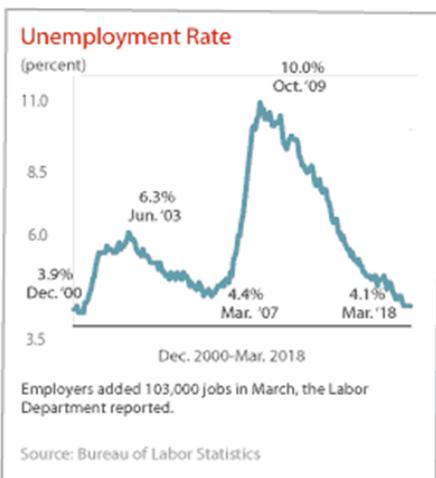


## May Starts With Big News

The jobs report is the most intensely watched of all monthly economic releases. As far as events are concerned, meetings of the Federal Reserve's Federal Open Market Committee (FOMC) stand as one of the most important events as well. To have them both happen in the same week is somewhat of an anomaly. During the first week of May, we will get the pleasure of experiencing both happenings, and it will certainly be an interesting start of the month for market-watchers.

The first question is -- will the Fed hike interest rates again at their meeting? We have had increases in December and March, which means that a hike at this meeting is not a certainty. Most observers expect another two to three increases this year and if the Fed holds off this month, a schedule of two additional increases may be slightly more likely. Either way, market watchers will be analyzing the Fed statement for clues regarding the likelihood of future increases.

One thing is for sure, the Fed will be watching April's jobs numbers closely, especially after the release of the initial estimate of economic growth in the first quarter. While employment growth has been very steady overall, there has been volatility on a monthly basis. February's numbers were much higher than expected and March's numbers were lower than forecast. Thus, the markets and the Fed will be observing whether this month breaks in one direction or the other -- or perhaps the numbers level out. As always, the Fed will also be paying close attention to the numbers reported on wage growth, an important indicator of the potential for inflation... □



## Education is The Key

Thousands of potential homeowners fail to pursue the American Dream due to confusion over the homebuying process, according to the fifth annual America at Home survey from NeighborWorks America. The survey found that the average Millennial believed that the minimum required down is 21%, while 70% of respondents believed they lacked the necessary funds for a down payment.

### 21% Down?

Seventy-four percent of adults and 84% of Millennials found the homebuying process complicated, while 29% of respondents said they knew someone who delayed homeownership because of student loan debt. Furthermore, nearly 73% of all consumers and 62% of Millennials were either unaware or unsure about down payment assistance programs in their communities for middle-income homebuyers. Among those familiar with these programs, 53% reported receiving "not much information" or "nothing at all" about them. However, there was still reason to be optimistic despite the mostly negative data: 93% of adults believed owning a home is part of the American Dream, while 81% of adults and 72% of Millennials felt homeownership increases financial stability... □  
 Source: NeighborWorks America

### Selected Interest Rates

April 19, 2018

- 30 Year Mortgages—4.47%
- 2017 High (March 16)—4.30%
- 2017 Low (Sept 14)—3.78%
- 15 Year Mortgages—3.94%
- 5/1 Hybrid ARMs—3.67%
- 10 Year Treasuries—2.91%

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.

## Millennials Start to Dominate

Millennials are increasingly entering the housing market as first-time buyers and are expected to lead the growth in new home buyers too, the National Association of Home Builders reports from its analysis of Census data. The overall ownership rate of millennials is at 36%, which is the largest gains among all age groups in 2017. Millennials are the nation's largest demographic group, and more than 70 million are expected to enter the housing market in the next few years.

"Millennials are recognizing the benefits of homeownership and are eager to buy their first homes," says Randy Noel, chairman of the NAHB. "And contrary to conventional wisdom, this generation is in the market for single-family homes in the suburbs as they look ahead to raising their families."

Homebuilders are responding by increasing the amount of entry-level homes they are building, according to the NAHB. More townhomes may be the answer, builders say. The townhome sector plunged during the Great Recession, but it has steadily been on the rise since 2009. Builders are also taking note of millennials' preferences as they look to add inventory. Millennials desire a three-bedroom and two-bathroom home, outdoor space, flexible areas that can be used for multiple purposes, and more luxurious finishes... □

Source:  
 National Association of Home Builders

### Did You Know...

Some housing economists believe that "granny flats" could be the key to alleviating housing shortages across the country, and they are calling on more cities to ease up the rules to allow such dwellings to be built into more homes. These dwelling units tend to be separate, cottage-like structures, but may be a converted garage or basement that houses an extra living area. Source: Market Watch

### Compliments of Suzanne Smith

HNB Mortgage  
 2101 W. Wadley Ste.36  
 Midland TX 79705  
 432-683-0081  
 suzanne@hnbmortgage.com  
 NMLS # 192813

