



Federal Reserve Hikes Rate By .25%

As expected, the Fed voted to increase their benchmark Fed Funds rate by .25% today, December 13. Mortgage rates are actually a little better since this was expected and now it's done. Effectively, it is a small sigh of relief by the bond market.

What is new, and a bit of a wild card, is the possibility of the tax reform package being passed and signed into law before year's end. The Fed will be looking at this and the impact it will have on economic activity and inflation. Most economists think this will increase growth in the short term, which could prompt the Fed to raise rates faster and more frequently than the three 2018 rate hikes that are already expected.

Lastly, Fed Chair Janet Yellin will soon vacate her position and Jerome Powell, a current Fed Governor, is expected to be confirmed as her replacement early next year.



The Myth Of The 20% Down Payment



A recent survey by the National Association of Realtors revealed that 39% of non-homeowners believe they need more than 20% for a down payment on a home purchase. In actuality, there are many loans with a down payment of 5% or less.

- ◆ FHA loans have been an extremely popular option for many decades. As a government backed program they offer low rates and a down payment of only 3.5%.
- ◆ Conventional loans through Fannie Mae and Freddie Mac offer down payments as low as 3%.
- ◆ VA loans for eligible veterans and USDA loans for those buying in rural areas are available at 0% down.

Any required down payment can often be reduced further with government grants and other special programs. Additionally, any closing costs can be reduced or eliminated with seller contributions and discounts through Group Mortgage Benefits and our preferred lender, Pinnacle Capital Mortgage. Call us for details on what *your* options would be and we can answer all your questions... for no charge of course!

New Mexico Real Estate Update

Home sales in October 2017 were 1,603 and continue to be slower than October of 2016, however NM is still on pace to have another record year.

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.

Married And Buying Without Your Spouse

We routinely encounter married couples where one has very good credit and the other doesn't. It is ok for the better qualified half to finance a home "sole & separate" as long as they qualify on their own. Since New Mexico is a community property state, the non-borrowing spouse would sign a document at closing to waive their rights to the property.

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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Selling For Sale By Owner?

If you are thinking of going it alone and selling "FSBO", we can help you too!

Don't waste your time showing your home to people don't qualify to buy it. They likely won't provide you with proof of employment, income, assets and credit scores. Instead, we can arrange to have them pre-qualified at no charge and give you peace of mind that if they make an offer you will soon be closing.

First though, you'll need to find a buyer and we can help you with some marketing at no charge. It won't be as effective as putting the home on the MLS, but we can promote it to other buyers we are working with as well as our many social media contacts. We also recommend that you advertise with a newly created email address and not one you currently use.

More important than these issues is your safety. It is risky to allow strangers in your home without vetting them first. By requiring any potential buyers to be pre-qualified by us you are ensuring that you are dealing with people who are who they say they are.



*Love the giver more
than the gift.
~ Brigham Young*

GroupMortgageBenefits™ is a network of local mortgage & real estate professionals who provide significant discounts to employers and their employees.



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