

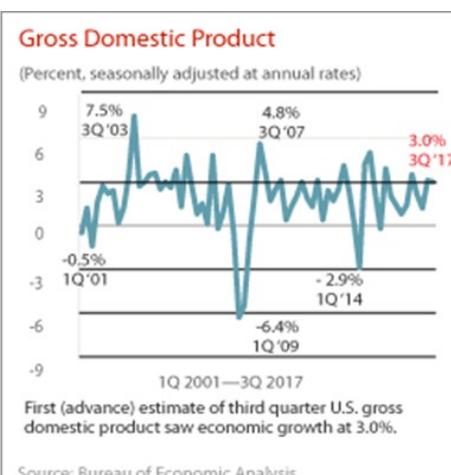
Busy December On Tap

As we enter the month of December, we can see that we are in for a busy month with regard to the economy. With the recovery continuing from the Hurricanes, the Federal Reserve Board's Open Market Committee will also be meeting with the consensus pointing to another increase in short-term interest rates. Outside of major shocks, the only factor which seems like it has the potential to change the Fed's mind would be a very weak employment report. This report is due out in early December.

Meanwhile, all eyes will be on Congress as they continue to hash out details of the tax reform proposals. There is an overwhelming amount of media stories streaming from this effort and for good reason. This effort to enact such a radical change will have a profound affect upon businesses and consumers. No industry seems to be more in the cross-hairs than real estate -- one of the last remaining tax havens. There are several provisions in both the Senate and House versions which could affect the real estate industry, depending upon the final product.

Just to make things more interesting, the markets will be watching reports from on-line and bricks and mortar retailers. Traditionally, Black Friday kicks off the buying frenzy for the holiday season. Sales made during this season will tell us much about the state of the economy moving into 2018.

From there we will see speculation about how many times the Fed intends to raise rates in the coming year. They keep using the word "gradual," but that word is too nebulous and won't keep market analysts from speculating... ▢



Contracting Questions

Finding and evaluating a home improvement contractor is a difficult process. Do it right, and you will be happy with the work. But do it wrong, and your project could be a nightmare. According to a survey by the National Association of the Remodeling Industry, customers are asking the wrong questions. The most common ones: When can you start? When will you finish? Are you going to work every day? Can you finish by a certain date? How much will it cost per square foot? In other words, "How fast and how much?"

How much & how fast?

Certainly, these are important questions, to which you will want answers. But there are far more important things you need to know. After all, you are not only going to be inviting a stranger into your home, you are asking the contractor to rip up your house and interrupt your life, perhaps for a long period of time. Here's what you really need to ask. Ask for the contractor's license number and confirm it is valid and current. Verify the experience of the contractor and how long they have been in business. Also confirm their insurance is up-to-date and obtain referrals... ▢

Source: Lew Sichelman, UExpress

Selected Interest Rates

November 22, 2017

30 Year Mortgages—3.92%
2017 High (March 16)—4.30%
2017 Low (Sept 14)—3.78%
15 Year Mortgages—3.32%
5/1 Hybrid ARMs—3.22%
10 Year Treasuries—2.34%

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.

New Conforming Loan Limits

The Federal Housing Finance Agency (FHFA) announced the maximum conforming loan limits for home loans to be acquired by Fannie Mae and Freddie Mac in 2018. In most of the U.S., the 2018 maximum conforming loan limit for one-unit properties will be \$453,100, an increase from \$424,100 in 2017. The Housing and Economic Recovery Act requires that the baseline conforming loan limit be adjusted each year to reflect the change in the average U.S. home price. According to FHFA's data, house prices increased 6.8%, in the past 12 months.

Therefore, the baseline maximum conforming loan limit in 2018 will increase by the same percentage. In addition, the new maximum loan limit for one-unit properties in high-cost areas will be \$679,650 — or 150% of \$453,100. Areas between the base limits and maximum high-cost areas may have increased as well. It is expected that FHA/VA will follow with increased loan limits... ▢

Source: FHFA

Did you know...

Consumers trust real estate professionals and lenders more than online sources or family and friends when it comes to obtaining information about home loans, according to a new Fannie Mae survey based on 1,000 responses. Recent home buyers surveyed, including younger age groups, say they consulted multiple sources of information about the home finance process but found lenders and real estate agents to be more credible than mobile apps, websites, and social media. Though survey respondents say online sources are more convenient, they indicated a higher level of confidence in getting information through person-to-person interaction.

Source: Fannie Mae

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