



Tom Payne

Senior Loan Consultant, loanDepot
 NMLS# 1017004 #174457 Licensed in all 50 States
 2835 St. Rose Parkway, Suite 120 Henderson, NV 89052

Office: 702-303-0243
 Mobile: 702-303-0243
tompaynemortgage@gmail.com
[View My Website](#)

Mortgage Rates and Housing Consolidate Ahead of Holidays

The notion of **consolidation** is ubiquitous in both the natural and financial world. With respect to housing markets and mortgage rates, consolidation refers to a pause in recent movement—a ‘**leveling-off.**’ It can be the result of a trend that has simply run out of steam, or it can be a way for markets to batten down the hatches ahead of an expected storm.

Given that financial markets like liquidity (an ample supply of interested buyers and sellers) the Thanksgiving holiday week begins a **storm**, of sorts, that typically results in consolidation. Incidentally, all bets are off during the storm itself (essentially next week through the New Year), but on the approach, markets tend to consolidate.

This year is no exception as **bond markets began taking a break** from their recent run toward higher rates this week (i.e. rates moved a bit lower). In the true spirit of consolidation, rates also haven’t been eager to move back below their most recent plateau seen just before the last jobs report. They’ve **merely cooled off** and are now considering their next move. The terror attacks in Paris and this week’s release of the Minutes from the last Fed meeting only increased motivation for a cautionary pause.

When it comes to consolidation in housing markets, we’re dealing with a **much longer time scale**. Housing data has been generally improving throughout the recovery, but is finally showing signs of leveling off—at least in some sectors. It’s **too soon** to definitively tell if this is part of the normal seasonal pull-back that follows the summer buying season, but some year-over-year numbers raise that concern.

Particularly, a recent **Redfin report** suggests that housing slowed down **more than typical seasonality would suggest** in October. **Housing Starts** also lost ground due to a big slow-down in multi-family construction. The net effect was the first year-over-year decline since March.

National Average Mortgage Rates



	Rate	Change	Points
--	------	--------	--------

Mortgage News Daily

30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	0.00

Freddie Mac

30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00

Rates as of: 7/22

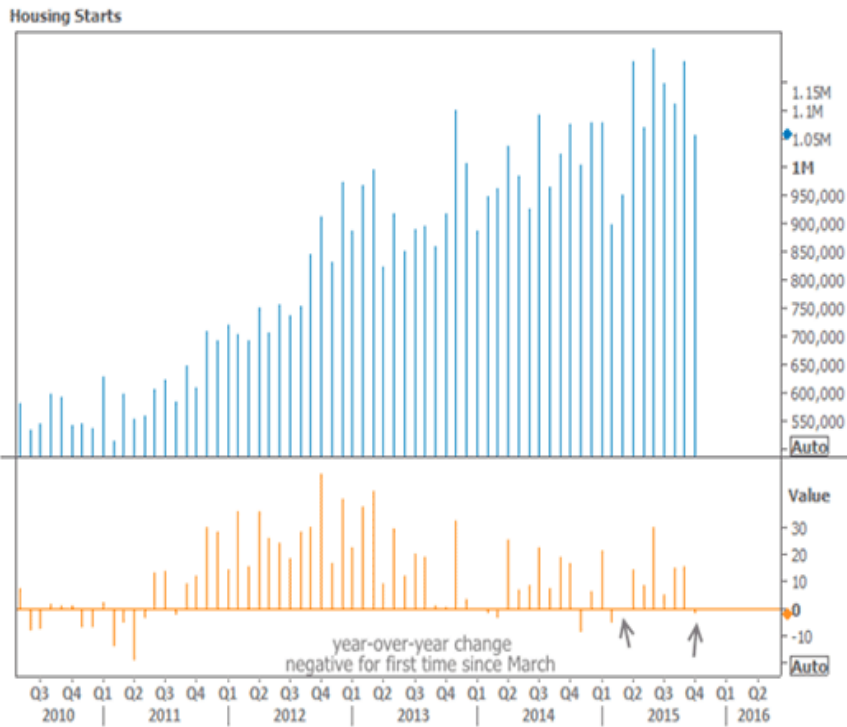
Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.47	+0.08
MBS GNMA 5.5	99.85	+0.07
10 YR Treasury	4.2306	-0.0219
30 YR Treasury	4.4566	-0.0159

