

## EAGA Business Builder

eaganm.com

December 03, 2024

**Jack Thompson—Legacy Mortgage** powered by Guild

Mr. Thompson is an Albuquerque Native. He attended Highland High School at the same time as a few other EAGA members (and yet the school survived). Jack next attended UNM where he received a BBA Degree from the Anderson School of Management, then an MBA Degree in 1982. After college, Jack went to work as a loan officer at Citibank. His entry into the mortgage banking industry came at a time when the prime interest rate was 19% and mortgage rates were 12%. Over the next 42 years, Mr. Thompson has seen that mortgage rate fluctuate quite a few times, from the drastic highs in the 80s to the covid induced 3% low just a couple of years ago. Jack's path has wandered a bit as well. After Citibank he went to NMAC (North American Mortgage Company), spending about 8 years in St. Louis before moving back to Albuquerque to manage their Texas, Louisiana, Arizona, New Mexico area for a couple of years. His next move was to Charter Bank in 2002 where he worked, still on the mortgage side of things, until 2006. The almost last change for Mr. Thompson was when he started Legacy Mortgage in 2006. He managed his own mortgage company for the next 17 years. In 2023, Jack's final move in his career came when he sold Legacy to Guild Mortgage. He will remain in his position with Guild for another 14 months before formal retirement and, presumably, a final exit from the mortgage industry. During his presentation this morning, Jack provided some insight about the history of the home mortgage industry and some predictions, or visions, about where things will go in the near future. Home sales in 2023 were the worst they've been since 1995. The activity for 2024 was up, but only a very little. The issue is that homes are not readily available right now. (The current housing supply is actually at 2004 levels.) In 2008/2009 there was a situation with 'low quality mortgages' and one fall-out from that is banks quit lending to builders. That, in turn, caused a substantial decrease in the number of new homes that builders were willing, or able, to put on the market. The industry needs about a million new homes per year for normal activity. In 2024 they were back to the million unit levels, but with almost 10 years of inactivity, the supply is still a nearly 3 million short - which is a very far way from being caught up. Another complication is the distortion of the 'rotation cycle'. The rotation begins when someone purchases a home then, over time, circumstances change (adding children require a larger home; or retirement provided an opportunity for down-sizing) and the homeowner replaces the current home with something else. That cycle is being hindered as a large number of homes are being turned into rentals and therefore removed from the housing market. In Atlanta alone a few conglomerates have converted about 65 thousand houses to rentals. Even Millennials are getting in on that trend and are buying homes with the sole intent of making them rental facilities. The Air B&B industry is doing the same thing. Still more complications come from those record low interest rates during covid. Many homebuyers and many re-financers took advantage of the rates, but are now 'trapped'. Current rates are too high for those folks to consider giving up their current mortgage and picking up a higher rate one if they move. It is estimated that about 75% of current homeowners are in that 'locked-in' situation. So what are Mr. Thompson's suggestions for how to proceed? He thinks that now is a goodtime to buy. Jack is of the opinion that we are currently in a 'buyer's market', even though interest rates are still higher than most people would like. He predicts that interest rates will continue to decrease and by the Q3 of 2025 will likely be at a level when those aforementioned locked-in homeowners will be willing to swap rates so they can move to another home. It is true that buying now will get you into a still high interest rate, but as the rates drop it will be possible to refinance into something more desirable. And as the interest rates drop, it is likely that home values will increase, making a current investment more valuable later. If you want to discuss home mortgages or Jack's crystal ball regarding the near future, give him a call at (505) 858-3822. He certainly has the experience, training, knowledge and analytical tools needed to help with whatever your situation might be. It would probably be a good idea for you to contact him sometime within 2025 though. After that he may be too occupied with bird hunting, or golfing, or fly-fishing with Ginger, his wife of 44 years. Or he may be just spending time with one of their three children Aaron, Paige and Brandon, or more accurately, spending time with the grandchildren. And answering questions from the audience, Jack noted: It is true that home values have 'dropped' recently, but given that values actually increased nearly 100% over the past couple of years, a decrease of 12% should not be considered to be a drastic trend.

◆ **Announcement of a unique EAGA giving opportunity for Impact Nations:**

“Impact Nations Triple Impact Announcement - An EAGA member's matching grant means that this month your gift will rescue THREE TIMES as many lives and bring THREE TIMES the hope. Every dollar given by EAGA members will be matched twice, so when you give \$1000, it will immediately grow to \$3000, bringing long-term, sustainable transformation for vulnerable women and children in Africa and Asia.”

