BUSINESS

SPOTLIGHT ON BLACK BUSINESS

Clay's Texas Pit Bar-B-Que

By Linda Porter

"A FAMILY TRADITION"

Clay's Texas Pit Bar-B-Que, located at 1414 N. Eastern Avenue is owned and operated by Joseph (Clay) and Virginia Clay. Married for 38 years, this husband and wife couple comes from LaJolla, California, where they ran their previous restaurant for a successful 15 years. Their success won them the best bar-b-que award for 5 years straight while in LaJolla. Clay's offers a variety of barbecued foods, such as chicken, ribs, beef, pork, sandwiches and side orders. For those of you with a sweet tooth...home made pies are available - sweet potato, apple and pecan to name a few. This family business dates as far back as 70 years ago when the founding Clay's opened their first outlet in Houston. Since then, it's been a family tradition and the Clay's are positive that their move to Vegas will be a successful following. Joseph, better known as Clay declined to interview, so, his wife Virginia granted us a few minutes.

LINDA - Virginia, how long has your restaurant been open here in Vegas?

VIRGINIA - 3 1/2 months

LINDA - How has the response been from the community?

VIRGINIA - Oh, absolutely wonderful! Everyone has been so helpful and kind.

LINDA - You're the fourth business that I've interviewed from California... Why the move to Vegas?

VIRGINIA - There were several reasons why we chose to come to Vegas, but primarily for a place that we could semi-retire. We had visited Las Vegas often and decided that it would be an ideal place to transfer our business and settle down.

LINDA - Did you always want to be in the restaurant business?

VIRGINIA- No. Actually, I started off in nursing. I'm a registered nurse and I worked in the field for 17 years. Eventually my husband convinced me to join him in the bar-b-que business. I weighed the options and finally chose to work with him.

Virginia Clay carefully putd the finishing touches on her batch of freshly baked homemade pies. ***Photos by Savoy/LVS-Voice***

LINDA - Have you ever regretted leaving your career as a nurse?

VIRGINIA - Oh no! I think I made the right decision by working with my husband and I've never looked back. I love what I'm doing now, just as I loved nursing. I was a perfectionist as a nurse and I am one in the cooking business. I give 110%.

LINDA - I've heard that you make a mean sweet potato cheesecake.

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Real Estate Perspective

By Loretta A. Hall

"HOME-EQUITY BORROWERS IN FOR CLOSER SCRUTINY"

Thousands with second mortgages or equity lines of credit could be in for extra scrutiny this year, thanks to new worries about credit quality by the federal banking regulatory agencies. Officials at the Federal Reserve Board and the Federal Deposit Insurance Corp. are asking bankers to keep a sharper eye on their home equity borrowers, particularly those whose incomes or home values may have dropped since they first applied for their loans. If lenders detect signs of significant changes in borrowers' credit profiles, they can freeze or reduce their credit lines. In extreme cases, they can call the loans, demand full, immediate repayment. The regulator's concerns are focused on what one industry consultant calls a time bomb. The estimated $360 billion plus worth of home equity loans outstanding on houses across the country. These loans have nearly doubled in volume since the Tax Reform of 1986, according to data compiled by the David Olson Research Company, of Columbia, Md. The tax-reform law turned home-equity borrowing into a hot personal-finance technique by eliminating federal tax deductions for interest on consumer loans, while leaving home-equity related interest deductions intact. Large numbers of homeowners who had never considered taking out a second mortgage or credit line have done so to finance everything from auto purchases to college educations. Fully 25% of all consumer credit now takes the form of second mortgages or equity lines, according to estimates by Olson.

Such huge growth coupled with rising unemployment, bankruptcy filings and sagging or flat home values is giving the nation's bank regulators the jitters. It is my understanding that Consumer Bankers were warned by the Federal Reserve Board that their agency sees potential pitfalls in this attractive business. It is the belief of many that these are signs that some consumers are beginning to use their home equity lines of credit as unemployment insurance and in some cases to drawn down their full credit limits when they learn they're in danger of losing their jobs or faced with a decline in family income. A major deficiency found in recent federal examinations of bank equity loan portfolios has been a lack of monitoring of borrowers' ongoing financial conditions and their ability to handle debt. Federal regulators emphasize that despite their own heightened perception of risk, actual defaults miniscule, less than 1%. But with regulators concerned about potential for sharp growth in that figure, consumers can expect some of the key indicators lenders will be monitoring more intensively. Credit card and other revolving charge account information available through commercial credit bureaus. If you suddenly start running up large, unpaid debt balances elsewhere, bankers figure your equity line could be next. Any unusual activity in your equity line account, such as sudden drawdowns after a long period of inactivity or requests for changes in payback terms. A common early warning sign according to bankers is a request to switch from a principal amortization plan where a portion of your payments goes to reduce your principle to interest only or "evergreen" status. Bankers are also likely to conduct more frequent reappraisals of your home value to make certain there's still an adequate equity cushion in soft markets. They also plan to watch for heavy use of home equity drawdowns for business purposes. If a homeowner's business heads down the tubes, regulators figure so might the home equity loan. Borrowers whose lines of credit or second mortgages come under

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