



Mike Baker

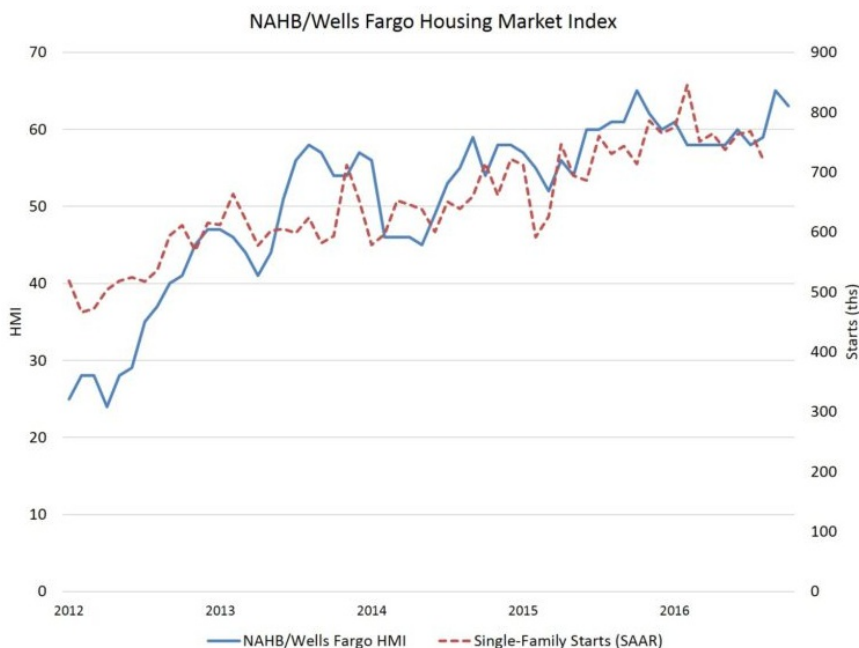
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Housing Market Index Drops to 2nd Highest Level of 2016

The Housing Market Index (HMI), a measure of home builder confidence in the new home market, gave back a bit of its September surge this month. The National Association of Home Builders (NAHB)/Wells Fargo index dropped 3 points from September to 63, exactly the consensus prediction of analysts surveyed by Econoday.

The HMI had gained an unexpected 6 points in September, **rising to 65** after orbiting in a narrow range of 58 to 61 for 10 months. The September index tied with October 2015 for the highest index value since the housing bubble in the mid-2000s.



The HMI composite index contains three components each gauging home builder responses to a survey that NAHB has been conducting for 30 years. Builders are asked to give their perceptions of current single-family home sales and their expectation for the sales over the next six months as "good," "fair" or "poor." The survey also asks builders to rate traffic of prospective buyers as "high to very high," "average" or "low to very low." Scores for each

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 6/28

Recent Housing Data

		Value	Change
Mortgage Apps	Jun 12	208.5	+15.58%
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%

Housing News Update

component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

		Value	Change
Builder Confidence	Mar	51	+6.25%

"Even with this month's drop, builder confidence stands at its **second-highest level in 2016**, a sign that the housing recovery continues to make solid progress," said NAHB Chairman Ed Brady. "However, builders in many markets continue to express concerns about shortages of lots and labor."

Two of the three HMI components posted losses in October. The component gauging current sales conditions dropped two points to 69 and the index charting buyer traffic, which consistently and significantly lags the other two measures, fell one point to 46. Meanwhile, the index measuring sales expectations in the next six months rose one point to 72.

"The October reading represents a **mild pullback** from a jump in September, and indicates that the housing market continues to make slow and steady gains," said NAHB Chief Economist Robert Dietz. "Moreover, mortgage rates remain low and the HMI index measuring future sales expectations has been over 70 for the past two months. These factors will sustain continued growth in the single-family market in the months ahead."

Looking at the three-month moving averages for regional HMI scores, the **West** increased two points to 75 while the **Northeast, Midwest** and **South** each posted one-point gains to 43, 56 and 65, respectively.

Real Talk

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the **ONLY** objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are **NOT** mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do **NOT** have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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