



No Rate Hike By The Fed - Mortgage Rates Stable

Yes, it's a little late in July to put out this issue, but the Federal Reserve just met on July 26, (yesterday). Their decision to leave the benchmark Fed Funds Rate unchanged was widely anticipated since it was just raised .25% in June.

In early July, mortgage rates began to increase due to some stronger than expected economic data and then started to cycle back down. As of now the rate on a conventional 30 year fixed is about .25% higher than a month ago.

Today's Fed statement on the current state of the U.S. economy reads in part: "The economy was growing moderately and job gains had been solid." It also noted that overall inflation had declined but that it expected the economy to continue strengthening.

Inflation is the enemy of interest rates, so as long as it remains low we should see mortgage rates maintain the narrow range they've been in the last few months.



Some Advice For Renters

A recent apartment fire in Albuquerque was devastating to dozens of families who didn't have renter's insurance. Of those units not burned, many had extensive smoke damage



which was almost as bad. The typical renter's policy runs about \$200-\$300 per year, or less than \$1/day and, depending on the coverage, would have provided a temporary hotel room for these folks in addition to replacing personal property.

Another benefit of a renter's policy is liability coverage. If someone is hurt in your apartment or you overflow the bathtub and ruin a neighbor's property, you could be liable for damages and even have a lawsuit brought against you.

A renter's policy could protect you from all of this.

Check with your auto insurance agent as they should be able to bundle a renter's policy and give you a discount versus a stand alone policy. You can thank us later!

New Mexico Real Estate Update

The median price of a New Mexico property continues to rise. June's \$197,000 median is the highest reported since the REALTORS Association of New Mexico (RANM) started keeping state-wide statistics in 2008.

Now is a good time to buy a home, but a continued low inventory and rising prices mean potential buyers – especially first time buyers – are encountering intense competition for the homes they're financially able to purchase.

There has been an increase in sales every month of 2017 over those reported in 2016

Home Buying Myths IV

Myth #7: A House Payment Is More Than Rent

Not always. Many 1st time buyers are seeing their payments less than the rent they were paying, even before the tax advantages.

Myth #8: Married Couples MUST Buy Together

Not so! Either spouse may buy a home in their own name only as long as they qualify. Some government loans require the debts of the other spouse to be counted, but their credit scores are ignored.

Paying Off Debt

Are you familiar with Dave Ramsey? He offers financial advice via his radio show, podcast and youtube channel.

One technique he promotes is the "Debt Snowball", where you pay off debts in order of smallest to largest, gaining momentum as each balance is paid off. When the smallest debt is paid in full, you roll the money you were paying on that debt into the next smallest balance.

He says "The debt snowball works because it is about **behavior modification**, not math." When you ditch the small debt first, you see progress. **That one debt is out of your life forever.** Soon the second debt will follow, then the next. **When you see the plan working, you stick to it.** And when you stick to it, you will succeed in becoming debt free.

If you own a home, or plan to, the final debt you will attack is your mortgage. Just know that there is a right way and a wrong way to prepay it, which is our technique! There's not enough room here explain that, but feel free to call and we can use YOUR numbers on your mortgage and show you how.

For more on the Debt Snowball and other good information, just visit www.daveramsey.com.

Diligence is the mother of good luck

~ Benjamin Franklin

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