



Mortgage Rates Remain Calm

Back in mid-March the Federal Reserve Governors raised their benchmark Fed Funds rate by .25%, the 2nd increase in 3 months and only the 3rd increase since December 2008. This didn't affect mortgage rates much, which have been fairly stable ever since.

The Fed met again in early May where no action was taken, however they were consistent with their message that there would likely be two more rate hikes this year.

The next Fed meeting will be on June 14. Between now and then there will be a slew of economic data released that will have an impact on whether they will raise rates again. In the mean time we are enjoying the calm and taking advantage of small dips in mortgage rates to lock in the best terms for our clients.



Welcome IATSE Local 480

"GMB" is now part of your benefit package! This is because our lender partner, Pinnacle Capital Mortgage, understands that you are paid through multiple payroll services and have as many as a dozen W2s at the end of the year. Most lenders see this as job-hopping but we know better! In addition to this, there are other benefits available to you:

- On each transaction you'll receive a \$500 to \$1,000 closing cost credit. This can also be used to obtain a below market interest rate for the life of the loan.
- Unlike most lenders, tax returns are usually not required by Pinnacle Capital. So if you write-off expenses to reduce your taxable income it won't affect your qualifying.
- If needed, a Down Payment Assistance grant from the state of New Mexico may be available to cover most or all of the required down payment.

Before you start looking for a home, call us. We'll help you obtain a thorough pre-approval for no charge. We are glad to be of service to you!

New Mexico Real Estate Update

During March, 1,760 properties were reported sold, a 6.2% increase over the number in March 2016. The first quarter 2017 total sales was 4,302 which is 7.7% ahead of Q1 2016.

Median prices continue to rise - now at \$184,975, up just over 4% statewide for first quarter 2017 compared to Q1 2016. Buyers are realizing they need to act quickly before prices and mortgage interest rates go up.

This is the first time since RANM started keeping statewide statistics in 2008 that the reported Q1 volume has topped \$1 billion.

Home Buying Myths II

Myth #3: Look For A House First
Credit reports often include incorrect data. You are always better off to be pre-approved first.

Myth #4: You Don't Need An Agent.
Resist the urge to DIY your home purchase and call a Realtor instead. They are pros who bring expertise to the table - everything from negotiating chops to turbo-charged searching power (yes, they have tools to see stuff you can't). Trust us: They know more than you do.

Student Loans & Mortgages

When the mortgage industry tightened lending rules one major change was to now include deferred student loans in the debt ratio. Previously, if they were deferred for 12 months or more after closing they didn't have to be counted.

Another issue... many loans go late as soon as the deferment is over. This is generally because people aren't aware or haven't been notified when to pay. If you go late on a student loan you don't just get a single late, as they report per semester and you received them for four years, then you will have eight lates from your eight different accounts causing eight times the damage to your credit scores.



Unlike other accounts, student loans can't be in default when applying for a mortgage as they tend to be government backed. So they need to be remedied in one way or another. If we can't find any inconsistencies resulting in a deletion, then we will guide our clients through processes to put the accounts back into good standing. The best case is for the mortgage to pass through underwriting as our primary focus is simply for our client to close on their transaction.

"Believe you can and you're half way there."

~ Theodore Roosevelt

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We Are Your Local Resource

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