

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act Of 1934**

Date of Report (Date of earliest event reported): August 29, 2008

**Comstock Homebuilding Companies, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State or Other  
Jurisdiction of Incorporation)

**1-32375**  
(Commission File Number)

**20-1164345**  
(IRS Employer Identification No.)

**11465 SUNSET HILLS ROAD, FIFTH FLOOR**  
**RESTON, VIRGINIA 20910**  
(Address of principal executive offices) (Zip Code)

**Registrant's Telephone Number, Including Area Code: (703) 883-1700**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement;**

On August 29, 2008, Comstock Barrington, L.C. (“Barrington”), Comstock Homes of Atlanta (“CHOA”), Comstock James Road, LLC (“James Road”), Comstock Hamlets of Blue Ridge L.C. (“Hamlets”), Comstock Blooms Mill II, L.C. (“Blooms” and collectively the “Borrowers”) and Comstock Homebuilding Companies, Inc. (the “Company”, the “Guarantor” and together with the Borrowers, the “Obligors”), entered into a Foreclosure Agreement (“Agreement”) with Branch Banking & Trust Company (“BB&T”) relating to \$32,713,580.00 of outstanding debts (the “Debts”) owed by the Borrowers to BB&T. Under the terms of the Agreement, BB&T agreed to release the Obligors from their obligations and guarantees relating to the Debts (the “Release”) upon the successful foreclosure by BB&T on all of the land and improvement collateral pledged to secure the Debts.

The assets pledged include: Barrington Park, a condominium project in Manassas, Virginia; Bluffs at James Rd, a single family home project in Atlanta, Georgia; Woodlands at Round Hill, a single family home project in Round Hill, Virginia; Maristone, a single family home development in Atlanta, Georgia; Settingdown Circle a single family home development in Atlanta, Georgia; Glen Ivy, a single family home development in Atlanta, Georgia; and Wyngate, a single family home development in Atlanta, Georgia (individually and collectively, the “Collateral”). BB&T is scheduled to foreclose on the Collateral in Atlanta, Georgia on Tuesday, September 2, 2008. BB&T is expected to complete foreclosure proceedings on the Collateral at Barrington and Woodlands on or before September 30, 2008. In the event the foreclosures are successful, the Company is cooperative and there are no material misrepresentations by the Company in the Agreement, BB&T will issue the Company the Release within ninety-one (91) days and the Debts will be considered paid in full with no deficiency liabilities owed by the Company.

The Agreement covers five loans from BB&T to the Borrowers for which the Company is Guarantor. The loans include: an acquisition and development loan to Barrington relating to the Barrington Collateral with \$9,919,410.00 outstanding, a construction loan to Barrington relating to the Barrington Collateral with \$6,467,993.00 outstanding, a revolving construction loan to CHOA relating to the Maristone, James Rd, Wyngate, and Glen Ivy Collateral with \$8,334,322.00 outstanding, an acquisition loan to CHOA relating to the Settingdown Collateral with \$4,502,806.00 outstanding and an acquisition and development loan to Hamlets relating to the Hamlets Collateral with \$3,489,048.00 outstanding (collectively the “Notes”). BB&T previously issued a notice of default to the Obligors relating to the Notes, the details of which were reported by the Company in a Form 8-K filing dated July 31, 2008.

On September 2, 2008 the Company issued a press release announcing the Agreement. A copy of this press release is attached hereto as Exhibit 99.1.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release by Comstock Homebuilding Companies, Inc., dated September 2, 2008

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 2, 2008

COMSTOCK HOMEBUILDING COMPANIES, INC.

By: /s/ Jubal R. Thompson  
General Counsel and Secretary

Contact: Bruce Labovitz  
[pressrelease@comstockhomes.com](mailto:pressrelease@comstockhomes.com)  
703.230.1131

**COMSTOCK HOMEBUILDING COMPANIES, INC. ELIMINATES \$32.7 MILLION  
OF DEBT THROUGH FRIENDLY FORECLOSURE AGREEMENT WITH BB&T**

Reston, Virginia (September 3, 2008) – Comstock Homebuilding Companies, Inc. (NASDAQ CHCI) and certain of its subsidiaries (collectively “Comstock” or the “Company”) today announced that on Friday, August 29, 2008 it had entered into a foreclosure agreement (“Agreement”) with Branch Banking and Trust Company (“BB&T”) with respect to approximately \$32.7 million of the Company’s \$144.0 million of secured debt. Under the terms of the Agreement, the Company agreed to cooperate with BB&T with respect to its foreclosure on certain of the Company’s real estate assets and BB&T agreed to provide the Company a full release from its obligations with no deficiency liability post-foreclosure. The foreclosure agreement covers properties in Virginia and Atlanta. Comstock will retain pre-sold lots in Atlanta which are not included in the foreclosure.

“As previously announced we are working to restructure a significant portion of our debt to ensure our ability to survive what has turned out to be the worst cyclical market downturn in a generation. We are pleased with the results of our negotiation with BB&T and consider this an important first step in our plan to reposition Comstock to meet current market challenges,” said Christopher Clemente, Comstock’s Chairman and Chief Executive Officer. “We continue to focus on similar negotiations with certain other lenders and remain optimistic regarding the outcome of those negotiations.”

It is expected that on September 2, 2008 BB&T will complete the foreclosure process on select lots at Maristone, James Road, Wyngate and Glen Ivy, all in the Atlanta, Georgia market and that on or before September 30, 2008, BB&T will complete the foreclosure process on the collateral securing the Company’s debt at two projects in Virginia, Barrington Park and Woodlands of Round Hill. The Company announced that in anticipation of this agreement it had recorded impairment charges related to the BB&T collateral in the quarter ending June 30, 2008 and as a result the Company does not anticipate any material future write-offs as a result of the Agreement or the foreclosures.

**About Comstock Homebuilding Companies, Inc.**

Established in 1985, Comstock Homebuilding Companies, Inc. is a publically traded, diversified real estate development firm with a focus on affordably priced for-sale residential products. Comstock builds and markets single-family homes, townhouses, mid-rise condominiums, high-rise condominiums, mixed-use urban communities and active adult communities. The company currently markets its products under the Comstock Homes brand in the Washington, D.C.; Raleigh, North Carolina; and Atlanta, Georgia metropolitan areas. Comstock Homebuilding Companies Inc. trades on Nasdaq under the symbol CHCI. For more information on the Company or its projects please visit [www.comstockhomebuilding.com](http://www.comstockhomebuilding.com).

**Cautionary Statement Regarding Forward-Looking Statements**

This release contains “forward-looking” statements that are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve known and unknown risks and uncertainties that may cause actual future

results to differ materially from those projected or contemplated in the forward-looking statements. Additional information concerning these and other important risks and uncertainties can be found under the heading "Risk Factors" in the Company's most recent form 10-K, as filed with the Securities and Exchange Commission on March 24, 2008. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.