



## 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](mailto:tompaynemortgage@gmail.com)  
[View My Website](#)

## Traffic Concerns Continue to Weigh on Builders

The National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) improved slightly in August, but **remained within the narrow range** of 58 to 61 it has inhabited since December. The index, a measure of builder confidence in the market for new single-family home, increased by two points to 60. The July HMI, originally reported at 59 was revised down to 58. The index peaked at a decade long high of 65 in October.

NAHB constructs the index from responses to a survey it has conducted with its new home builder members for 30 years. The survey asks respondents to classify their perceptions of current single-family home sales and their expectations for sales over the upcoming six months as "good," "fair" or "poor." Builders are also asked to rate current prospective buyer traffic as "high to very high," "average" or "low to very low." Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

Two of the three HMI components posted gains in August. The component gauging **current sales conditions** rose two points to 65, while the index charting **sales expectations** in the next six months increased one point to 67. The component measuring **buyer traffic**, which has significantly lagged other components since at least the end of the housing boom, fell one point to 44.

"Builder confidence remains solid in the aftermath of weak GDP reports that were offset by positive job growth in July," said NAHB Chief Economist Robert Dietz. "Historically low mortgage rates, increased household formations and a firming labor market will help keep housing on an upward path during the rest of the year."

Regional data is reported as moving three-month moving averages. The indices for the **South** and the **Northeast** each ticked up two points to 63 and 41 respectively. The **Midwest** dropped two points to 55 and the **West** was unchanged at 69.

## 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

We are a direct nationwide lender.  
EQUAL HOUSING LENDER

Tom Payne 