



## Mike Baker

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## Pending Sales Rise, Signal Impressive Demand

Pending home sales **bounced back** in September after falling by 2.5 percent in August the National Association of Realtors® (NAR) said on Thursday. NAR's Pending Home Sales Index (PHSI), a measure based on contracts signed for existing home purchases, rose 1.5 percent in September to 110.0 from 108.4 (revised from 108.5) in August.

NAR's Chief Economist Lawrence Yun said a **robust increase in the West** and a healthy bump in the South more than compensated for declines in the other two regions. With last month's gain, the index is now 2.4 percent higher than last September (107.4) and has now risen year-over-year for 22 of the last 25 months.

Analysts polled by Econoday had estimated pending sales would come in on the positive side with a range of 0.5 to 2.5 percent. The consensus was a 1.0 percent increase.

"Buyer demand is holding up **impressively** well this fall," Yun said, "with Realtors® reporting much stronger foot traffic compared to a year ago. Although depressed inventory levels are keeping home prices elevated in most of the country, steady job gains and growing evidence that wages are finally starting to tick up are encouraging more households to consider buying a home."

Referring back to last week's report on existing home sales in September, Yun said there are **many positive indications** that the housing market's overall health continues to improve. "In addition to sales matching their third highest pace (5.47 million) since February 2007 (5.79 million), distressed sales - foreclosures and short sales - fell to their lowest share since NAR began tracking them in October 2008 (4 percent). Furthermore, sales to first-time buyers reached 34 percent, which matched the highest share since July 2012 and was up convincingly from September 2015 (29 percent)."

However, he continued, the **painfully low levels of available homes** for sale in most of the country continues to be a major predicament. "It's leading to home prices outpacing wages, properties selling a lot quicker than a year ago and the home search for many prospective buyers being highly competitive and drawn out because of a shortage of listings at affordable prices."

The PHSI in the **Northeast** fell 1.6 percent to 96.5 in September, but is still 7.7 percent above a year ago. In the **Midwest** the index declined modestly (0.2

## 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

percent) to 104.6, and is now 1.0 percent lower than in September 2015.

	Value	Change
Builder Confidence	Mar 51	+6.25%

Pending home sales in the **South** rose 1.9 percent to an index of 122.1 and are now 1.7 percent higher than a year earlier. The index in the **West** jumped 4.7 percent in September to 107.3, and is now 4.0 percent above a year ago.

The PHSI is a leading indicator of existing home sales. A sale is listed as pending when the contract has been signed. The sale is typically finalized within one or two months. The index is based on a large national sample of about 20 percent of transactions for existing home sales, and is benchmarked at 100, the average level of contract activity in 2001, the first year to be examined.

## 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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