To give online go to [www.impactnations.com/EAGA](http://www.impactnations.com/EAGA). If you have any questions about this opportunity, or about the process for making sure that your donation counts, contact Tim Stewart at his office number 877-736-0803 or via email [tim@impactnations.com](mailto:tim@impactnations.com)

- ◆ **Scott Peck has provided EAGA members with an article from the National Federation of Independent Business (NFIB) regarding a court ruling against the Beneficial Ownership Information (BOI) reporting requirements that previously had a deadline of January 1, 2025. At this point, the requirement cannot be enforced. Please read the article from Scott on page 3 of this bulletin. If you have any questions, you can contact him directly via phone at his office number 505-340-2015 or by email to [speck@mpgroup-cpa.com](mailto:speck@mpgroup-cpa.com).**
- ◆ **Board members please note that there will be a meeting the evening of Thursday, December 12th at Jinja Bar & Bistro. If you need more information, or have questions, please contact Mario or President John Mead.**
- ◆ **We will be electing new board members at our December 10th meeting. Please make sure that you arrive on time (or early) so that the meeting can proceed in a timely manner.**
- ◆ **On December 17th, we will take up a collection to be given to the wait staff in appreciation for their service throughout the year. Please plan accordingly.**

## Badge Board Greeters

Dec 10<sup>th</sup>  
Dec 17<sup>th</sup>  
Dec 24<sup>th</sup> **No meeting because of the Christmas Holiday**  
Dec 31<sup>st</sup> **No meeting because of the New Year Holiday**  
Jan 7<sup>th</sup>  
Jan 15<sup>th</sup>  
Jan 22<sup>nd</sup>

## Scheduled Speakers

Dec 10<sup>th</sup> John Rockwell—RLX, LLC  
Dec 17<sup>th</sup> Robert Schuerman—Medical & Commercial Communications  
Dec 24<sup>th</sup> **No meeting because of the Christmas Holiday**  
Dec 31<sup>st</sup> **No meeting because of the New Year Holiday**  
Jan 7<sup>th</sup> Nestor Romero— The Payroll Company  
Jan 15<sup>th</sup> Glenn Felty—SunState Solar  
Jan 22<sup>nd</sup> Raul Rodriguez—Kings of Wrap

EAGA Contact information for Executive Director: Mario Hernandez  
Phone: 505-239-0259 email: [egaed@gmail.com](mailto:egaed@gmail.com)  
8100 Wyoming Blvd NE; Suite M4 #345 Albuquerque, NM 87113

December 4, 2024

## **Texas District Court Strikes Down Beneficial Ownership Reporting Requirements**

Small businesses received a resounding victory on the fight against the Corporate Transparency Act (CTA) and beneficial ownership information (BOI) reporting requirements. An early holiday gift to Main Street, a federal district court in Texas has issued a decision in NFIB's lawsuit against the BOI requirements. The court blocked the Department of Treasury and Financial Crimes Enforcement Network (FinCen) from enforcing the BOI requirements.

Recall that NFIB filed its lawsuit back in May to overturn the BOI mandates. We argue that the Corporate Transparency Act (CTA), which established the BOI requirements, exceeds Congress's authority and violates the First and Fourth Amendments of the Constitution. NFIB has **long argued** that the CTA illegally imposes burdensome requirements on small businesses, infringes on free speech by forcing disclosure of private information, and constitutes an unreasonable search.

The district court agreed. Known as the Commerce Clause, Article I, Section 8 of the United States Constitution states that "The Congress shall have power . . . To regulate commerce . . . among the several states[.]" The Government claimed that the BOI requirements were a valid exercise of Congress's Commerce Clause power. Not so said the district court. It concluded that the "fact that a company is a company does not knight Congress with some supreme power to regulate them in all aspects—especially through the CTA, which does not facially regulate commerce."

The court also weighed how far to extend its holding. In our judicial system, judges have the option to narrow their decisions to the parties before them in a given case. In a previous case out of Alabama, a judge ruled that the CTA was unconstitutional but applied that decision to only the few parties that brought the case.

Because of the breadth and strength of NFIB's membership, ALL small businesses across the country are relieved from the BOI requirements. Take it from the district court itself:

*"At the Court's hearing, Plaintiffs suggested that they sought an injunction on behalf of only the Plaintiffs before the Court, including the approximately 300,000 members of NFIB. The Government responded that if the Court were to enjoin the CTA and Reporting Rule, the scope of which included NFIB's members, then the Court would, in practical effect, enter a nationwide injunction. The Court agrees with the Government's point. A nationwide injunction is appropriate in this case. . . . NFIB's membership extends across the country. And, as the Government states, the Court cannot provide Plaintiffs with meaningful relief without, in effect, enjoining the CTA and Reporting Rule nationwide. The extent of the constitutional violation Plaintiffs have shown is best served through a nationwide injunction."*

For now, the January 1, 2025 reporting deadline is delayed until a higher court holds otherwise.

NFIB expects the government to appeal this decision. We are prepared to defend the district court decision and fight against the burdensome and unconstitutional BOI requirements as long as the government seeks to saddle small business owners with this mandate.