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Builder Confidence Hits 12-Year High

The National Association of Home Builders (NAHB) said its new home builder members displayed a **surge of confidence** this month. The NAHB/Wells Fargo Housing Market Index (HMI) jumped 7 points to 71, giving it the highest reading since June 2005. Numbers for the three component indices were also up, however the increased confidence did not extend nationwide.

Analysts **badly undershot** the HMI. Those polled by Econoday had expected only a one point increase from February to 66.

NAHB Chairman Granger MacDonald said, "Builders are buoyed by President Trump's actions on regulatory reform," pointing specifically to a recent executive order that rescinded and revised part of the U.S. rule that impacts permitting.

Derived from a monthly survey that NAHB has been conducting for 30 years, the NAHB/Wells Fargo Housing Market Index gauges builder perceptions of current single-family home sales and sales expectations for 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 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.

The HMI component measuring **current sales** and the forward-looking index for the next six months were both at 78, rising 7 points and 5 points respectively from the previous month. The component gauging buyer traffic was up eight points to 54. This was only the third time that component has been above the 50 threshold since 2005.

"While builders are clearly confident, **we expect some moderation** in the index moving forward," said NAHB Chief Economist Robert Dietz. "Builders continue to face a number of challenges, including rising material prices, higher mortgage rates, and shortages of lots and labor."

Across the regions, the three-month moving averages increased in the **Midwest**, up 3 points to 68 and in the **South**, gaining 1 point to 68. The **Northeast** edged down one point to 48 and the **West** was fell 3 points to 76.

National Average Mortgage Rates



	Rate	Change	Points
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%

Real Talk

	Value	Change
Builder Confidence	Mar 51	+6.25%

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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