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Majority of Harvey Losses Uninsured

CoreLogic, which provides data and analytics to the insurance as well as the mortgage industry, has issued some preliminary estimates for the **residential losses arising out of Hurricane Harvey**. One typically thinks of wind when hearing about hurricanes, but those insured losses in this case were minor in the overall scheme of things, \$1 to \$2 billion. No surprise to anyone with a television, in the case of Harvey, water, incredible and historic amounts of it, was the villain.

In the 70-county area in Texas and Louisiana affected, insured losses for homes and contents, including from inland, flash, and storm surge flooding, are estimated to be between \$6.5 billion and \$9.5 billion. CoreLogic says 98 percent of residential flood insurance in the U.S. is provided through the National Flood Insurance Program (NFIP) administered by FEMA. That program, which is already in serious financial trouble, **is under review by Congress** as it will expire on September 30. Only about \$0.5 billion of the residential damage is covered by private flood insurance.

Uninsured **residential flood losses** dwarf the other numbers. CoreLogic estimates them between \$18 and \$27 billion. Thus, approximately 70 percent of the water-related losses from Harvey will not be covered by any insurance.

One must expect, with dollar losses at the level CoreLogic predicts, there will be a **substantial impact** on the housing and housing finance industries as well.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.45%	-0.07	0.00
15 Yr. Fixed	6.86%	-0.05	0.00
30 Yr. FHA	6.95%	-0.05	0.00
30 Yr. Jumbo	7.64%	-0.04	0.00
5/1 ARM	7.50%	-0.05	0.00

Freddie Mac

30 Yr. Fixed	7.17%	-0.27	0.00
15 Yr. Fixed	6.44%	-0.32	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 4/26

Recent Housing Data

		Value	Change
Mortgage Apps	Apr 24	196.7	-2.67%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

		Value	Change
Builder Confidence	Mar	51	+6.25%