



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-3010

February 1, 2008

R.W. Smith, Jr.
DLA Piper US LLP
6225 Smith Avenue
Baltimore, MD 21209-3600

Re: The Ryland Group, Inc.

Dear Mr. Smith:

This is in regard to your letter dated February 1, 2008 concerning the shareholder proposal submitted by the Indiana Laborers Pension Fund for inclusion in Ryland's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the proponent has withdrawn the proposal, and that Ryland therefore withdraws its December 17, 2007 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Sincerely,

William A. Hines
Special Counsel

cc: Michael J. Short
Secretary-Treasurer
Indiana State District Council of Laborers
and HOD Carriers Pension Fun
P.O. Box 1587
Terre Haute, IN 47808-1587



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VIA UPS

December 17, 2007

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

OFFICE OF CHIEF COUNSEL
CORPORATION FINANCE

2007 DEC 18 PM 4:58

RECEIVED

Re: Omission of Shareholder Proposal Submitted by the Indiana Laborers Pension Fund to The Ryland Group, Inc.

Ladies and Gentlemen:

We are counsel to The Ryland Group, Inc. ("Ryland" or the "Company") and, on behalf of Ryland, we respectfully request that the staff of the Division of Corporation Finance (the "Staff") concur that it will not recommend enforcement action if Ryland omits a shareholder proposal and supporting statement (the "Proposal") submitted by the Indiana Laborers Pension Fund (the "Proponent"). The Proponent seeks to include the Proposal in Ryland's proxy materials for the 2008 annual meeting of shareholders. The Proposal requests that Ryland's Board of Directors prepare a report evaluating the Company's mortgage practices.

On October 31, 2007, Ryland received the Proponent's Proposal. Pursuant to Rule 14a-8(j), Ryland is submitting six paper copies of the Proposal and an explanation as to why Ryland believes that it may exclude the Proposal. For your review, we have attached a copy of the entire Proposal and related correspondence as Appendix A. Ryland appreciates the Staff's consideration and time spent reviewing this no action request.

The resolution of the Proposal reads as follows:

RESOLVED, That the shareholders of The Ryland Group, Inc. ("Company" or "Ryland") request that the Board of Directors prepare within 90 days of its annual meeting a report evaluating the Company's mortgage practices including the Company's potential losses or liabilities



relating to its mortgage operations and/or those of any affiliates or subsidiaries and a discussion of the following:

1. A discussion of what percentage of Ryland's mortgage originations could be categorized as subprime, Alt-A or other non-agency loan types as well as what percentage of its mortgage originations may be classified as such mortgages;
2. Which of the Company's geographic markets are most reliant on mortgages listed in (1) above;
3. The identity of the purchasers that buy the Company's mortgage loans in the secondary market;
4. What percentage, if any, of the purchases discussed in (3) have Early Payment Default ("EPD") provisions attached which may require the Company to buy back those loans as well as the time frame for those obligations; and
5. How many non-performing loans the Company expects it will have to repurchase during the current and upcoming fiscal year.

The report should be prepared annually at reasonable cost, omit proprietary information, and be distributed in the manner deemed most efficient by the Company.

I. The Proposal May Be Excluded Pursuant to Rule 14a-8(i)(7) Because It Relates to Ordinary Business Matters

Under Rule 14a-8(i)(7) of the Exchange Act, a shareholder proposal may be omitted from a company's proxy statement if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission explained that the general underlying policy of the ordinary business exclusion is to confine the resolution of ordinary business problems to management and the board of directors. The Commission went on to say that the ordinary business exclusion rests on "two central considerations." The first consideration is the subject matter of the proposal. The 1998 Release provides that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration is the degree to which the proposal attempts to "micro-manage" the company by "probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." For the reasons set forth below, the Proposal falls within the parameters of the ordinary business exception contained in Rule 14a-8(i)(7) and, therefore, the Company may exclude the Proposal on that basis.



