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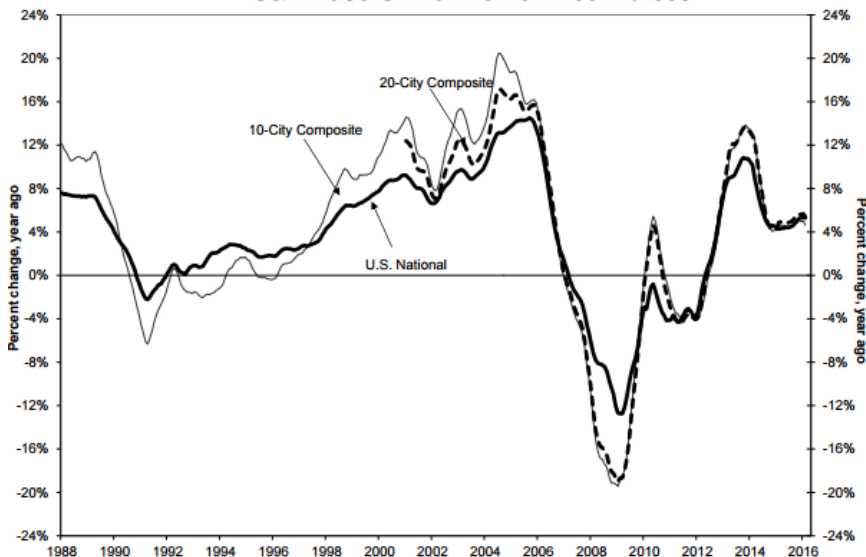
## Case-Shiller Price Increases Ease Slightly

Home prices in the U.S. posted a 5.3 percent increase from February 2015 to February 2016 according to the S&P/Case Shiller index covering all nine U.S. census divisions. This was the same as the annual increase posted in January. On a month-over-month basis the national index was **up 0.2 percent** before seasonal adjustment and 0.4 percent afterward.

The 10-City Composite Index showed increases slowing slightly. It was 4.6 percent higher this past February compared to 5.0 percent a year earlier. On a monthly basis it posted an 0.1 percent increase from January on a non-seasonally adjusted basis and 0.6 percent afterward. In January there was no change from the previous month on an unadjusted basis and 0.8 percent when adjusted.

The 20-City Composite index showed slightly less change; **gaining 5.4 percent** on an annual basis compared to 5.7 percent in January. The unadjusted and adjusted monthly gains were 0.2 percent and 0.7 percent respectively compared to 0.0 percent and 0.7 percent the previous month. Analysts surveyed by Econoday had been on target with expectations for the seasonally adjusted monthly number, a consensus of 0.7 percent. They had expected a slightly higher annual increase at 5.5 percent.

S&P/Case-Shiller Home Price Indices



Source: S&P Dow Jones Indices & CoreLogic

## 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

### 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%

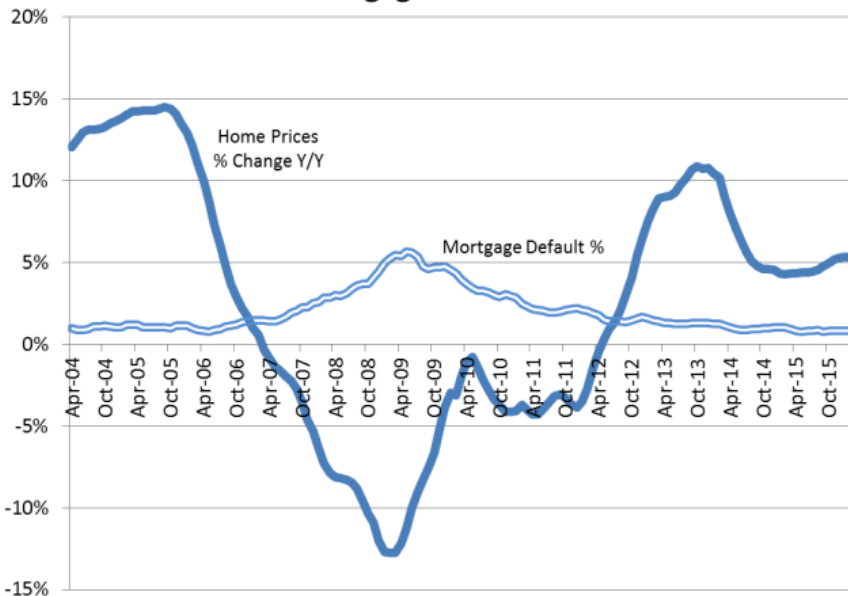
		Value	Change
Builder Confidence	Mar	51	+6.25%

**Fourteen of the 20 cities** reported increases in February before seasonal adjustment; after seasonal adjustment, only 10 cities increased for the month while all 20 cities were in positive territory for the year. As has been the case for months, the highest gains among the 20 cities were in Portland (Oregon), with an 11.9 percent annual gain, Seattle (11.0 percent), and Denver, up 9.7 percent. Seven cities reported greater price increases in the year ending February 2016 versus the year ending January 2016.

David M. Blitzer, Managing Director and Chairman of the S&P Dow Jones Index Committee said, "Home prices continue to rise twice as fast as inflation, but the **pace is easing** off in the most recent numbers. The year- over-year figures for the 10-City and 20-City Composites both slowed and 13 of the 20 cities saw slower year-over- year numbers compared to last month. The slower growth rate is evident in the monthly seasonally adjusted numbers: six cities experienced smaller monthly gains in February compared to January, when no city saw growth. Among the six were Seattle, Portland OR, and San Diego, all of which were very strong last time."

He continued, "**Mortgage defaults** are an important measure of the health of the housing market. Memories of the financial crisis are dominated by rising defaults as much as by falling home prices. Today as well, the mortgage default rate continues to mirror the path of home prices. Currently, the default rate on first mortgages is about three-quarters of one percent, a touch lower than in 2004. Moreover, the figure has drifted down in the last two years. While financing is not an issue for home buyers, rising prices are a concern in many parts of the country. The visible supply of homes on the market is low at 4.8 months in the last report. Homeowners looking to sell their house and trade up to a larger house or a more desirable location are concerned with finding that new house. Additionally, the pace of new single family home construction and sales has not completely recovered from the recession."

**Year-over-Year Change in Home Prices and Mortgage Default Rates**



As of February the average home prices in cities tracked by the 10- and 20-City Composites were back to winter 2007 levels and are **within 11 to 13 percent of their peak** prices reached in June and July of 2006. Since the prices in those indices hit their lows in March 2012 they have recovered by 34.5 percent in the 10-City and 36.3 percent in the 20.

The S&P/Case-Shiller Home Price Indices are constructed to accurately track the price path of typical single-family home pairs for thousands of individual houses from the available universe of arms-length sales data. The S&P/Case-Shiller National U.S. Home Price Index tracks the value of single-family housing within the United States. The indices have a base value of 100 in January 2000; thus, for example, a current index value of 150 translates to a 50 percent appreciation rate since January 2000 for a typical home located within the subject market.

The 10-City Composite currently has an index level of 197.00 and the 20-City a value of 182.79. The National Index is at 175.61. Detroit continues to have the lowest index value at 103.35 and Los Angeles the highest at 244.06.

## 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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