



Mortgage Rates Ease A Little After Post-Election Spike

In the several days following last November's election mortgage rates spiked nearly one full percent. The thirty-year fixed rate peaked in the mid-four percent range after several months of being comfortably in the threes.

Then in December, the Federal Reserve raised its Fed Funds rate, sending a signal to the markets about "the confidence we have in the progress the economy has made and that it is expected to make", according to Fed Chair Janet Yellen.

Even with this additional pressure on mortgage rates, they have come down a bit as the markets have digested the recent political and economic news.

Now today, Feb. 1, the Federal Reserve has just wrapped up their latest policy meeting and have decided to take a wait-and-see stance on raising the Fed Funds rate again. In the months to come, if it appears that the economy is heating up, we can be sure to see another increase or two.



Seniors Tap Home Equity

Today's economic environment has put pressure on older homeowners to find new ways to access savings or enhance their retirement income. A growing number are starting to tap their housing wealth, using a variety of techniques

A Home Equity Line Of Credit is popular, however these are almost always variable rate loans.



Refinancing and pulling out cash is also popular, but this usually makes for a higher house payment.

Selling and downsizing has multiple benefits, including reducing household expenses, (i.e. utilities and property taxes), and provides cash by buying a home for less than the one sold.

A reverse mortgage has gained favor as they are government insured and offer at least 3 different ways for a home owner to access their equity.

Everyone has different needs and yours will determine which, if any, of these options is a fit. We at 'GMB' are available to counsel you at no charge and help with the process if you decide that one of these is in your interest.

Is Your Loan Originator Licensed? Many Are Not!

In 2010 a law took effect requiring Mortgage Loan Originators, (MLOs), to be licensed and issued a NMLS ID. This entailed a Federal background check with fingerprints, taking required education classes and passing Federal and state tests, PLUS taking 8 hours of annual continuing education. Yet there are MANY MLOs who are exempt from all of these requirements except for the background check and fingerprints. They work for banks, credit unions and their subsidiaries.

Many of these exempt MLOs were not able to pass the rigorous tests needed for their license, so they simply registered with the NMLS, (Nationwide Mortgage Licensing System), and went to work as an un-licensed MLO where they could.

Who would you trust more with your mortgage transaction? An educated professional with a license they must maintain (or they risk losing it) or someone who is simply registered? A licensed professional in any business is always the sensible choice.



New Mexico Real Estate Update

Sales numbers and median prices for November reflect a healthy month keeping 2016 on pace to be a record-setting year. The November reported median sales price of \$187,000 is the highest November median since RANM started keeping state-wide statistics.

Predictions for 2017 indicate that the economy will continue to expand, but existing home sales are expected to see little change. Two affordability factors are at play here: rising mortgage rates and home prices continuing to outpace income growth. The key will ultimately come down to what the housing market desperately needs... more inventory.

Avoid Cash Deposits

Lenders must document via paper trail all miscellaneous bank deposits. Please make sure to contact your mortgage professional before making any non-payroll deposits into your bank account. They must be documented and it might make closing your loan far more frustrating then it should be.

"Perseverance is stubbornness with a purpose."

~ Josh Shipp

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.

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