A. Internal Assessment of Potential Risks or Liabilities

The Proposal asks the Company to produce a risk assessment report concerning its mortgage business, including an evaluation of potential losses or liabilities relating to Ryland's mortgage operations and its subsidiaries and affiliates. The Proposal is related to the ordinary business of the Company because it focuses on an internal assessment of the potential risks or liabilities that the Company faces as a result of its mortgage operations.

In Staff Legal Bulletin 14C, the Staff clarified the application of Rule 14a-8(i)(7) to proposals referencing environmental or public health issues. In Staff Legal Bulletin 14C, the staff concluded:

To the extent that a proposal and supporting statement focus on the company engaging in an internal assessment of the risks or liabilities that the company faces as a result of its operations that may adversely affect the environment or the public's health, we concur with the company's view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7) as relating to an evaluation of risk. To the extent that a proposal and supporting statement focus on the company minimizing or eliminating operations that may adversely affect the environment or the public's health, we do not concur with the company's view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7).

The purpose of the foregoing distinction is that a shareholder proposal that focuses solely on the ordinary business matters of a company, such as the assessment of risks facing the company from various business decisions, is excludable, but that proposals that focus on "significant social policy issues" are not excludable because the proposals may transcend normal day-to-day business matters. The Proposal submitted by the Proponent clearly fits within the first category and therefore is excludable. The Proposal asks the Company to evaluate its mortgage practices and its exposure to potential losses and liabilities. The Proposal seeks detailed information on specific mortgage products and geographic locations that may expose the Company to a risk of loss. Although the proposal discusses specific mortgage products, the Proposal neither requests that the Company change its operating principles or policies, nor claims that production of the report itself would address an important social policy. Instead, the proposal asks the board to complete an internal analysis of the risks that the Company faces as a result of its current practices. The Proposal clearly indicates a focus on the Company's internal risks from ordinary course of business activities and not on an overall social policy issue.

Consistent with this determination, the Staff has previously taken the position that proposals relating to the evaluation of risk and corporate strategy relate to ordinary business operations and therefore may be excluded under Rule 14a-8(i)(7). See e.g., Standard Pacific Corp. (January 29, 2007) (excluding a proposal requesting that the company assess its response



to rising regulatory, competitive, and public pressure to increase energy efficiency); Ryland Group, Inc. (February 13, 2006) (excluding a proposal seeking a risk assessment report concerning the company's energy efficiency policy); Newmont Mining Corporation (February 4, 2004) (excluding a proposal requesting the board to publish a comprehensive report on the risk to the company's operations, profitability and reputation from its social and environmental liabilities).

Ryland recognizes that certain proposals could transcend day-to-day business matters and raise policy issues so significant that they could be appropriate for a stockholder vote. Although the Company acknowledges that the recent developments in the housing and mortgage sector are having an impact on the Company and the economy in general, the Proposal does not involve a significant social policy issue as contemplated by Rule 14a-8(i)(7). Whereas proposals related to tobacco, executive compensation, environmental protection, and affirmative action and employment matters have been found to raise significant policy concerns, the subject matter of the Proposal, mortgage lending practices, simply does not raise significant policy concerns that warrant the Staff overriding a matter that is clearly related to the ordinary business of the Company. Accordingly, these are matters for the business judgment of management, and the Proposal may be excluded pursuant to Rule 14a-8(i)(7).

B. Disclosure Pertaining to Ordinary Business Operations

The Proposal calls for a special report that contains highly detailed disclosure about the Company's operations. The Staff has consistently permitted the exclusion of proposals that require a company to prepare additional disclosure on a particular aspect of its ordinary business operations, even in cases where such proposal would not require the taking of any particular action by the company with respect to such business operations. See Union Pacific Corp (February 21, 2007) (excluding a proposal requesting that the board make available in its annual proxy statement information relevant to the company's efforts to safeguard the security of their operations and minimize material financial risk arising from a terrorist attack and/or other homeland security incidents); CNF Transportation Inc. (January 26, 1998) (excluding a proposal requesting the board to adopt a policy of disclosing safety data and claims history in the annual report to shareholders); Pacific Telesis Group (January 30, 1992) (excluding a proposal calling for the Company to disclose the business operating information in a summary annual report).

