



No Rate Hike By The Fed - But Mortgage Rates Creeping Up

Earlier today (11/01/17) the Federal Reserve wrapped up their latest policy meeting. Once again they have voted to leave the Fed Funds Rate unchanged, but acknowledged a stronger labor market while inflation has been soft. A rate-hike in December has been on our radar since June, which was the last time the Fed acted.

Since the last Fed meeting in late September we have been seeing mortgage rates gradually increase. In part this is due to tax reform legislation, as investors see this as positive for economic growth and earnings which in turn promote higher rates.

In other Federal Reserve news, this week President Trump is expected to either re-appoint Janet Yellin as Fed Chair or announce a new appointee. Historically a new Fed Chair is a non-event for the markets.



Bankruptcy, Foreclosure and Mortgage Approvals

Will a bankruptcy or foreclosure prevent a mortgage approval for 7 to 10 years? Actually, no. A mortgage approval is allowed as soon as 1 year after filing. Here are the current timelines for government, (FHA/VA) and conventional (Fannie/Freddie) loans.

Chapter 13

Gov: 1 year when in progress with on-time twelve month payment history and permission from the bankruptcy trustee to enter into a mortgage transaction.

Conv: 2 years from discharge or 4 years from dismissal

Chapter 7 or 11

Gov: 2 years from discharge/dismissal
 Conv: 4 years from discharge/dismissal

Foreclosure or Deed in Lieu

Gov: 3 years from completion date
 Conv: 7 years from completion date, but for Deed in Lieu as soon as 2 years w/20% down or 4 years w/10% down.
 Short sales follow rules similar to foreclosure.

Extenuating circumstances for filing may be considered and shorter timelines could be allowed. It is also wise to avoid late payments of any kind after events such as these and a reestablished on-time pay history will be a plus.

Harp Refinance Program Extended



Your best route to a better mortgage™

The popular HARP refinance has been extended through Dec. 31, 2018. Homeowners can benefit from streamlined documentation requirements and, in many cases, no appraisal is needed.

This refinance option will provide opportunities to borrowers with existing Fannie Mae or Freddie Mac mortgages who are making their mortgage payments on time, but whose loan amount needed for a new mortgage exceeds the maximum allowed loan-to-value for standard loan products.

What Do Millennials Look For In Their First Home?

According to the real estate website RIS Media, younger homebuyers are wanting:

- ♦ A dog friendly environment, including a sizable yard or close proximity to a dog park
- ♦ A separate laundry room, presumably because of years spent in laundromats
- ♦ Eco-friendly features such as solar, LED lighting and double-pane windows
- ♦ A fixer-upper with the potential to build equity and eventually flip the property

It IS possible to have rehab financing as part of your mortgage, giving you up to \$35,000 to upgrade the home you are buying. Call us for details.

New Mexico Real Estate Update

September 2017 sales are below 2016 September sales, however NM is still on pace to have another record year. 1,648 sales were reported during September 2017 .

Market conditions continue to be challenging for both prospective first-time buyers and homeowners looking to trade up. The ongoing rise in home prices is straining the budgets of some of these would-be buyers, and what is available for sale is moving off the market quickly because supply remains minimal in the lower- and mid-price ranges.

Lender Paid PMI

It is possible to have a lender pay your Private Mortgage Insurance, but beware of this term.

When a lender pays your PMI it is because they are charging you a higher interest rate. So who is really paying? It's rather obvious, so it is baffling that the term "lender paid" has ever existed.

This option was more popular before PMI was ok'd as a tax deduction and interest could be deducted.

The art of living lies in a fine mingling of letting go and holding on.
 ~ Havelock Ellis

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