

# WHAT'S AHEAD: *The Fed's rate cuts will help some homeowners*

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Orlando Regional Realtor Association, believes the Orlando market will be the first in the nation to emerge from the current coast-to-coast downturn.

He thinks some of the state's legislative issues in question — such as making the Save Our Homes property tax cap portable — will have a significant impact on home sales in 2008.

“Orlando is always the first to get into these types of things and the first out,” Moreira says. “Some folks overbought and overextended themselves and will have to downsize. I hope they’ll learn from that mistake and someday move back up.”

## Mortgage industry

The mortgage industry likely will continue to suffer from the fallout of the subprime loan debacle.

Many folks who bought homes using super low adjustable-rate mortgages will see those interest rates skyrocket in February and March, says Joe Nunziata, CEO of Orlando-based FBC Mortgage LLC.

Although the U.S. Federal Reserve Board cut rates three times in the latter part of 2007, which should help some homeowners, the effect will continue to be felt throughout



Moreira

the industry, he says.

Lending restrictions will remain tight, and more mortgage industry workers may find themselves looking for new jobs. “We’re going to lose a lot of bodies in our industry in the coming year,” says Nunziata.

## Banking

Area experts say 2008 will be tough for banks and financial institutions, due to the slow housing market and current economic conditions. “As goes the local economy, so goes banking,” says Van Bogan, CEO of Florida Bank of Commerce. “Good quality loans will be difficult to come by.”



Bogan

As a result, competition for customers with good credit will heat up.

In addition, banking growth through mergers and new branch expansions likely will slow, as many banks are cutting earnings to increase reserves for potential loan losses.

Credit unions, however, expect to remain unscathed. “While a lot of banks are retrenching, we’re still growing,” says Kathy Chonody, chief financial officer of Fairwinds Credit Union. “Credit unions typically didn’t participate in subprime lending, so we wouldn’t see the write-downs others are experiencing.”

## Health care

Health industry experts expect the

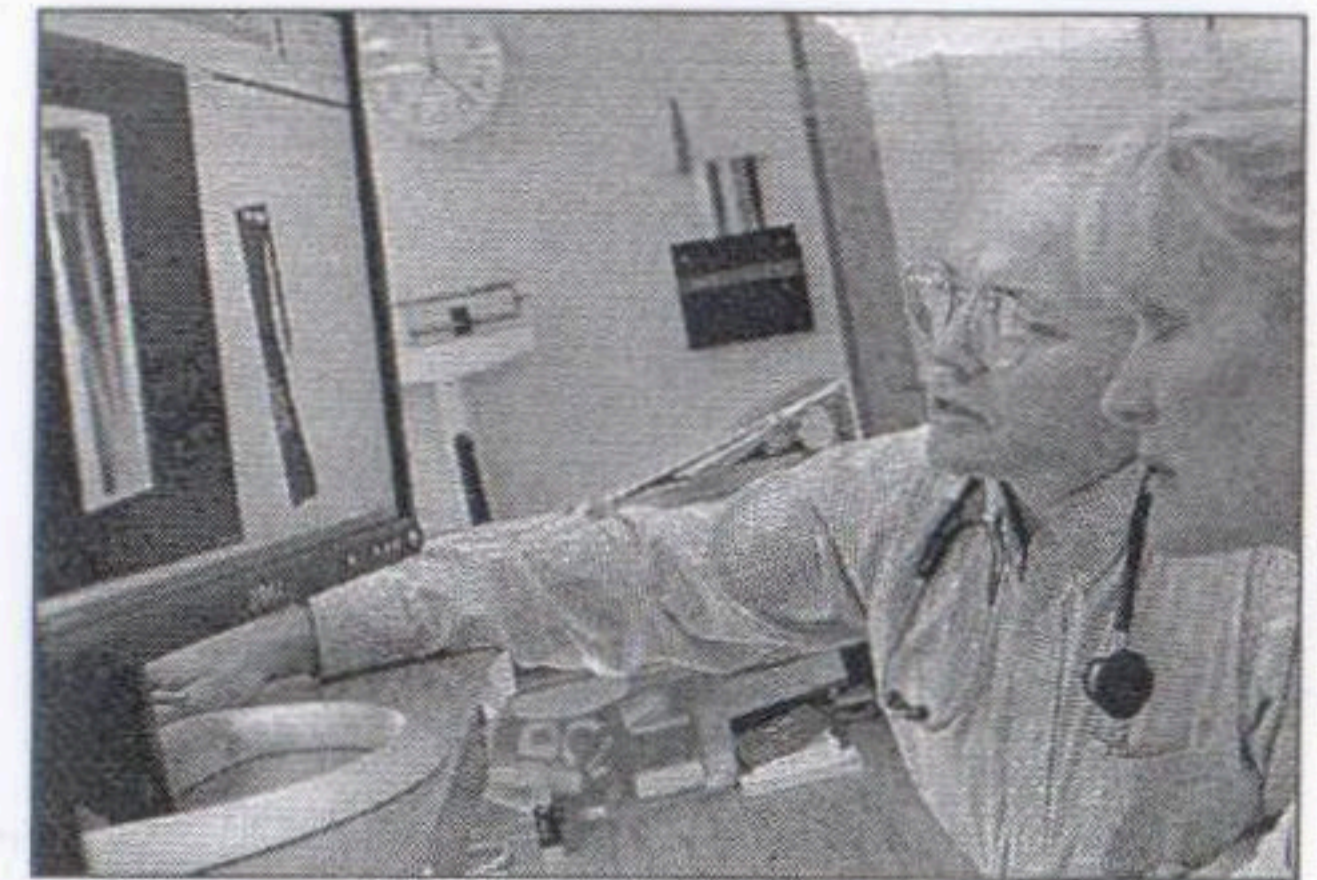


PHOTO BY JIM CARCHIDI

**Dr. Kelly Bowman (left), discusses patient X-rays with Dana Pinter, a nurse, at Health Central's ExpressCare walk-in care center in Ocoee.**

economic downturn that started in the housing market to affect the health care sector in 2008.

The downturn could cause further cuts to Medicaid, says Rich Morrison, Florida Hospital's regional vice president of governmental relations.

Medicare also will continue to reduce its reimbursement rate, putting even more pressure on health care providers.

“The number of uninsured will hit historic highs as the full impact of the state's economic downturn is felt in employment,” says Morrison.

As health care costs swell, insured folks could see changes, as well. “Employers will start pushing back on bad behavior because it's just too expensive to subsidize people for smoking and being overweight,” says Becky Cherney, president of Orlando-based Florida