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## New Home Sales Surge to 8-Year High

Sales of newly constructed homes posted a gain in June, rising 3.5 percent from the May estimate. The Census Bureau and the Department of Housing and Urban Development put new home sales for the month at a seasonally adjusted annual rate of **592,000 units** compared to sales in May which were revised upward to 572,000 from 551,000 units. The June rate was **25.4 percent higher** than seasonally adjusted sales a year earlier of 472,000.

The sales report bested **by a wide margin** the consensus of analysts polled by Econoday of 562,000 units. Opinions ranged from 540,000 to 571,000.

On a non-seasonally adjusted basis there were 54,000 new homes sold during the month, the same number as in May. Sales in June of last year totaled 44,000.

New home sales dipped in the **Northeast** by 5.6 percent for the month but remained 30.8 percent higher than sales a year earlier. Sales in the **Midwest** were up 10.4 percent compared to May and were 44.1 percent than in June 2015. The **South** also saw slightly lower sales than a month earlier, down 0.3 percent, but they were still 21.1 percent above those the previous June. Sales in the **West** were 10.9 percent and 24.6 percent above those for the two earlier periods.

At the end of the reporting period there were an estimated 244,000 new homes available for sale, a **4.9-month supply** at the current sales pace and a decrease of 3.9 percent from the inventory in May. Houses sold during the month were on the market a median of 3.8 months. Of the 54,000 homes sold, 18,000 were purchased before construction was started and 17,000 sold after they were completed.

The median price of a new home sold during the month was \$306,700 compared to \$289,200 in June 2015. The average price was \$358,200 compared to \$329,300 a year earlier.

## 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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	0.00
<b>Mortgage Bankers Assoc.</b>			
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%

## Update: Buyer Broker Agreement

	Value	Change
Builder Confidence	Mar 51	+6.25%

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

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