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## Strong Week for Purchase and Refi Applications

Mortgage applications made a strong showing during the week ended April 8 and for the first time in a while the gains were fairly evenly distributed between refinance and purchase applications. The Mortgage Bankers Association (MBA) reported that applications overall **increased by 10 percent** on both a seasonally adjusted and an unadjusted basis compared to the week ended April 1.

The **Refinance Index** built on its 8 percentage point rebound the previous week, rising 11 percent to its highest level since February. The share of applications that were for refinancing increasing from 54.5 percent to 5.9 percent.

The seasonally adjusted **Purchase Index** increased 8 percent from one week earlier to its highest level since October 2015. The unadjusted Purchase Index was up 9 percent compared with the previous week and was 24 percent higher than the same week one year ago.

### Refi Index vs 30yr Fixed

### Purchase Index vs 30yr Fixed

Mike Fratantoni, MBA's Chief Economist said, "Helped by a persistently strong job market and low rates, applications for both conventional and government home purchase loans increased last week. The purchase index was at its second highest level since May 2010. Applications to refinance also increased as the 30-year contract rate decreased to its lowest level since January 2015."

The **FHA share** of total applications fell to 10.8 percent from 11.3 percent and the **VA share** dipped to 11.9 percent from 12.2 percent. The **USDA share** of total applications remained unchanged at 0.8 percent.

Most mortgage rates edged down from previous levels. The average contract rate for **30-year fixed** rate mortgages (FRM) with conforming loan balances of \$417,000 or less fell 4 basis points to 3.82 percent. Points increased to 0.33 from 0.32 and the effective rate declined from a week earlier.

## National Average Mortgage Rates



	Rate	Change	Points
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### 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

### Mortgage Bankers Assoc.

30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/22

## 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%

# Housing News Update

The rate for 30-year FRM with **jumbo** balances exceeding \$417,000 were down as well, averaging 3.74 percent, the lowest rate since February, with 0.31 point compared to 3.76 percent with 0.27 point. The effective rate was also down.

Thirty-year FRM backed by the **FHA** had an average rate of 3.66 percent with 0.29 point, the lowest since April 2015. The previous week the rate was 3.73 percent with 0.36 point. The effective rate also declined from the week before.

The average contract interest rate for **15-year** fixed-rate mortgages was unchanged at 3.10 percent and points were unchanged at 0.37. The effective rate was also unchanged.

The adjustable-rate mortgage (**ARM**) share of activity increased to 5 percent of total applications. MBA said the contract rate for 5/1 ARMs increased however they gave the number for both weeks as 2.94 percent. Points decreased to 0.2 from 0.26 and the effective rate was down.

MBA's Weekly Mortgage Application Survey which covers over 75 percent of all U.S. retail residential mortgage applications has been conducted since 1990. Respondents include mortgage bankers, commercial banks and thrifts. Base period and value for all indexes is March 16, 1990=100 and interest rate data assumes mortgages with an 80 percent loan to value ratio and points that include the origination fee.

**Value**

**Change**

Builder Confidence

Mar

51

+6.25%

## 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

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