



**Michael Trahan**

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**Calm Week to End Not-So-Calm Year**

While this week was uneventful and while 2022 was more volatile in terms of movement in the housing/mortgage market, we can still reflect on 2023 as a year of extremes.

Incidentally, that thesis is supported by some of the only economic data released this week. Pending Home Sales came out perfectly unchanged from last month, but still at the lowest levels in a long time (not counting the 2020 lockdowns). Note that most of the move down to these lows occurred in 2022, before extending just a bit more in 2023.

**Pending Home Sales Index**



It's a similar story for interest rates. 2022 was marked by the largest change in mortgage rates in a single year since 1981, but 2023 took the outright levels just a bit higher.

**National Average Mortgage Rates**



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	0.00

Rates as of: 7/26

**Recent Housing Data**

		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
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%
Builder Confidence	Mar	51	+6.25%

### 30yr Fixed Mortgage Rate Index



On a more hopeful note, 2023 may end up being remembered not only for the extremes, but also by the start of the potential shift in rates and housing metrics. Strikingly, by the end of the year, mortgage rates nearly made it back to levels seen at the end of 2022.

### 30yr Fixed Mortgage Rate Indices

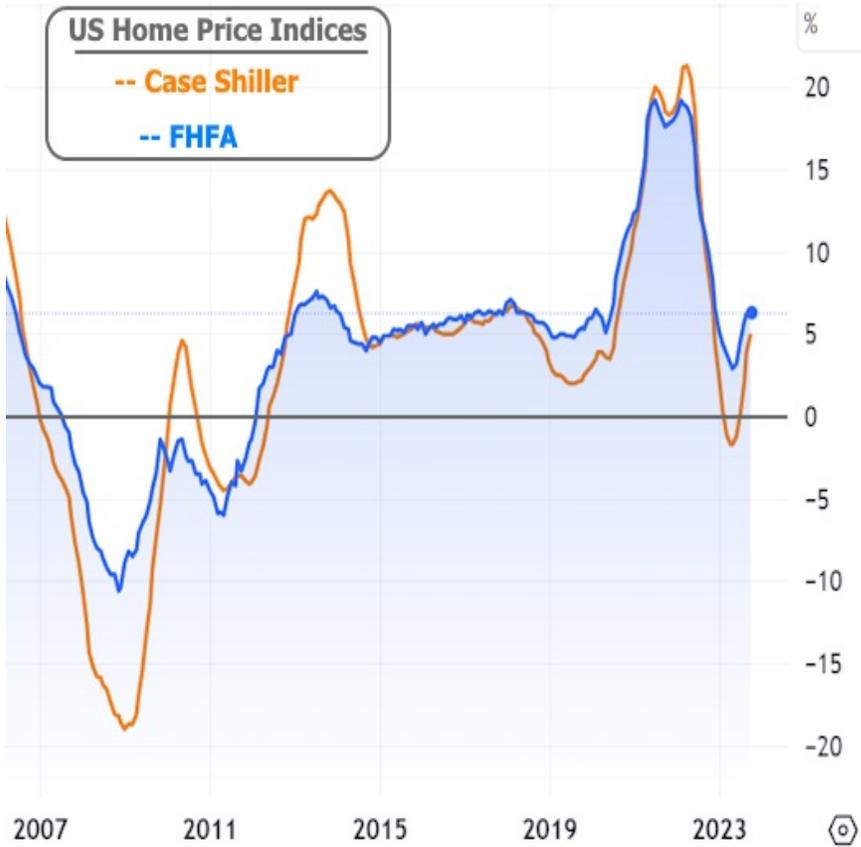
-MND -Freddie Mac -MBA



It was a similar story for the broader bond market, as seen in 10yr Treasury yields below. Stocks, meanwhile, mostly moved higher.



In terms of home prices, 2023 was notable in that Case Shiller's price index hit negative territory in year-over-year terms, but more notable because forecasts called for deeper, longer-lasting losses in late 2022. In other words, there's been an impressive ability to hold ground, even if a lot of the credit goes to a lack of inventory and a low transaction count.



It will be interesting to see how the inventory situation is impacted by lower interest rates (IF rates are able to continue moving lower). That's a big and important "IF." It will be resolved by economic data in the first quarter of 2023. The first batch of important data arrives next week with several key reports starting Wednesday. Friday's jobs report is the most important report.

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**Recent Economic Data**

Date	Event	Actual	Forecast	Prior
<b>Tuesday, Dec 26</b>				
9:00AM	Oct FHFA Home Price Index m/m (%)	0.3%		0.6%
9:00AM	Oct FHFA Home Prices y/y (%)	6.3%		6.1%
9:00AM	Oct CaseShiller 20 mm nsa (%)	0.1%		0.2%
9:00AM	Oct Case Shiller Home Prices-20 y/y (%)	4.9%	4.9%	3.9%
<b>Thursday, Dec 28</b>				
8:30AM	Dec/23 Jobless Claims (k)	218K	210K	205K
8:30AM	Nov Wholesale inventories mm (%)	-0.2%		-0.4%
10:00AM	Nov Pending Home Sales (%)	0%	1%	-1.5%
<b>Friday, Dec 29</b>				
9:45AM	Dec Chicago PMI	46.9	51	55.8
<b>Tuesday, Jan 02</b>				

**Event Importance:**

- No Stars = Insignificant
- ☆ Low
- ★ Moderate
- ★★ Important
- ★★★ Very Important

Date	Event	Actual	Forecast	Prior
9:45AM	Dec S&P Global Manuf. PMI	47.9	48.2	49.4
<b>Wednesday, Jan 03</b>				
7:00AM	Dec/29 MBA Purchase Index	140.7		148.7
7:00AM	Dec/29 MBA Refi Index	358.2		437.6
10:00AM	Dec ISM Manufacturing PMI	47.4	47.1	46.7
10:00AM	Nov USA JOLTS Job Openings	8.79M	8.85M	8.733M
2:00PM	FOMC Minutes			
<b>Thursday, Jan 04</b>				
7:30AM	Dec Challenger layoffs (k)	34.817K		45.51K
8:15AM	Dec ADP jobs (k)	164K	115K	103K
8:30AM	Dec/30 Jobless Claims (k)	202K	216K	218K
<b>Friday, Jan 05</b>				
8:30AM	Dec Non Farm Payrolls	216K	170K	199K
8:30AM	Dec Unemployment rate mm (%)	3.7%	3.8%	3.7%
10:00AM	Dec ISM N-Mfg PMI	50.6	52.6	52.7

## Professional Mortgage Lending

With over two decades of experience in the mortgage business and a background that sets me apart from many lenders, I bring an unprecedented level of expertise to each client. Through knowledge of current lending markets, and access to innovative products for buyers with unique backgrounds my clients can expect justifiable results quickly and easily. More than simply understanding numbers though; tech-savvy communication ensures quick returns on questions while always keeping their best interests at heart is what truly makes me stand out.

Finding the right professionals to make life's big decisions can be daunting. A great doctor and lawyer, a savvy financial advisor, and a spiritual leader – these are all important considerations. But don't forget your mortgage situation! It pays to have an experienced professional helping you navigate one of life's largest investments in order for it to pay off down the road. Let me offer that expert guidance through my trusted services - I'd love to help make this process as straightforward as possible so you get exactly what you need out of home ownership.

Michael Trahan

