



Tom Payne

Senior Loan Consultant, loanDepot
 NMLS# 1017004 #174457 Licensed in all 50 States
 2835 St. Rose Parkway, Suite 120 Henderson, NV 89052

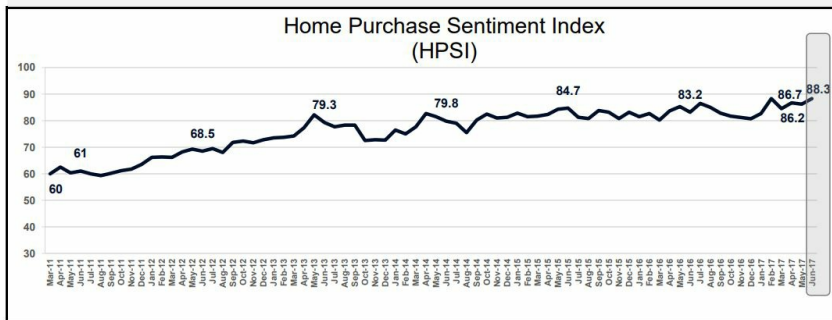
Office: 702-303-0243
 Mobile: 702-303-0243
tompaynemortgage@gmail.com
[View My Website](#)

Consumers Remain Upbeat About Buying, Selling Homes

It may be good news for those skinny housing inventories, homebuyers are allegedly confronting that increasing numbers of homeowners think **now is a good time to sell**. Fannie Mae says net positive responses to that question on its June National Housing Survey (NHS) increased by 7 points, reaching a new survey high of 39 percent. Those responses helped drive Fannie Mae's Home Purchase Sentiment Index (HPSI) **up by 2.1** percentage points to 88.3, tying last February's all-time high for the index. The HPSI is up 5.1 percentage points compared with the same time last year.

The Home Purchase Sentiment Index

The HPSI rose 2.1 points to 88.3 in June, matching the all-time high seen in February earlier this year.



Four of the six HPSI components increased in June. The net of those who think it is a good time to buy a home increased by 3 percentage points to 30, but the gap between the "good time to buy" and the "good time to sell" responses widened again. Fannie Mae says this "continues to indicate a potential sellers' market."

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

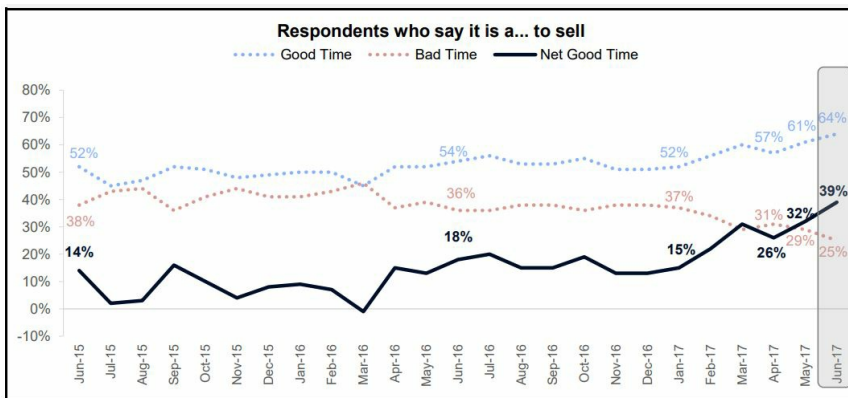
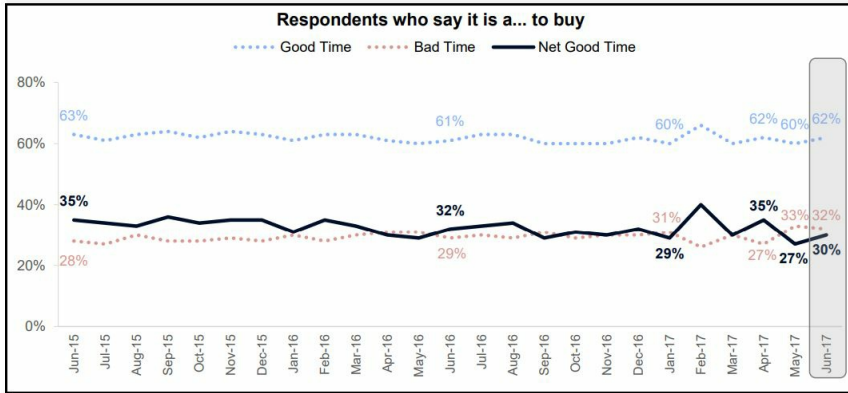
Rates as of: 7/22

Recent Housing Data

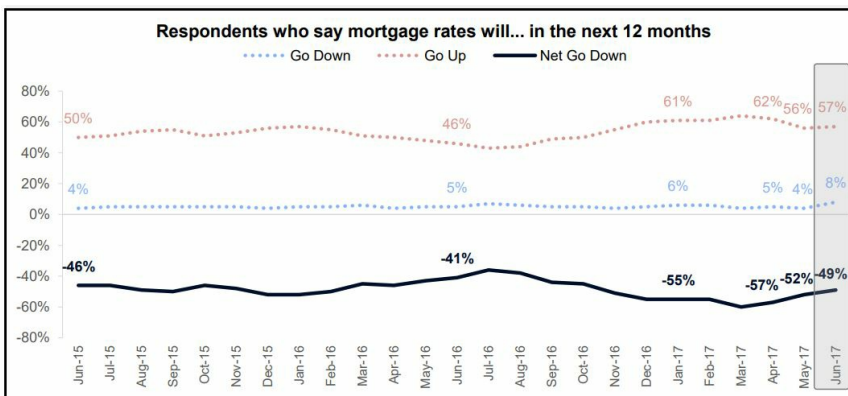
		Value	Change
Mortgage Apps	Jul 10	206.1	-0.19%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

Housing News Update

		Value	Change
Builder Confidence	Mar	51	+6.25%



Survey respondents also expressed greater **belief that mortgage rates will go down** over the next 12 months. That component increased by 3 percentage points, but the net remains deeply in the negative.



Housing News Update

The fourth component which went up when compared to the May survey was consumer opinions regarding further home price increases. The net share of respondents who think they will go up over the next 12 months increased by 6 percentage points to 46 percent.

"The June HPSI reading matches the previous record set in February and reflects the trend toward a sellers' market that respondents indicated last month," said Doug Duncan, senior vice president and chief economist at Fannie Mae.

"Consumers are also growing more optimistic about their ability to get a mortgage, and lenders expect **credit standards to ease further** going forward, as shown in our Mortgage Lender Sentiment Survey. While consumer optimism on this metric is as high as we've seen in the survey's seven-year history, it's worth noting that this record is relative to the fairly tight standards in place post-crisis when we started collecting National Housing Survey data. Nevertheless, in the face of very tight housing supply, easing credit standards may fail to have the desired effect and could have the unintended consequence of fueling further house price increases."

The two components that **lost ground compared to May** were the net share of consumers who say their household income had increased compared to last year and those who said they were confident they would not lose their jobs. Positive responses to the income question dropped 1 point to a net of 17 percent and the jobs question was down 5 points but was still high at a net of 66 percent.

The HPSI distills information about consumers' home purchase sentiment from the National Housing Survey into a single number that reflects current views and forward-looking expectations of housing market conditions. The NHS is conducted monthly by telephone among 1,000 consumers, both homeowners and renters. Respondents are asked more than 100 questions used to track attitudinal shifts, six of which are used to construct the HPSI. The June survey was conducted between the first and 25th of the month, with most respondents contacted during the first two weeks of that period.

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

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