

# Newsletter Vol. 11 Issue 6

## June 2014

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## MACROECONOMIC MOVES AND MORTGAGE MARKET ANALYSIS

### COOLING MARKET? (Week ending May 2, 2014)

New Home Sales for March plunged by 14.5 percent from February to an annual rate of 384,000 units. This was far below the 455,000 expected and the lowest level since July. New Home Sales in March were down 13.3 percent from the same period last year. Existing Home Sales for March didn't fare much better, as they declined by 0.2 percent from February to an annual rate of 4.59 million, just below expectations. This was the slowest pace since July 2012.



In other housing news to note, the Federal Housing Finance Agency (FHFA) reported that its February Home Price Index (HPI) rose by 6.9 percent from the same period last year. This was the weakest reading in 13 months.

### *What does this mean for home loan rates?*

Typically good news helps Stocks improve at the expense of Bonds, including Mortgage Bonds (the type of Bonds on which home loan rates are based). However, Bonds and home loan rates were able to benefit last week from the increased tensions between Russia and the Ukraine. This caused investors to move their money into the safe haven of Bonds, helping Mortgage Bonds and home loan rates to improve.

Whether these improvements continue could be contingent on several potentially market-moving items in the coming week, including the Jobs Report for April and the Fed's next meeting of the Federal Open Market Committee.



Remember that the Fed is now purchasing \$30 billion in Treasuries and \$25 billion in Mortgage Bonds to help stimulate the economy and housing market. This is down from the original \$85 billion per month that the Fed had been purchasing. It will be important to see if the Fed announces additional tapering of these purchases at its upcoming meeting.

### READ BETWEEN THE LINES

#### (Week ending May 9, 2014)

There was good news in the labor sector, as 288,000 jobs were created in April. This was well above the 210,000 expected and the largest month-to-month increase in two years.

In addition, the Unemployment Rate fell to 6.3 percent, the lowest level since September 2008.

However, all was not rosy within the report. The Labor Force Participation Rate (LFPR) fell to 62.8 percent, matching a 35-year low. The LFPR measures the proportion of working-age Americans who have a job or are looking for one, and it should be moving higher in a recovery. It was also estimated that 806,000 people dropped out of the labor force. All in all, while this report shows the labor sector is improving, there is still a long way to go.



Also worrisome, the first read on Gross Domestic Product (GDP) for the first quarter of 2014 came in at an anemic 0.1 percent. This was below expectations and down from the 2.6 percent recorded in the final quarter of 2013. The 0.1 percent was the weakest performance in three years. This report shows that, while the worst of the recession may be behind us, the recovery is far from over.



The other major news last week came from the Fed, which announced more tapering to its Bond buying program. The Fed will now purchase \$25 billion in Treasuries and \$20 billion in Mortgage Bonds (the type of Bond to which home loan rates are tied) each month to help stimulate the economy and housing market. This is down from the original \$85 billion per month that the Fed had been purchasing.

### ***What does this mean for home loan rates?***

Remember that weak economic news normally causes money to flow out of Stocks and into Bonds, helping Bonds and home loan rates improve. We saw some of this dynamic in the markets last week as Bonds and home loan rates rallied after some of the weak news that was reported. In addition, the Fed is expected to continue tapering its purchases throughout the year—but whether Bonds and home loan rates improve or worsen with further tapering remains to be seen. These are key stories to monitor as we head into the warmer months.

### **MORTGAGE RATES IMPROVE FURTHER (Week ending May 16, 2014)**

It was a light week for economic data, and investors mainly focused on the central banks of the US and Europe. Comments from Fed and ECB officials remained favorable for bonds, and mortgage rates moved down a little during the week, to the lowest levels of the year.

At the beginning of the year, the consensus outlook was for a moderate pace of economic growth in the US and for mortgage rates to slowly climb higher. Despite a weather-related slowdown over the winter, the growth outlook appears to be on target, yet mortgage rates have moved lower this year.

