



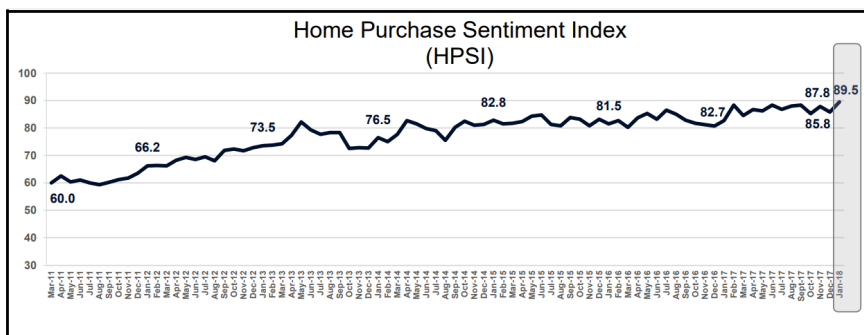
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Consumers are Stoked About Housing Market

Five of the six components that make up Fannie Mae's Home Purchase Sentiment Index (HPSI) rose in January, **pushing the index to an all-time high**. HPSI, a quantification of some of the data collected through Fannie's National Housing Survey, was 89.5, up 3.7 points from the December reading. The index is also 6.8 percentage points higher than in January 2017.



The only survey question for which the net positive responses did not improve in January was **whether household income had grown** significantly over the previous 12 months. That score was unchanged at 16 percent.

A conviction that home prices will continue to rise was the main driver of the overall index. The net of responses predicting further gains was up 8 points from December to 52 percent. This is 10 points above the net a year ago.

Fifty-eight percent of respondents answered yes to the question, a survey high.

Sentiment about whether it is a good time to buy a home or to sell one both rose during the month. The net change in positive **good-to-buy** responses was up 3 percentage points to 27 percent, reversing much of January's 5-point decline. The net positive responses regarding selling grew by 5 points to 38 percent, 23 points higher than in January 2017. The percentage of those answering that it was a **good time to sell** hit a survey high of 65 percent.

Americans also expressed a greater sense of job security; the net share who say they are not concerned about losing their job increased 5 percentage points. Finally, net responses from consumers about whether mortgage rates

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

will decline down over the next 12 months increased 2 percentage points although that net still remains underwater by 50 points.

		Value	Change
Builder Confidence	Mar	51	+6.25%

"HPSI rebounded from last month's dip to a new survey high in January, in large part due to the spike in consumers' net **expectations that home prices will increase** over the next year," said Doug Duncan, senior vice president and chief economist at Fannie Mae. "Results may continue to fluctuate over the coming months as consumers sort out the implications of the newly passed tax legislation on their household finances. Over the past year, continued home price growth has helped spur a sizable increase in the net share of consumers who say it's a good time to sell a home but also a modest weakening in the net share who say it is a good time to buy. At the start of 2018, it is still too early to determine the overall effect of the new tax legislation on housing, and we will need to see whether positive impacts on both housing demand and supply materialize in the coming months."

The NHS, from which the HPSI is constructed, is conducted monthly by telephone among 1,000 consumers, both homeowners and renters. Respondents are asked more than 100 questions to track attitudinal shifts. The Home Purchase Sentiment Index (HPSI) distills information about consumers' home purchase sentiment from six of those questions into a single number. The January 2018 National Housing Survey was conducted between January 2 and January 25, 2018.

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

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