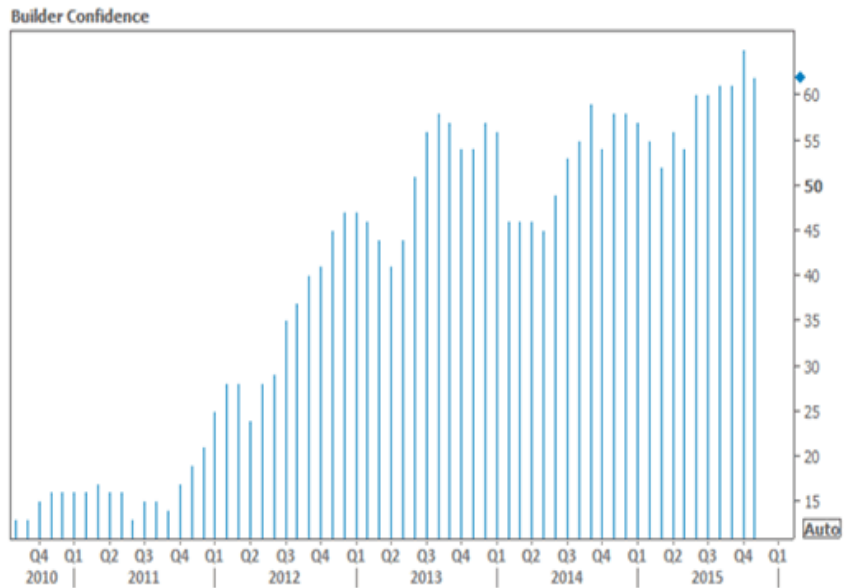
Pricing as of: 7/23 10:55AM EST

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%



Elsewhere, the housing news is **more balanced**. For instance, even as builder confidence pulled back sharply this month, it remains in a general uptrend, and well above last year's levels.



FHA announced a much improved outlook in its financial strength, reaching its capital ratio goal more than a year ahead of its goal. There has been some speculation that this could affect mortgage insurance premiums (MIPs) in the future. At the very least, it should help ensure stable MIPs for the foreseeable future.

Subscribe to my newsletter online at: <http://housingnewsletters.com/thomaspayne>

Recent Economic Data

Event Importance:

Date	Event	Actual	Forecast	Prior
Monday, Nov 16				
8:30AM	Nov NY Fed manufacturing	-10.74	-6.20	-11.36
Tuesday, Nov 17				
8:30AM	Oct CPI mm, sa (%)	+0.2	0.2	-0.2
8:30AM	Oct Core CPI index, sa	243.70		243.21
8:30AM	Oct Core CPI mm, sa (%)	+0.2	0.2	0.2
10:00AM	Nov NAHB housing market indx	62	64	64
Wednesday, Nov 18				
8:30AM	Oct Building permits: number (ml)	1.150	1.150	1.105
8:30AM	Oct Build permits: change mm (%)	+4.1		-4.8
8:30AM	Oct Housing starts number mm (ml)	1.060	1.160	1.206
Thursday, Nov 19				
8:30AM	w/e Continued jobless claims (ml)	2.175	2.164	2.174
8:30AM	w/e Initial Jobless Claims (k)	271	270	276
8:30AM	w/e Jobless claims 4-wk avg (k)	270.75		267.75
8:30AM	Nov Philly Fed Business Index	1.9	-1.0	-4.5
Monday, Nov 23				
10:00AM	Oct Exist. home sales % chg (%)	-3.4	-2.3	4.7
10:00AM	Oct Existing home sales (ml)	5.36	5.40	5.55
Tuesday, Nov 24				
8:30AM	Q3 GDP Prelim (%)	+2.1	2.1	1.5
9:00AM	Sep CaseShiller 20 mm nsa (%)	+0.2	0.4	0.4
9:00AM	Sep CaseShiller 20 yy (%)	+5.5	5.1	5.1
9:00AM	Sep CaseShiller 20 mm SA (%)	+0.6	0.3	0.1
10:00AM	Nov Consumer confidence	90.4	99.5	97.6
Wednesday, Nov 25				
8:30AM	Oct Consumption, adjusted mm (%)	+0.1	0.3	0.1
8:30AM	Oct Personal consump real mm (%)	+0.1		0.2
10:00AM	Oct New home sales chg mm (%)	+10.7	6.0	-11.5
10:00AM	Oct New home sales-units mm (ml)	0.495	0.500	0.468
Thursday, Nov 26				
12:00AM	Thanksgiving			
Friday, Nov 27				
2:00PM	Thanksgiving			
Wednesday, Apr 05				
2:00PM	FOMC Minutes			

No Stars = Insignificant

☆ Low

★ Moderate

★★ Important

★★★ Very Important

Update: Buyer Broker Agreement

After requests from real estate companies, a nonprofit consumer watchdog group the Consumer Federation of America has developed a list of factors to consider when creating a buyer contract in preparation for upcoming practice changes in the industry.

CFA released its "Proposed Criteria for Evaluating Home Buyer Contract Forms" on Tuesday. The 15 criteria focus on the contracts' form – whether the documents are readable and understandable – and content – whether they are fair to homebuyers.

- the document's expiration date (CFA recommends buyers asks for a three-month contract and never sign one longer than six months)
- the right to terminate the contract
- the disclosure that compensation is negotiable
- the broker's compensation clearly stated and that the buyer broker can't receive additional compensation for facilitating a sale
- that any additional fees, such as for showing a home, will be deducted from the broker's commission if there is a successful sale
- that the commission is due only if there is a successful closing
- that buyers have an obligation – for no longer than 60 days, CFA recommends – to pay a broker who earlier showed them a home they purchased after the contract ended
- seller concessions paid directly to buyers
- dual agency not pre-approved by the contract
- an explanation of how a broker treats different buyer clients interested in the same property
- that buyers should not be required to first go through mediation or arbitration if they have a complaint

Contact me for more information. 702-303-0243 or TPayne@loandepot.com

We are a direct nationwide lender.
EQUAL HOUSING LENDER

Tom Payne