There are several factors which have contributed to the decline in mortgage rates this year. One reason is that inflation has remained low. The major indicators, such as the Consumer Price Index (CPI) and the Personal Consumption Expenditure (PCE) index, show that core inflation is well below the Fed's target level of 2.0%, and it is expected to remain low in coming months. Expectations for future inflation are a major factor in setting mortgage rates.



The conflict in Ukraine was also favorable for mortgage rates. During periods of uncertainty, investors typically shift to relatively safer assets, increasing the demand for mortgage-backed securities (MBS). Another influence has been the expectation that the European Central Bank (ECB) will begin a bond purchase program similar to the one used by the Fed over the last few years. The expected added demand for bonds from the ECB has pushed down rates around the world.

### **FED COMMENTS HELP MORTGAGE RATES (Week ending May 23, 2014)**

Investors viewed the news from the Fed this week as favorable for mortgage rates. A very light batch of economic data contained no major surprises and had little impact. As a result, mortgage rates ended the week a little lower.

Following comments from Fed officials this week, attention has turned to the Fed's plans for its enormous bond portfolio. After years of bond purchases to boost the economy, the Fed owns close to two trillion dollars of mortgage-backed securities (MBS). Investors expect that the Fed will continue to

steadily taper its purchases of additional bonds, ending the program around the end of the year. At that point, the Fed's balance sheet will stop growing.



A remaining question is how long the Fed will replace balance sheet runoff (principal payments, prepayments, and maturing securities) to hold the size of its portfolio steady. So far, the Fed has been replacing runoff with new MBS. Prior to this week, the Fed had given little guidance about the timing of future policy changes in this area. This week, Fed officials indicated that they may continue replacing runoff for a long time, possibly even after the first fed funds rate hike. This would mean more MBS purchases by the Fed than had been previously anticipated, which was favorable for mortgage rates.

The housing data released this week reflected improvement. April Existing Home Sales posted the first monthly increase this year, while April New Home Sales increased 7% from upwardly revised March figures. One factor holding back the pace of home sales activity over the last few months has been a lack of inventory, and the news on this front was also positive. Total inventory of existing homes available for sale jumped 17% from March to a 5.9-month supply.

### **GDP REVISED LOWER (Week ending May 30, 2014)**

It was a volatile, holiday-shortened week. Mixed US economic data was roughly neutral for mortgage rates. Anticipation of additional stimulus from the European Central Bank (ECB) was favorable, however, and mortgage rates ended the week a little lower.



In the big picture, mortgage rates are primarily being driven by indications about the pace of global economic growth and the resulting implications for central bank policy. In the US, investors are still sorting out the negative impact of unusually severe winter weather, but they expect the US economy to show moderate growth in coming years. The outlook in Europe is less optimistic, however. ECB officials have indicated that conditions in the euro zone warrant additional monetary stimulus to boost the economies in the region. Investors expect the ECB to signal new measures as soon as next week. One possible action could be a bond purchase program, and the potential added demand from the ECB has driven bond yields around the world lower in recent weeks.



The report on Gross Domestic Product (GDP) is the broadest measure of economic activity. As such, the data is revised multiple times. Investors anticipated that the first revision to first quarter US GDP would change the slight increase of 0.1% seen in the first reading to a decline of roughly -0.5%. This week's report showed that the decline was an even larger -1.0% during the first quarter. Investors were not worried by the shortfall, however, since it was due to an unexpectedly large decline in inventories. If inventories drop in one quarter, it means that production, and thus GDP growth, will be higher in future quarters.

Current estimates are for second quarter GDP growth of around 3.5%, which would mean an average of roughly 2.0% growth over the first six months of this year

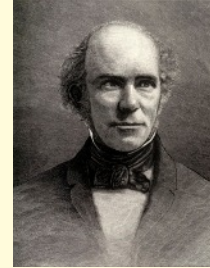
# THE STATE OF THE UNION



This is the fourth of my multi-part series on the macroeconomics of political and social issues that weigh heavily on our “State of the Union”. As Theodore Parker, an early American Transcendentalist observed:

*The arc of the moral universe is long, but it bends toward justice.*

While economics relies heavily on numbers and statistics it is invaluable indicator of the costs and benefits associated with “being on the right side of history”.



