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

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**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): September 4, 2008

**Comstock Homebuilding Companies, Inc.**

(Exact Name of Registrant as Specified in its Charter)

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

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

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**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**

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

On September 4, 2008, Comstock Homes of Atlanta (“CHOA”), Comstock James Road, LLC (“James Rd”), Highland Station Partners, LLC (“Highland” and collectively with CHOA and James Rd the “Borrowers”) and Comstock Homebuilding Companies, Inc. (the “Company”, the “Guarantor” and together with the Borrowers, the “Obligors”), entered into a Forbearance and Conditional Release Agreement (“Agreement”) with Regions Bank (“Regions”) relating to approximately \$5,300,000.00 of outstanding debts (the “Debts”) owed by the Borrowers to Regions. Under the terms of the Agreement, Regions agreed to release the Obligors from their obligations and guarantees relating to the Debts (the “Release”) upon the earlier of successful foreclosure by Regions on all collateral pledged to secure the Debts or December 15, 2008.

The assets pledged include developed building lots, developed land and/or speculative single family homes at: James Road, a single family home project in Atlanta, Georgia; Post Road, a townhome development in Atlanta, Georgia; and Highland Station, a single family home development in Atlanta, Georgia (individually and collectively, the “Collateral”). Regions is expected to complete foreclosure proceedings on the Collateral on or before December 15, 2008. Upon completion of the foreclosures, conditioned on the Company being cooperative, Regions will issue the Company the unconditional Release within ten (10) days and the Debts will be considered paid in full with no deficiency liability post foreclosure.

The Agreement covers four loans from Regions to the Borrowers for which the Company is Guarantor. The loans include: an acquisition loan to CHOA relating to the Post Road Collateral with \$699,775.00 outstanding; an acquisition, development and construction loan to James Rd relating to the James Rd project with \$1,650,000.00 outstanding; and an acquisition loan and a construction loan to Highland relating to the Highland Station project with a combined total of \$2,955,830.00 outstanding (collectively the “Notes”).

On September 4, 2008 the Company issued a press release announcing the Agreement. A copy of this press release is attached hereto as Exhibit 99.1.

**Item 2.04. Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.**

On September 8, 2008, Comstock Homebuilding Companies, Inc. (“Comstock” or “Company”) and Highland Avenue Properties, LLC (“Highland Subsidiary”), a wholly-owned subsidiary of the Company, received a notice of default and demand from Bank of America, N.A. (“BofA”) under a Loan Agreement in the original principal amount of \$4,851,235.00 (the “Highland Ave Note”). The Highland Ave Note is secured by land at the Company’s Highland Avenue project in Atlanta, Georgia. According to the notice of default, the outstanding balance under the Highland Note at the time of the notice was \$4,341,004.35.

On September 8, 2008, the Company and Comstock Homes of Atlanta, LLC (“CHOA”), a wholly-owned subsidiary of the Company, received a notice of default and demand from BofA under a Loan Agreement in the original principal amount of \$10,000,000.00 (the “CHOA Note”). The CHOA Note is secured by land at the Company’s Brentwood Estates and Senator’s Ridge projects in Atlanta, Georgia. According to the notice of default, the outstanding balance under the CHOA Note at the time of the notice was \$1,522,345.81.

On September 8, 2008, the Company received a notice of default and demand from BofA under a Loan Agreement in the original principal amount of \$15,000,000.00 (the “CHCI Note”). The CHCI Note is unsecured. According to the notice of default, the outstanding balance under the CHCI Note at the time of the notice was \$3,270,254.85.

In the event the Company and its subsidiaries are deemed to be in default under the any of the notes listed herein or any future notices, each of the lenders may be entitled to exercise a variety of rights, including (i) accelerating the loans, (ii) terminating the loans, (iii) reducing its claims to judgments and (iv) exercising all other legal and equitable remedies it may have. In addition, in the event the Company and its subsidiaries are deemed to be in default under the notes, the Company, directly or indirectly through additional subsidiaries could be deemed to be in default under other credit facilities, which would potentially give the Company’s other lenders the right to exercise their rights with respect to the remainder of the Company’s outstanding indebtedness.

**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 4, 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 9, 2008

COMSTOCK HOMEBUILDING COMPANIES, INC.

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

**COMSTOCK HOMEBUILDING COMPANIES, INC. TO ELIMINATE \$5.3 MILLION OF DEBT WITH REGIONS BANK**

Thursday September 4, 10:11 am ET

RESTON, VA—(MARKET WIRE)—Sep 4, 2008 — Comstock Homebuilding Companies, Inc. and certain of its subsidiaries (collectively “Comstock” or the “Company”) today announced that it had entered into a forbearance and conditional release agreement (“Agreement”) with Regions Bank (“Regions”) with respect to approximately \$5.3 million of the Company’s \$144.0 million of secured debt as of June 30, 2008. Under the terms of the Agreement, the Company agreed to cooperate with Regions with respect to its foreclosure on certain of the Company’s real estate assets in Georgia and Regions agreed to provide the Company a full release from its obligations with no deficiency liability post-foreclosure. The foreclosure agreement covers three properties in Atlanta, Georgia.

“The agreement we entered into with Regions today is the result of our continued focus on restructuring a significant portion of our debt and positioning Comstock to survive the current downturn in housing,” said Christopher Clemente, Comstock’s Chairman and Chief Executive Officer. “We are satisfied with the outcome of our negotiation with Regions and believe it is another important step in our plan to reposition our company to meet the challenges of the current market. While we have more work to do in this regard with certain other lenders, the Regions agreement, along with the recently announced similar agreement with BB&T, are in keeping with our objective. We remain optimistic regarding the potential for a positive outcome of our restructuring efforts.”

Under the terms of the agreement the Company will be formally released from its obligations to Regions at the earlier of December 15, 2008 or the successful foreclosure by Regions on lots and/or speculative homes at Post Road II, Highland Station and James Road. The Company announced that in anticipation of this agreement it had recorded impairment charges related to the Regions 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).

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**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.