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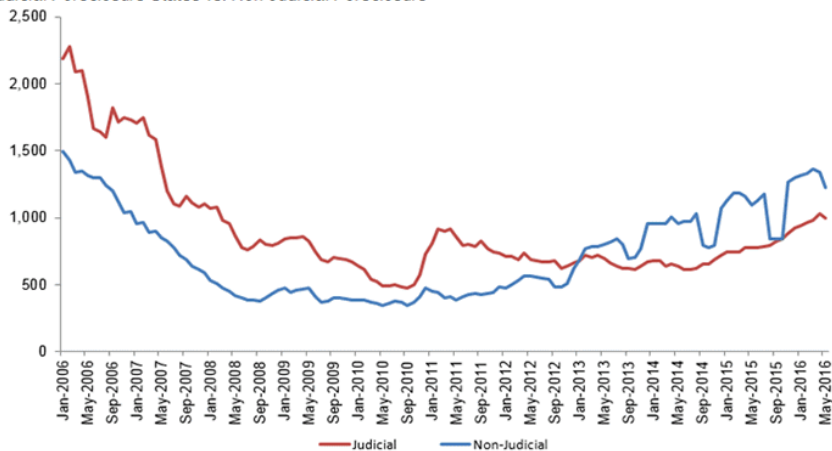
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## Foreclosure Inventory Back to 1 Percent

CoreLogic reported on Tuesday that the foreclosure inventory, the number of homes in some stage of foreclosure, had dropped to 390,000 in May, representing **1 percent of all mortgaged homes** in the U.S. This is a 24.5 percent decline from a year earlier when the inventory contained 517,000 homes, a rate of 1.3 percent. The May 2016 foreclosure inventory rate is the lowest for any month since October 2007 and was down 3.0 percent compared to April 2016.

The company's May 2016 *National Foreclosure Report* also shows the number of completed foreclosures nationwide decreased from 41,000 in May 2015 to 38,000 in the most recent period and were 67.9 percent below the September 2010 peak of 117,813. However, there were 2,000 more completed foreclosures in May than in April and the incidence is still running **well above** the 21,000 foreclosure average in the years preceding the housing crisis. There were 461,638 Foreclosures in the 12-month period ended in May 2016 compared to just over 560,000 in the 12-month period ended a year earlier.

**Figure 1 – Number of Mortgaged Homes per Completed Foreclosure**  
 Judicial Foreclosure States vs. Non-Judicial Foreclosure



Source: CoreLogic May 2016

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The serious delinquency rate (90 or more days past due including loans in foreclosure) **declined to 2.8 percent**, the lowest in more than eight years and a 21.6 percent decrease from May 2015. The total number of seriously delinquent loans in May was 1.1 million.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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

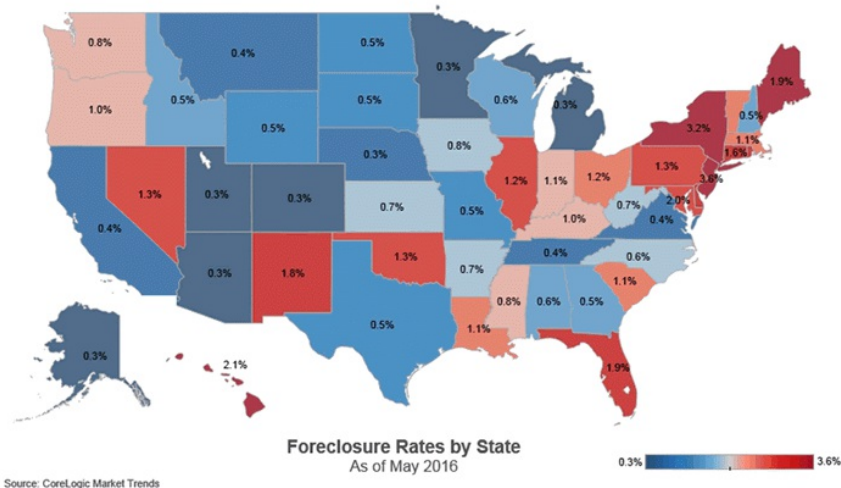
		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

"The foreclosure rate fell to 1 percent in May, which is twice the long-term average of 0.5 percent. However, this masks the underlying progress at the state level," said Dr. Frank Nothaft, chief economist for CoreLogic. "Twenty-nine states had foreclosure rates below the national average, and all but North Dakota experienced declines in their foreclosure rate compared to the prior year."

"Delinquency and foreclosure rates continue to drop as we experience the benefits of a combination of tight underwriting, job and income growth and a steady rise in home prices. We expect these factors to remain in place for the remainder of this year and for delinquency and foreclosure rates to decline even further," said Anand Nallathambi, president and CEO of CoreLogic. "As we finally move past the housing crisis, we need to increase our focus on **expanding the supply of affordable housing** and access to credit for first-time homebuyers in sustainable ways to ensure the long-term health of the U.S. housing market."

The **five states with the highest** number of completed foreclosures were Florida (63,000), Michigan (45,000), Texas (27,000), Ohio (23,000) and California (23,000). These five states account for almost half of all completed foreclosures nationally.

**Figure 3 – Foreclosure Inventory Rate by State**



Four states and the District of Columbia had the highest foreclosure inventory rate: New Jersey (3.6 percent), New York (3.2 percent), Hawaii (2.1 percent), the District of Columbia (2.0 percent) and Maine (1.9 percent).

## 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](mailto:TPayne@loandepot.com)

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