## ENTITLEMENTS (SOCIAL SECURITY AND HEALTH CARE)

For the past several years the hallmark of the serious Washington politico has been an openly avowed willingness to cut Social Security in the name of entitlement reform. It wasn't really about the numbers, which never supported the notion that Social security faced an acute crisis. It was instead a sort of declaration of identity, a way to show that you were an establishment guy, willing to impose pain (on other people, as usual) in the name of fiscal responsibility.



About this time last year, the Congressional Budget Office released its much-anticipated projections for debt and deficits. Much to the chagrin of the deficit scolds who have had so much influence on our policy discourse, the budget office numbers looked fine: deficits were falling fast, and the ratio of debt to gross domestic product was projected to remain roughly stable over the next decade.

Let me briefly address the two most frequently heard arguments for cutting Social Security.

One is that we should raise the retirement age—currently 66, and scheduled to rise to 67 — because people are living longer. This sounds plausible until you look at exactly who is living longer. The rise in life expectancy, it turns out, is overwhelmingly a story about affluent, well-educated Americans. Those with lower incomes and less education have, at best, seen hardly any rise in life expectancy at age 65; in fact, those with less education have seen their life expectancy decline.

So this common argument amounts, in effect, to the notion that we can't let janitors retire because lawyers are living longer. And lower-income Americans, in case you haven't noticed, are the people who need Social Security most.

The other argument is that seniors are doing just fine. Hey, their poverty rate is only 9 percent.

There are two big problems here. First, there are well-known flaws with the official poverty measure, and these flaws almost surely lead to serious understatement of elderly poverty. In an attempt to provide a more realistic picture, the Census Bureau now regularly releases a supplemental measure that most experts consider superior—and this measure puts senior poverty at 14.8 percent, close to the rate for younger adults.

Furthermore, the elderly poverty rate is highly likely to rise sharply in the future, as the failure of America's private pension system takes its toll.

To be fair, the reports of the Social Security and Medicare trustees released do suggest that America's retirement system needs some significant work. The ratio of Americans over 65 to those of working age will rise inexorably over the decades ahead, and this will translate into rising spending on Social Security and Medicare as a share of national income. But the numbers aren't nearly as overwhelming as one might have imagined, given the usual rhetoric. And if one looks into it further, the data suggest that we can, if we choose, maintain social insurance as we know it with only modest adjustments.

**Social Security.** The retirement program's trustees do foresee rising spending as the population ages, with total payments rising from 5.1 percent of G.D.P. now to 6.2 percent in 2035, at which point they stabilize. This means, by the way, that all the talk of Social Security going “bankrupt” is nonsense; even if nothing at all is done, the system will be able to pay most of its scheduled benefits as far as the eye can see.



The whole argument for early action on long-run fiscal issues is surprisingly weak and slippery. The conventional wisdom on these things seems to be that to avert the danger of future benefit cuts; we must act now to cut future benefits. While it does look as if there may be an eventual shortfall, the usual suspects insist that we must move right now to reduce scheduled benefits. But I've never understood the logic of this demand: The risk is that we might, at some point in the future, have to cut benefits; to avoid this risk of future benefit cuts, we are supposed to act preemptively by...cutting future benefits. What problem, exactly, are we solving here?