In Exchange Act Release No. 34-20091 (August 16, 1983) (the "1983 Release"), the Commission specifically addressed the issue of the excludability under Rule 14a-8(i)(7) of proposals requesting special reports on matters which relate to a company's ordinary business operations. Paragraph 5 of the 1983 Release states:

In the past, the staff has taken the position that proposals requesting issuers to prepare reports on specific aspects of their business or to form special committees



to study a segment of their business would not be excludable under [Rule 14a-8(i)(7)]. Because this interpretation raises form over substance and renders [paragraph (i)(7)] largely a nullity, the Commission has determined to adopt the interpretive change set forth in the Proposing Release. Henceforth, the staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under [Rule 14a-8(i)(7)].

Ryland is one of the nation's largest homebuilders and a leading mortgage-finance company. The Company's operations span all significant aspects of the homebuying process—from design, construction and sale to mortgage origination, title insurance, escrow and insurance services. The Company's financial services segment provides mortgage-related products and services to its homebuyers and subcontractors, and is an integral aspect of the ordinary day-to-day operations of the Company's business. The financial services segment leverages its relationship with the Company's homebuilding operations to provide lending services to homebuyers. In addition to being a valuable asset to customers, the segment greatly enhances the Company's profitability. As a result, it is clear that the subject matter of the requested report involves a matter of Ryland's ordinary business.

The advisory vote contemplated by the Proposal would serve as an attempt to supplement the disclosure included in the Company's Annual Report on Form 10-K. How management and the Company in general gather, review, select and present the numerous aspects of their business and the risks involved is a matter within the ordinary business of the Company and not an appropriate subject for the approval or disapproval of the Company's shareholders. The Commission regulates the contents of periodic reports for the purpose of providing shareholders and potential investors sufficient information to make informed decisions about the registrant. Once regulatory requirements have been met, however, the registrant has considerable latitude in deciding what additional topics of interest to provide to shareholders. Information that is disclosable in addition to that which is necessary to meet the Commission's reporting requirements is properly left to the discretion of the Board of Directors and the management of the Company as a matter relating to the conduct of ordinary business operations to the company. See ConAgra, Inc. (June 10, 1998) (excluding a proposal requiring the company to supplement its Form 10-K and other periodic reports as relating to the ordinary business operations of the company).

The report contemplated by the Proposal would also include forward-looking information concerning the number of non-performing loans the Company will have to repurchase in the future. Such information is part of the Company's ordinary day-to-day business operations and involves an ongoing, complex analysis of all available operational, financial, business, regulatory, legal and organizational information relating to the Company. The evaluation of such information and the review of issues pertaining to the Company's mortgage lending operations



are matters that require the judgment of experienced management. Such matters are uniquely within the purview of the management of the Company, which has the necessary capability and knowledge to evaluate matters relating to the financial service segment of the business. In sum, mortgage lending related issues are within the ordinary business operations of a company in the homebuilding industry, and, as such, a proposal requesting a special report on those matters is excludable under Rule 14a-8(i)(7).

Conclusion

For the reasons contained in this letter and based on the authorities cited herein, Ryland believes that the Proposal may properly be omitted from its proxy materials under Rule 14a-8(i)(7) because the Proposal deals with a matter that relates to the Company's ordinary business operations. Accordingly, the Company respectfully requests the Staff's concurrence that the Proposal may be omitted and that it will not recommend enforcement action if the Proposal is excluded from the Company's 2008 proxy materials.

Staff's Use of Facsimile Numbers for Response

Pursuant to Staff Legal Bulletin 14C, in order to facilitate transmission of the Staff's response to our request during the highest volume period of the shareholder proposal season, our facsimile number is (410) 580-3001 and the Proponent's facsimile number is (812) 238-2553. Further, in appreciation of the Staff's work during the height of the proxy season, we have included photocopies of all no-action letters cited in this no action request as Appendix B.

If you have any questions or need any additional information, please contact the undersigned. We appreciate your attention to this request.

Sincerely,

A handwritten signature in black ink that reads 'R.W. Smith, Jr.' with a stylized flourish at the end.

