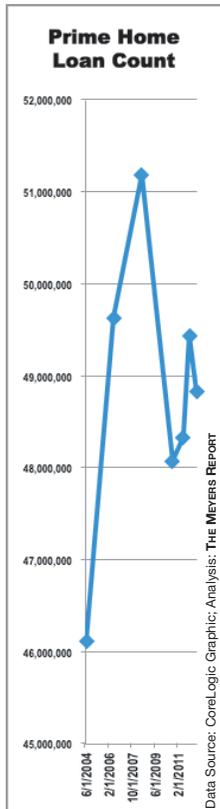


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 Provides Real Estate Consulting and Lending Service.  
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## THE MEYERS REPORT Economic Notes



**New Type of Broken Condo** In the past, a broken condo or homeowners association was one where the developer built more units than he could sell. But now broken associations are coming in a new form—from established, proven ones. When elderly people die, or are forced to move into senior care facilities, they are abandoning their units in greater numbers. The reason, in many cases, is these homes are underwater, so no one really wants them. Many banks are not foreclosing, because they do not want the liability for the association dues, which they would have if they take ownership. As a result, the units sit vacant, often going into a state of disrepair. Worse yet, financially stable homeowners associations are getting into trouble

because they are no longer getting fees from the abandoned units, which is creating a cash crisis for them. It can become a downward spiral in the housing market. We follow the trend and endeavor to get statistics on this growing problem.

**Home Ownership Still In Trouble** In June 2008, the number of Prime home loans (generally primary residences and good credit borrowers) peaked at 51.2 million. By June 2012, the number had fallen to 48.8 million, a decline of 4.6%. Combined with the problems of homes abandoned by the elderly, mortgage counts are probably overstated and not showing the true depth of the housing crisis—which is not over.

**HUMOR** "What am I supposed to do with this?" grumbled the motorist as the police clerk handed him a receipt for his traffic violation.



"Keep it," the clerk advises. "When you get four of them, you get a bicycle."

### Case in point ...

"In addition to providing financing, CCF solves problems. The only thing that slows them down is a client who withholds or imparts inaccurate information. When my clients were in trouble, they brought more resources to the table than I knew existed with any one organization—and they did it quickly. My clients were astounded by the CCF team's tenacity, dedication, and achievements."

I. J., referring real estate attorney for group of clients

**Bottom Line:**  
 Call CCF 224-715-5555.  
 Chicago, IL

# THE MEYERS REPORT

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

## Up Close and In Person

We have a friend of many years who is an American working in a very dangerous part of the world to help underdeveloped countries know joy and freedom of living in a democratic society. The following information was received on Saturday that sheds more light on the events of last week. To protect the individual's safety, we will neither reveal the post location nor name of our contact. We will share more as possible.

"This past week there were two suicide bombers who successfully blew up the U.S. AID (our Embassy foreign aid arm) vehicles. 17 deaths in total. Both suicide bombers were 25-ish year old women dressed in full birkas. So nobody knew they were fully loaded with explosives. The Embassy had a forced shut down, and we are not allowed to enter. (Our friend is a member of an evaluation team charged with determining the results from our donor aid placement.)

"Not one Embassy, or American has slept well since the release of the You Tube Video, and the cold murder of our U.S. Ambassador Stevens in Lybia. A good man, we all knew well, who truly believed that democracy had a chance to grow, and all human beings had the right to live with making choices and not be ruled by dictators or extremist groups. We are a unique group, who take our values overseas, and believe we can try to make a difference, even though everyday, could be the last.

"The evaluation is a deadline and being done by distance. The results and findings are the following:

"The Taliban was removed four years ago and we put an Afghanistani government in place. The review of the donor aid is being executed to show that our work has been effective, transparent, and sustainable. Interesting point: Although we paid to set up a new Afghanistan government, with the first suicide bombing, no Afghani's were allowed on U.S. military or embassy premises. Shows how little we trust the government we put in place.

