



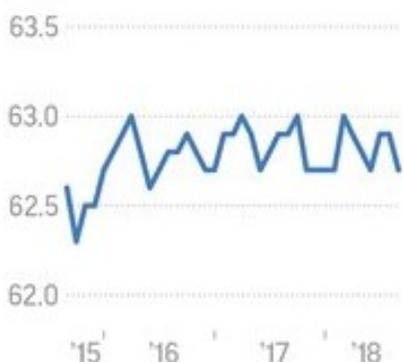
## From The Fed To Jobs

The end of the quarter is especially busy when the Federal Reserve Board schedules its meeting at the same time. We are just days past the Fed announcement to raise short-term rates by 1/4 of one percent and a confirmation of strong economic growth for the second quarter. In addition, at the end of the first week in October we get a reading of the employment numbers for September. All that news should keep the market analysts very busy. Not that the Fed announcement was a surprise to anyone.

What the analysts were looking for is a hint as to whether we might get another increase by the Fed this year. The Fed's announcement accompanying their rate increase was anything but clear with regard to the pace of future rate increases. They continue to use the word "gradual," but as members of the Fed have said several times, things could accelerate if there are signs of rising inflation or imbalances in the financial markets. Of course, things could slow down if other factors come into play.

The next three jobs reports, starting with the end of this week, will go a long way to provide evidence to the Fed. They will be looking at more than the unemployment rate and jobs created. They also will be looking at the labor participation rate and any signs of wage inflation. But the employment numbers are only part of the picture. The strength of the markets will also be a factor. If we have a strong stock market in the fourth quarter, this could help tip the scales toward another increase... □

### LABOR PARTICIPATION RATE 62.7%



## Your Score May Have Gone Up

An overhaul in how several major credit reporting agencies factor in negative credit information is prompting millions of consumers' credit scores to rise. Collection events were struck from 8 million consumers' credit reports in the 12 months ending in June. The New York Federal Reserve reported that consumers who had at least one collections account removed from their credit reports are seeing an 11-point increase to their scores.

### 11 Points

Critics have long claimed such dings to scores are prone to errors. Equifax, Experian PLC, and TransUnion have all agreed to revamp reports, which stems from a 2015 settlement with state attorneys general on the matter. The firms agreed to remove some non-loan related items that were sent to collection firms, such as gym memberships and traffic tickets. They also agreed to strike medical-debt collections that have been paid by a patient's insurance company. The majority of consumers who benefited from the changes are those who had scores below 660 before the events were removed... □ *Source: The New York Times — Want to see if your score has changed? Contact us and we will help you find out.*

### Selected Interest Rates

September 20, 2018

- 30 Year Mortgages — 4.65%
- 2018 High (May 24) — 4.66%
- 2018 Low (Jan 4) — 3.95%
- 15 Year Mortgages — 4.11%
- 5/1 Hybrid ARMs — 3.92%
- 10 Year Treasuries — 3.08%

Sources—Fed Reserve, Freddie Mac  
 Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

## How Is Your Coverage?

Many homeowners have limits on their home insurance policies that are too low to cover the full cost of repairing or rebuilding in case of a natural disaster—and the problem is particularly alarming in areas at risk of hurricanes and flooding. The problem is that, while many homeowners may have home insurance, their policies are too low or they don't have flood coverage, which generally must be purchased under a separate policy.

In Houston, which was ravaged by Hurricane Harvey last September, about 70 percent of flood-related damage was not covered by insurance, according to real estate data firm CoreLogic. Of the 717,000 claims insurers received from Harvey victims by Oct. 31, 2017, about a third were closed with no payment made. Similarly, in Florida, where Hurricane Irma hit, insurers received nearly one million claims and did not pay out a third of them.

Too often, homeowners don't realize they need to increase their policy limits if they expand or upgrade their homes, according to insurance regulators. Also, homeowners may learn that their policy limits are insufficient for rebuilding, as the cost of construction materials and labor continues to rise... □

*Source: The Wall Street Journal*

### Did You Know...

Home buyers will have a harder time finding a big yard, as lot sizes remain near record lows, according to the U.S. Census Bureau. Among sold properties in 2017, the median lot size for a new, detached single-family home was one-fifth of an acre, or 8,560 square feet. Median lot sizes fell below 8,600 square feet in 2015 for the first time since the bureau started recording such data. Lot sizes vary regionally, and the nation's largest tend to be in New England.

*Source: The Census Bureau*

### Compliments of Suzanne Smith

**HNB Mortgage**  
 2101 W. Wadley Ste.36  
 Midland TX 79705  
 432-683-0081  
[suzanne@hnbmortgage.com](mailto:suzanne@hnbmortgage.com)  
 NMLS # 192813