R.W. Smith, Jr.
DLA PIPER US LLP

cc: Jennifer O'Dell
c/o Laborer's International Union of North America
905 16th Street, NW
Washington, DC 20006
Fax: (812) 238-2553

APPENDIX A

INDIANA STATE DISTRICT COUNCIL OF LABORERS AND HOD CARRIERS PENSION FUND

Telephone 812-238-2551

Toll Free 800-962-3158

Fax 812-238-2553

P.O. Box 1587

Terre Haute, Indiana 47808-1587

Sent Via Fax 818-223-7667

October 30, 2007

Mr. Timothy J. Geckle
 Senior Vice President, General Counsel and Corporate Secretary
 The Ryland Group, Inc.
 24025 Park Sorrento, Suite 400
 Calabasas, CA 91302



Dear Mr. Geckle,

On behalf of the Indiana Laborers Pension Fund ("Fund"), I hereby submit the enclosed shareholder proposal ("Proposal") for inclusion in the The Ryland Group, Inc. ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Proposal is submitted under Rule 14(a)-8 (Proposals of Security Holders) of the U.S. Securities and Exchange Commission's proxy regulations.

The Fund is the beneficial owner of approximately 7,000 shares of the Company's common stock, which have been held continuously for more than a year prior to this date of submission. The Proposal is submitted in order to promote a governance system at the Company that enables the Board and senior management to manage the Company for the long-term. Maximizing the Company's wealth generating capacity over the long-term will best serve the interests of the Company shareholders and other important constituents of the Company.

The Fund intends to hold the shares through the date of the Company's next annual meeting of shareholders. The record holder of the stock will provide the appropriate verification of the Fund's beneficial ownership by separate letter. Either the undersigned or a designated representative will present the Proposal for consideration at the annual meeting of shareholders.

If you have any questions or wish to discuss the Proposal, please contact Jennifer O'Dell, Assistant Director of Corporate Affairs, at 202-942-2359. Copies of correspondence or a request for a "no-action" letter should be forwarded to Ms. O'Dell in care of the Laborers' International Union of North America, 905 16th Street, NW, Washington, DC 20006.

Sincerely,

Michael Short
 Secretary Treasurer

cc. Jennifer O'Dell
 Enclosure

ROBERT W. HARGATE
 CHAIRMAN
OFFICERS - BOARD OF TRUSTEES
MICHAEL J. SHORT
 SECRETARY-TREASURER

JANETTA E. ENGLAND
 ADMINISTRATIVE MANAGER

Resolved: That the shareholders of The Ryland Group, Inc. ("Company" or "Ryland") request that the Board of Directors prepare within 90 days of its annual meeting a report evaluating the Company's mortgage practices including the Company's potential losses or liabilities relating to its mortgage operations and/or those of any affiliates or subsidiaries and a discussion of the following:

1. A discussion of what percentage of Ryland's mortgage originations could be categorized as subprime, Alt-A or other non-agency loan types as well as what percentage of its mortgage originations may be classified as such mortgages;
2. Which of the Company's geographic markets are most reliant on mortgages listed in (1) above;
3. The identity of the purchasers that buy the Company's mortgage loans in the secondary market;
4. What percentage, if any, of the purchases discussed in (3) have Early Payment Default ("EPD") provisions attached which may require the Company to buy back those loans as well as the time frame for those obligations; and
5. How many non-performing loans the Company expects it will have to repurchase during the current and upcoming fiscal year.

The report should be prepared annually at reasonable cost, omit proprietary information, and be distributed in the manner deemed most efficient by the Company.

Supporting Statement

The homebuilding and mortgage industries in general and our Company in particular face extraordinary challenges. As long-term shareholders we are concerned that we may not be able to adequately monitor risk as it relates to the Company's in-house mortgage unit. We are particularly concerned about the accusations facing our Company regarding alleged violations of the Real Estate Settlement Procedures Act (RESPA). According to press reports, "A lawsuit filed June 20 in federal court in Atlanta against Ryland Homes charges the home builder required buyers to either use Ryland Mortgage Co. for financing or pay an additional several thousand dollars to purchase homes."¹

In addition to the litigation the Corporation has told investors that, "Half of Ryland's buyers backed out of their contracts in the most recent quarter...and the company had to lay off 30% of its staff."² Much of the downsizing may have been

1. "Suit claims home builder violated mortgage law", Atlanta Business Chronicle, July, 16, 2007.

