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

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**FORM 8-K**

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**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 21, 2009 (August 17, 2009)**

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**COMSTOCK HOMEBUILDING COMPANIES, INC.**

(Exact Name of Registrant as Specified in its Charter)

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

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

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

**11465 SUNSET HILLS ROAD, 5<sup>TH</sup> 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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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.**

Effective as of August 17, 2009, Comstock Massey Preserve, LLC (“Massey”), Comstock Homes of Raleigh, LLC (“CHOR”), Parker Chandler Homes, LLC (“PCH”), Comstock Holland Road, LLC (“Holland”), Comstock James Road, LLC (“James”), Tribble Road Development, LLC (“Tribble”), Comstock Summerland, L.C. (“Summerland”), Comstock Landing, LLC (“Landing”), Comstock Wakefield, LLC (“Wakefield I”), Comstock Wakefield II, LLC (“Wakefield II”) (collectively, the “Guarantors”), and Comstock Homebuilding Companies, Inc. (the “Company” or “Borrower”)(the “Company” together with the “Guarantors”, the “Obligors”) entered into a Consensual Foreclosure and Settlement Agreement dated August 17, 2009 (the “Agreement”), with Wachovia Bank, N.A. (the “Lender”) relating to \$17,758,090.85 of outstanding indebtedness (the “Debts”) owed by the Obligors to Lender. Under the terms of the Agreement, Lender has released the Obligors from their obligations and guarantees relating to the Debts contemporaneous with the execution by the Borrower of a non-interest bearing unsecured deficiency note in the amount of \$1,805,243 with a three year term (the “Deficiency Note”). The Deficiency Note is fully subordinate to the repayment of the Company’s secured creditors and is subject to principal reduction based on the number of completed dwelling units conveyed with Obligors assistance prior to September 30, 2009. Based on current sales backlog, the reduced principal balance of the Deficiency Note is expected to be approximately \$425,000. Provided the Obligors are cooperative in the foreclosure process and the representations made by the Obligors in the Agreement are materially accurate, Obligors shall have no further liability to Lender except for repayment of the Deficiency Note.

The assets pledged include: Massey Preserve, raw land located in Raleigh, North Carolina; Haddon Hall, a condominium project in Raleigh, North Carolina; Holland Farm, a development project in Raleigh, North Carolina; Wakefield Plantation, a single family project in Raleigh, North Carolina; Riverbrooke, a single family project in Raleigh, North Carolina; Wheatleigh Preserve, a single family project in Raleigh, North Carolina; Brookfield Station, a single family project in Raleigh, North Carolina; Providence, a single family project in Raleigh, North Carolina; Allyn’s Landing, a development project in Raleigh, North Carolina; Allen Creek, a single family project in Atlanta, Georgia; Arcanum Estates, a single family project in Atlanta, Georgia; Falling Water, a single family project in Atlanta, Georgia; James Road, a development project in Atlanta, Georgia; Tribble Lakes, a development project in Atlanta, Georgia; and Summerland, a condominium project in Woodbridge, Virginia (individually and collectively, the “Collateral”).

The Agreement fully resolves all outstanding indebtedness issued pursuant to the revolving borrowing base facility and loan from Lender to the Company as Borrower for which subsidiaries of the Company are Guarantors in the original principal amount of \$40,000,000, such facility being amended through an Original Forbearance Agreement dated February 21, 2007 and a Second Forbearance Agreement dated December 10, 2008 that separated the facility into three separate notes: a term note in the current outstanding amount of \$11,960,389, a revolving note in the current outstanding amount of \$2,705,757 and a term note in the amount of \$3,091,944 for the Tribble Lakes project. Lender previously issued a notice of default to Obligors relating to the Debts, the details of which were reported by the Company in a Form 8-K filing dated April 17, 2009.

On August 21, 2009, 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 Statement and Exhibits.**

(d) Exhibits

**SIGNATURE**

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

Date: August 21, 2009

COMSTOCK HOMEBUILDING COMPANIES, INC.

/s/ Christopher Clemente

Chief Executive Officer

**NEWS RELEASE****Comstock Homebuilding Companies, Inc. Eliminates \$17.8 Million of Debt Through Friendly Foreclosure Agreement With Wachovia Bank**

RESTON, VA, Aug 21, 2009 (MARKET WIRE via COMTEX News Network) — Comstock Homebuilding Companies, Inc. (NASDAQ: CHCI) and certain of its subsidiaries (collectively “Comstock” or the “Company”) today announced that on August 17, 2009 it had entered into a foreclosure agreement (“Agreement”) with Wachovia Bank, N.A. (“Wachovia”) with respect to approximately \$17.8 million of the Company’s \$77.2 million of secured debt. Under the terms of the Agreement, the Company agreed to cooperate with Wachovia with respect to its foreclosure on certain of the Company’s real estate assets and Wachovia agreed to release the Company from their obligations and guarantees relating to the \$17.8 million debt contemporaneous with the execution of a non-interest bearing unsecured deficiency note in the amount of approximately \$1.8 million. However, the deficiency note is reduced by the principal payments related to certain homes conveyed by the Company prior to September 30, 2009. Based on current sales backlog, the September 30, 2009 deficiency note balance is expected to be in the range of \$425,000, subject to increase or decrease based on additional sales or cancellations.

The assets being foreclosed upon by Wachovia include: Massey Preserve, raw land located in Raleigh, North Carolina; Haddon Hall, a condominium project in Raleigh, North Carolina; Holland Farm, a development project in Raleigh, North Carolina; Wakefield Plantation, a single family project in Raleigh, North Carolina; Riverbrooke, a single family project in Raleigh, North Carolina; Wheatleigh Preserve, a single family project in Raleigh, North Carolina; Brookfield Station, a single family project in Raleigh, North Carolina; Providence, a single family project in Raleigh, North Carolina; Allyn’s Landing, a development project in Raleigh, North Carolina; Allen Creek, a single family project in Atlanta, Georgia; Arcanum Estates, a single family project in Atlanta, Georgia; Falling Water, a single family project in Atlanta, Georgia; James Road, a development project in Atlanta, Georgia; Tribble Lakes, a development project in Atlanta, Georgia; and Summerland, a condominium project in Woodbridge, Virginia.

“We are very pleased to have finalized an agreement with Wachovia that will reduce the balance due to Wachovia from approximately \$17.8 million to approximately \$425,000.00 while also facilitating delivery of certain backlog units” said Christopher Clemente, Comstock’s Chairman and Chief Executive Officer. “While we have not finalized all agreements regarding our effort to restructure all of our debts, this is a critical step forward. We remain focused on reaching similar amicable agreements with our other secured lenders and we will continue to take the steps necessary to position Comstock for a return to profitability as market conditions improve.”

It is expected that Wachovia will complete the foreclosure process in the fourth quarter of 2009 or the first quarter of 2010. The Company announced that in anticipation of this agreement it had recorded impairment charges related to the Wachovia assets in the quarter ending June 30, 2009 and as a result the Company does not anticipate any material future write-offs as a result of the Agreement or the foreclosures.

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## 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 a variety of affordably priced for-sale residential products. The company currently actively markets its products under the Comstock Homes brand in the Washington, D.C. metropolitan area. 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 31, 2009. Comstock specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

### Contact:

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SOURCE: Comstock Homebuilding Companies, Inc.