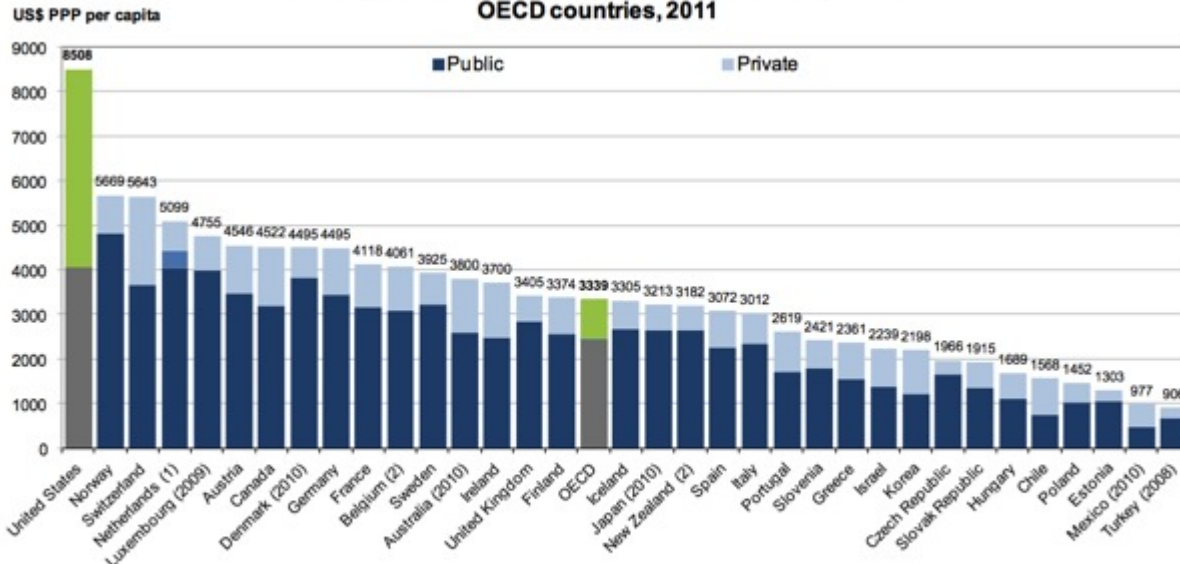
**Medicare.** For years, many people have warned that Medicare is a much bigger problem than Social Security, and the latest report from the program's trustees still shows spending rising from 3.6 percent of G.D.P. now to 5.6 percent in 2035. But that's a smaller rise than in previous projections. Why?

The answer is that the long-term upward trend in health care costs—a trend that has affected private insurance as well as Medicare—seems to have flattened out significantly over the past few years. Already the, Congressional Budget Office has erased hundreds of billions of dollars from its projections. It now estimates that Medicare spending in 2020 will be \$137 billion lower than thought in 2010, a drop of 15 percent; Medicaid spending will be \$85 billion, or 16 percent lower and private health insurance premiums are expected to be about 09 percent lower. The indications are that some of the cost-reducing measures contained in the Affordable Care Act, are actually starting to “bend the curve,” just as they were supposed to. And because there are a number of cost-reducing measures in the law that have not yet kicked in, there's every reason to believe that this favorable trend will continue.

Furthermore, there's plenty of room for more savings, if only because recent research confirms that Americans pay far more for health procedures than citizens of other advanced countries pay; (See graph, below) that the price premium can and should be brought down, and when it is, Medicare's financial outlook will improve further.

So what are we looking at here? The latest projections show the combined cost of Social Security and Medicare rising by a bit more than 3 percent of G.D.P. between now and 2035, and that number could easily come down with more effort on the health care front. Now, 3 percent of G.D.P. is a big number, but it's not an economy-crushing number. The United States could, for example, close that gap entirely through tax increases, with no reduction in benefits at all, and still have one of the lowest overall tax rates in the advanced world.

**Health expenditure per capita, public and private expenditure, OECD countries, 2011**



1. In the Netherlands, it is not possible to distinguish clearly the public and private share for the part of health expenditures related to capital expenditure.  
 2. Total expenditure excluding capital expenditure. Source: OECD Health Data 2013, June 2013.