2 "Builders shift in shaky market", USA Today, Oct. 14, 2007.

related to the Company's exposure to the non-agency loan market. Industry analysts have stated that, "Nearly one in five "subprime" borrowers was at least two months' payments behind in July, while one in 20 alt-A borrowers fell in the same category."³

We believe that the information requested in the proposal is essential for shareholders to adequately assess their ongoing investment in Ryland. In our view, a full disclosure of the Corporation's mortgage operations will ensure that decisions related to those operations are rendered in the best interests of shareholders. We therefore urge shareholders to vote **FOR** our proposal.

³ "Mortgage industry's woes show no sign of easing" Star-Ledger, Oct. 28, 2007



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VIA UPS and FACSIMILE (202-772-9201)

February 1, 2008

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

**Re: Shareholder Proposal submitted by the Indiana Laborers Pension Fund on
October 30, 2007 to The Ryland Group, Inc.**

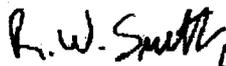
Ladies and Gentlemen:

We are counsel to The Ryland Group, Inc. ("Ryland") and, on behalf of Ryland on December 17, 2007, we submitted a letter requesting that the staff of the Division of Corporation Finance (the "Staff") concur that it will not recommend enforcement action if Ryland omits a shareholder proposal and supporting statement (the "Proposal") from Ryland's 2008 proxy materials under Rule 14a-8(i)(7).

On January 31, 2008, the Proponent informed Ryland of its withdrawal of the Proposal. Attached to this letter is a copy of correspondence from the Proponent confirming that the Proposal has been withdrawn. Accordingly, Ryland also hereby withdraws its request for a no-action letter relating to the Proposal.

If you have any questions or need any additional information, please contact the undersigned. We appreciate your attention to this request.

Sincerely,


R.W. Smith, Jr. *LBE*
DLA PIPER US LLP

cc: Jennifer O'Dell
c/o Laborer's International Union of North America
905 16th Street, NW
Washington, DC 20006

Jan 31 2008 2:57PM Indiana Laborers Welfare 812-238-0328

P.1

INDIANA STATE DISTRICT COUNCIL OF LABORERS AND HOD CARRIERS PENSION FUND

Telephone 812-238-2551

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Terre Haute, Indiana 47608-1587

Sent Via Fax (818-223-7667)

January 31, 2008

Mr. Timothy J. Geckle
Senior Vice President, General Counsel and Corporate Secretary
The Ryland Group, Inc.
24025 Park Sorrento, Suite 400
Calabasas, CA 91302

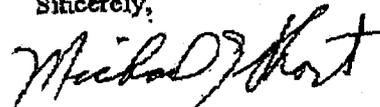
Dear Mr. Geckle,

On behalf of the Indiana Laborers Pension Fund ("Fund"), I hereby withdraw the shareholder proposal ("Proposal") filed by the Fund for inclusion in the The Ryland Group, Inc. ("Company") proxy statement to be circulated to Company shareholders in conjunction with the next annual meeting of shareholders. The Company has agreed to additional disclosures related to the Company's mortgage operations as well as continued dialogue regarding this important issue of increased transparency.

We would like to thank the Company for taking seriously its commitment to exemplary shareholder relations.

If you should have any further questions, please contact Jennifer O'Dell, Assistant Director of Corporate Affairs, at 202-942-2359.

Sincerely,



Michael J. Short
Secretary-Treasurer

cc: Jennifer O'Dell

OFFICERS - BOARD OF TRUSTEES

ROBERT W. HARGATE
CHAIRMAN

MICHAEL J. SHORT
SECRETARY-TREASURER

JANETTA E. ENGLAND
ADMINISTRATIVE MANAGER