



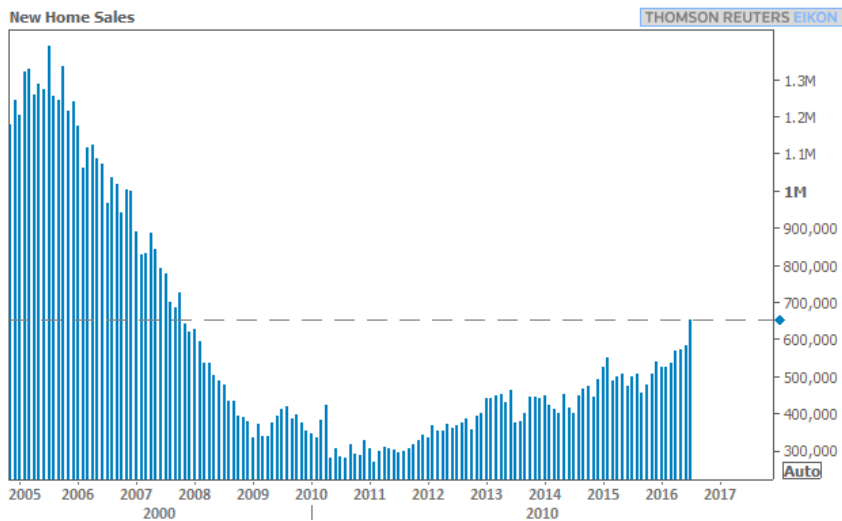
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## Biggest Monthly Gain For New Home Sales in 10 Years

Rather than the month-over-month decline expected, July new home sales **soared** above 600,000 units for the first time since late 2007. The U.S. Census Bureau and Department of Housing and Urban Development reported on Tuesday that newly constructed homes sold at a seasonally adjusted annual rate of 654,000 during the month, a 12.4 percent gain from June's downwardly adjusted rate of 582,000 (from 592,000). This was a **31.3 percent increase** from a year earlier when sales sold at a rate of 498,000 units.



Analysts surveyed by Econoday had expected sales to come in somewhere in the range of 556,000 to 590,000. The consensus was 580,000 units.

On a non-seasonally adjusted basis there were 57,000 new homes sold, up from 53,000 in June and 43,000 in July 2015.

The **median price** of a home sold during the month was \$294,600 compared to 296,000 a year earlier. The average price was \$355,800, up from \$341,900. In its report on the July data Econoday repeated their contention from June that sales are getting a boost from builder discounts. They cite the negative change in the year-over-year median price of homes sold as further evidence.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.44%	-0.04	0.00
15 Yr. Fixed	5.97%	-0.03	0.00
30 Yr. FHA	5.90%	-0.04	0.00
30 Yr. Jumbo	6.66%	-0.02	0.00
5/1 ARM	6.32%	-0.06	0.00
<b>Freddie Mac</b>			
30 Yr. Fixed	6.46%	-0.40	0.00
15 Yr. Fixed	5.62%	-0.54	0.00
<b>Mortgage Bankers Assoc.</b>			
30 Yr. Fixed	6.54%	-0.01	0.57
15 Yr. Fixed	5.96%	-0.07	0.65
30 Yr. FHA	6.49%	0.00	0.77
30 Yr. Jumbo	6.78%	+0.01	0.37
5/1 ARM	6.04%	+0.13	0.87

Rates as of: 8/23

## Recent Housing Data

		Value	Change
Mortgage Apps	Aug 14	251.3	+16.83%
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

Sales rose in **three of the four regions** but most notably in the Northeast where they were up 40.0 percent from June and 25.0 percent from July 2015. Sales in the Midwest edged 1.2 percent higher for the month but were 35.6 percent higher year-over-year. Sales in the South were up 18.1 percent and 39.6 percent respectively for the two period. The West saw sales unchanged from June but they were still 11.4 percent above July 2015.

At the end of the reporting period there were 235,000 new homes available for sale nationwide, an estimated **4.1-month supply**, the lowest in at least a year. There were 241,000 homes for sale in the June report but the slower pace of sales put that supply at 4.6 months. All inventory numbers are not seasonally adjusted. Homes sold in July were on the market a median of 3.7 months and 40,000 of the 57,000 sold before construction was complete.

	Value	Change
Builder Confidence	Mar 51	+6.25%

# National Association of Realtors - New Rules & Open Houses

New rules stemming from the National Association of Realtors' commission lawsuit settlement went into effect Saturday following years of litigation, potentially upending the industry, including how agents get paid.

This week, I have been hearing from agents, brokers, MLS executives, portals and other insiders as the rules roll out.

**COMMISSION QUESTIONS:** In the wake of NAR's new settlement rules, many buyer's agents are suddenly confronting a new question: What commission should they ask for in their buyers' broker representation agreements?

Here are a few responses found in a real estate master-mind group:

"I'm asking the buyer to pay my rate but advising them the seller may be offering something towards that," one agent responded. "If that's the case they only have to pay what's left."

"Sit down with your buyer and a trusted loan officer" another suggested. "Have the loan officer complete the various costs including your compensation and without any compensation (seller contributes). Once the buyer sees how much they have to come up with, they can make a decision. Then you make yours."

Some commenters also said that their brokers are making recommendations.

"This thread is illegal," one commenter argued, echoing a number of other remarks. "It is price fixing and the whole reason the U.S. Department of Justice got involved. Commission/Concessions should only be discussed between the agent and his/her client, never among agents."

The debate highlights the fact that many practical issues stemming from the settlement are yet to be worked out – and that additional litigation is top of mind for many real estate professionals,

**OPEN HOUSE, OPEN QUESTION:** Among the real estate professionals watching how the settlement changes unfolded this weekend was Randy Bell of Life Realty – The District in Henderson, NV who told me that "Buyers appear to be leery about signing short-term agreements and may favor open houses over individual tours until they're at ease with the rule." He went on to state "It'll be very interesting to see whether open house traffic increases, which I expect it will once buyers understand they don't have the same friction with agreements by going directly to open houses,"

One stat I'm going to be looking at is the number of open houses relative to active listings. I'll have numbers for you in the weeks to come. ...More to follow in future Newsletters.

Contact me for more information. 702-303-0243 or TPayne@loandepot.com

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**Tom Payne**

