

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): January 27, 2009

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 December 23, 2008, Comstock Homebuilding Companies, Inc. (the “Company” or “Comstock”) and Comstock Penderbrook, L.C. (the “Borrower”), a wholly owned subsidiary of the Company, entered into a forbearance agreement (the “Agreement”) with Guggenheim Corporate Funding (the “Lender”) with respect to the \$13.5 million outstanding under the Company’s secured Penderbrook project loan. The key terms of the Agreement provide for: 1) The maturity date of the loan was extended from February 22, 2010 to March 6, 2011 with additional incremental extensions until March 6, 2012 provided certain unit delivery requirement thresholds are met. To qualify for the first additional incremental extension of four months the Company must achieve forty-five settlements prior to the extended maturity; 2) The interest rate in effect for each calendar year will be determined on the last day of the year, retroactively for the year, based upon the cumulative unit settlements during the year. The interest rate will start to step down from a high of LIBOR + 1400 bps to a floor of LIBOR + 400 bps each year based on a range of seven to twenty unit settlements occurring in 2009 and a range of sixteen to twenty-six unit settlements in 2010. Prior to the execution of the forbearance agreement the interest rate spread on the loan was fixed at 600 bps over LIBOR; 3) The Borrower must achieve cumulative unit settlements on a quarterly basis of one, six, eight, ten, sixteen and twenty-four commencing on September 30, 2009 through December 31, 2010; 4) The Borrower assigned to the Lender deeds-in-lieu of foreclosure to be recorded in the event of a default that remains uncured and has waived its rights to automatic stay of foreclosure; 5) Outstanding past due interest of approximately \$425,000 was added to the outstanding balance of the loan resulting in an outstanding balance post closing on the Agreement of approximately \$14,000,000; 6) Comstock was granted a one-time option to retire the note prior to May 26, 2009 at a discount of between 9% and 16% based upon when the option is exercised.

On January 29, 2009 the Company issued a press release announcing the debt restructurings. 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 January 29, 2009.

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: February 4, 2009

COMSTOCK HOMEBUILDING COMPANIES, INC.

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

Comstock Homebuilding Companies, Inc. Announces Restructuring of \$13.5 Million Penderbrook Debt

RESTON, Va., Jan. 29, 2009 (GLOBE NEWSWIRE) — Comstock Homebuilding Companies, Inc. (the “Company” or “Comstock”) and Comstock Penderbrook, L.C., a wholly owned subsidiary of the Company, today announced that they have entered into a forbearance agreement with Guggenheim Corporate Funding with respect to the \$13.5 million outstanding under the Company’s secured Penderbrook project loan. The Company had previously reported receiving a notice of default from Guggenheim on August 22, 2008.

In connection with the forbearance agreement the original maturity date of the loan was extended from February 22, 2010 to March 6, 2011. The terms of the forbearance agreement provide for additional incremental extensions until March 6, 2012 provided certain unit delivery requirement thresholds are met. Under the terms of the forbearance agreement the interest rate in effect for each calendar year will be determined on the last day of the year, retroactively for the year, based upon the cumulative unit settlements during the year. The interest rate will start to step down from a high of LIBOR + 1400 bps to a floor of LIBOR + 400 bps each year based on a range of seven to twenty unit settlements occurring in 2009 and a range of sixteen to twenty-six unit settlements in 2010. Prior to the execution of the forbearance agreement the interest rate spread on the loan was fixed at 600 bps over LIBOR. In addition, the forbearance agreement provides Comstock a one-time option to retire the note prior to May 26, 2009 at a discount of between 9% and 16% based upon when the option is exercised.

“This debt restructuring is in keeping with our previously announced plans to restructure a significant portion of our debts in recognition of difficult market conditions,” said Christopher Clemente, Comstock’s Chairman and Chief Executive Officer. “Since announcing in early 2008 our intent to focus on restructuring our debts we have been successful in restructuring over \$142 million of debt. We believe that the arrangement we have reached with the lender at Penderbrook is particularly important because it allows for both the orderly completion of the project and the recovery of the significant amount of capital we have invested in the project. The substantial reduction in sales pace requirements

incorporated into the forbearance agreement as compared to the requirements of the original loan provides an opportunity to operate the property substantially as a rental community while waiting for market conditions to stabilize and improve. We believe this is crucial to our efforts to preserve the value of the units we still hold in the community as well as the units previously delivered to our customers.”

“Regarding our efforts to stabilize the financial condition of Comstock, our actual outstanding debt at December 31, 2008 was approximately \$98 million which represents a reduction of \$73 million from year end 2007,” Clemente continued. “In addition to reducing debt we significantly reduced overhead costs across the board including a reduction of overall compensation costs of more than 50% during 2008. To that end we will not be paying cash or stock bonuses in connection with 2008 results. Further, in an effort to align executive compensation with market realities, we have reduced planned executive compensation for 2009 as well. During 2009 we will remain focused on our goals of preserving and enhancing our liquidity, reducing costs, rebuilding backlog, generating cash flow and positioning Comstock for a return to profitability when the housing market recovers. We remain committed to achieving our goal of restoring shareholder value.”

The Company also announced the following additional developments:

- * The bankruptcy filing of the Company’s Mathis Partners, LLC subsidiary in Atlanta has been dismissed. At this time Mathis Partners has retained ownership of its sole asset, the Gates at Luberon property in Forsyth County, Georgia. Haven Trust Bank of Georgia, the lender to Mathis Partners related to the Gates at Luberon project was closed by the Federal Deposit Insurance Corporation in December 2008. The loan is now owned by the FDIC. The Company is awaiting information from the FDIC regarding its intended handling of the loan.
- * Comstock received a notice from the Nasdaq of its determination to extend its suspension of the bid price and market value of publicly held shares requirements. Enforcement of these rules is now scheduled to resume on Monday, April 20, 2009. As such, Comstock’s delisting has been suspended until on or about July 27, 2009 unless either the Company regains compliance with the bid-

price requirements or Nasdaq extends its enforcement suspension further.

- * Comstock Potomac Yard, LC, a wholly owned subsidiary of the company and developer of the Company's Eclipse at Potomac Yard project, has filed a \$13.8 million civil lawsuit against its general contractor, Balfour Beatty Construction (formerly Centex Construction). The lawsuit alleges, among other things, both that Balfour Beatty breached its contractual obligations on multiple occasions resulting in costly delays and that Balfour Beatty left significant warranty claims unaddressed. The trial is expected to occur in late 2009.

Cautionary Statement

This release may contain "forward-looking" statements made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Additional information concerning these and other important risks and uncertainties can be found under the heading "Risk Factors" in the Company's 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.