



Federal Reserve Hikes Rates 3/15/17 - Mortgage Rates Yawn

The latest meeting of the Federal Reserve Governors resulted in a widely anticipated rate hike. The Fed Funds rate was increased by .25%, the 2nd increase in 3 months and only the 3rd increase since December 2008.

The mortgage markets had expected the Fed would act with an increase this month. Therefore we had seen a gradual increase in mortgage rates in the weeks leading up to last week's Fed meeting. In other words, this rate hike was already built in to mortgage rates, so by the time it occurred it was a non-event.

The Fed has already tipped their hand to indicate there will be two more rate hikes this year. Of course when and how much will depend on various economic reports. What we see will have the most impact this year are the Consumer Price Index (CPI), Producer Price Index (PPI), the price of crude oil and the monthly jobs report, known as 'non-farm payrolls'. For now mortgage rates are still a bit lower than they were immediately following the election and are holding steady.



Simple Tips To Protect Yourself from ID Theft

Internet hackers have become increasingly clever in gathering personal information of their victims. But not all ID theft is done by computer. Think about these simple things to further protect yourself:



- Don't carry your Social Security Card with you.
- Auto burglary can provide a thief with a lot of info. Instead of carrying your auto insurance & registration in your vehicle, take photos of these with your phone. Lock your phone and keep it with you.
- If you receive a call from anyone who eventually asks for your birth date or social security number, ask for their company name and phone number. Call them back if they truly do need it.
- Mail theft is on the rise. Empty your mailbox daily and put a hold on delivery if you are leaving town.
- Monitor your credit report. You are entitled to one free credit report from each credit bureau per year from www.AnnualCreditReport.com.

Mortgage Pre-approvals - Not All Are Created Equal

Mortgage lenders are always looking for a way to entice consumers. The latest technique seems to be with terms like fast, easy and simple, claiming to be able to pre-approve you in as little as an hour. In today's highly regulated lending environment, this just isn't possible. A pre-approval takes careful analysis of income, assets and credit. This can only be accomplished by providing the necessary documentation to the mortgage advisor and having them run your credit report. Only then can an accurate assessment can be made regarding your loan options and buying power.



Our preferred lender, Pinnacle Capital Mortgage, will provide this sort of thorough pre-approval at no charge. Then they will coordinate with your Realtor to demonstrate to the home seller that you are in a position to make a solid offer, thus helping you to successfully purchase the home you desire.

New Mexico Real Estate Update

New Mexico's housing market is off to a great start this year, with 1,212 sales reported for February. This number represents nearly a 2% increase in sales from February 2016.

Median prices also continue to rise, with February's median price of \$180,125 over 6% higher than February 2016's median of \$169,500.

The expected increase in interest rates by the Federal Reserve has prompted economists to predict mortgage interest rates will also increase which will have buyers submit offers sooner in order to secure an affordable mortgage.

Home Buying Myths

Myth #1: Great credit is needed

A credit score of 620 will get you the most options. A bankruptcy that's 1 to 2 years old is often ok.

Myth #2: 20% down payment is needed. Even with a 620 score it's possible to purchase a home zero down to 3.5% down.

The mortgage programs available in these scenarios are fixed rate and government insured or guaranteed. In many cases a government grant of down payment assistance may be available if needed.

We Are Your Local Resource

Our local and experienced "GMB" professionals are here to help you whether you need a mortgage or not. Please feel free to call us with your questions. Our network of lenders, Realtors and other service providers are at your disposal for advice and information at no charge or obligation.

"An investment in knowledge always pays the best interest."
~ Benjamin Franklin

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