"Women will never have equality, although they are employed in government offices. The extremist Islamic groups will not treat women as equals, except when it comes to fully loading them to blow themselves up, under the name of Allah to kill Americans.

"Women will not receive the same training as men, because that would be an insult to men to treat them with the same level of respect and the same training.

"The government is still being held up, sustained by our U.S. military, the British military and our technical advisors. The government is just a facade. They are

true, and do exist, but they have no power or control over Al Quaida.

"From this week's bombings, the truth has come out that it is Al Quaida running the country. Americans are at risk everyday to be killed. The new government will not be a strong arm in the region with Al Quaida present. Al Quaida is based in Lebanon, where a ban has been placed against Americans going in temporarily.

"Donor aid is approved for another four year renewal to continue the work of building a democratic government in Afghanistan. The removal of our troops, has slowed down, because their presence is strongly needed there still. Even though our government is spending billions to build a government there, and our military is still there, it only takes, one suicide bomber to take the whole thing down.

"Evaluations will run quarterly regarding the technical training of workers in the ministries, along with gap analysis to define what more is needed on an ongoing basis for capacity building.

"Afghanistan is no place for Americans to be at this time. A government has been set up by us, but with Al Quaeda in charge in the region, and the culture of suicide bombers intact, the long term sustainability for a truly democratic government to exist and be in charge, is still highly questionable.

"They say it takes ten to fifteen years to see how a government will be when they are newly established. Coming up in the last quarter (of 2012) will be initial evaluations of Afghanistan, Tajikistan, Pakistan and South Sudan. Those are the 'Critical Priority Countries.' The 'Non Critical Priority Countries' are DRC, Burkino Faso, and Rwanda up for evaluations of how our aid money is being used to strenghten capacity.

"I have six years of short term consulting work in coaching and doing evaluations with gap analysis in both areas of countries. The stories of progress and war will be interesting as we follow the struggle of these countries to strive to stand on their own feet, and watch in each as corruption increases, and what percentage of the population will benefit from our efforts overseas.

"One thing to say in conclusion, for anyone who thinks life is hard in America, we still have the best country. Stateside, our priorities on a daily basis do not have to lie within the fears of sniper shots, suicide bombers, cholera, malaria, and our country potentially being taken over by rebel forces. May strength be with the families who lost loved ones this week."

## Robert Genetski's Weekly Financial Update & Stock Impact Gauge

	Fundamental	Actual	Immediate Outlook
Fixed-income: 10-yr Treas.	5.0	1.78	heading higher
Equities: S&P 500	2000	1460	heading higher
Equities: Dow Jones	16,000	13,597	heading higher

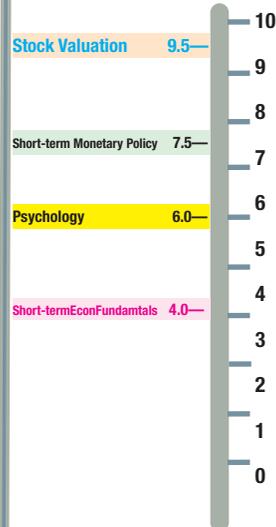
This past week was a relatively quiet one for financial markets. Other than for improvements in housing, the economic news remains disappointing.

**Market Outlook** The major stock indexes were essentially unchanged this past week. As for the market's technical position, it also remains unchanged. All of the major indexes remain above their 10-day averages. Trading volume has slowed.

The S&P 500 remains in a broad area of major resistance from 1450-1500. We are currently in the lower end of that range. I continue to recommend stock portfolios be fully-invested at their maximum position in equities.

Long-term interest rates are essentially unchanged from where they were a week ago. As is the case with stock prices, the cross of the 10-day average of rates above the 50-day average can signal a major change in direction. The data suggests such a change has occurred and long-term interest rates have begun to trend higher.

**A Look Ahead** This week reports are due on new orders for durable goods (due Thursday) and consumer income and spending (due Friday). However, employment numbers were weak, pointing to sluggish income growth. I expect the reports will continue to depict a struggling economy with relatively sluggish growth.



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