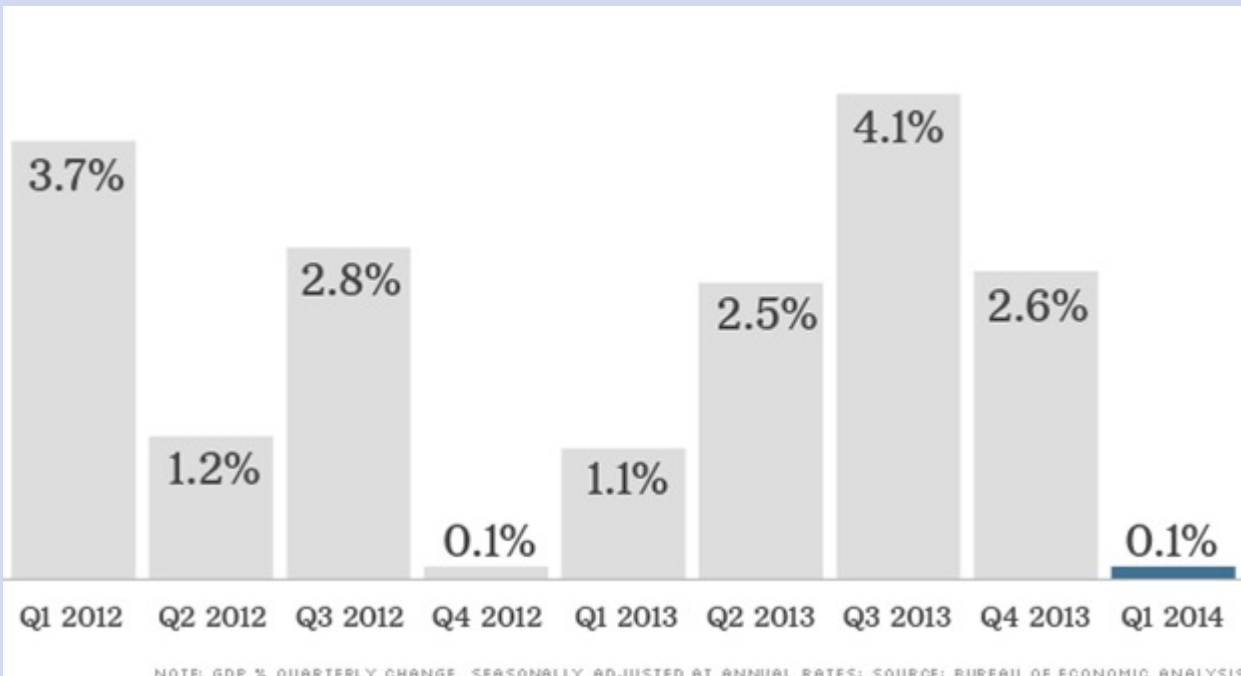
Data are expressed in US dollars adjusted for purchasing power parities (PPPs), which provide a means of comparing spending between countries on a common base. PPPs are the rates of currency conversion that equalise the cost of a given 'basket' of goods and services in different countries.



But haven't all the great and the good been telling us that Social Security and Medicare as we know them are unsustainable, that they must be totally revamped—and made much less generous? Why yes, they have; they've also been telling us that we must slash spending right away or we'll face a Greek-style fiscal crisis. They were wrong about that, and they're wrong about the longer run, too. The truth is that the long-term outlook for Social Security and Medicare, while not great, actually isn't all that bad. It's time to stop obsessing about how we'll pay benefits to retirees in 2035 and focus instead on how we're going to provide jobs to unemployed Americans in the here and now.

## U.S. ECONOMY SLOWS TO STALL SPEED

The U.S. economy stalled in the first three months of 2014. Gross domestic product, the broadest measure of economic activity, grew at a 0.1% annual pace in the first quarter, according to the U.S. Bureau of Economic Analysis. That's brutally slow, even by sluggish post-recession standards. Since the Great Recession ended in June 2009, the economy has been growing at a rate of about 2% to 3% per year.



Economists think the slowdown is merely a temporary phenomenon due to harsh winter weather. If that theory holds true, the economy should bounce back in the spring. Slumps in exports, housing and business investment, especially on equipment, were the main drivers behind the weak performance. All those things can be slowed by snow, hail and other winter storms as shipments are delayed or construction is put on hold.

In contrast, people are still buying things. Consumer spending continues to be a bright spot, growing at a 3% annual pace. Consumers shelled out more money on health care, in particular. The Bureau of Economic Analysis noted that the health care increase was driven primarily by the implementation of the Affordable Care Act.

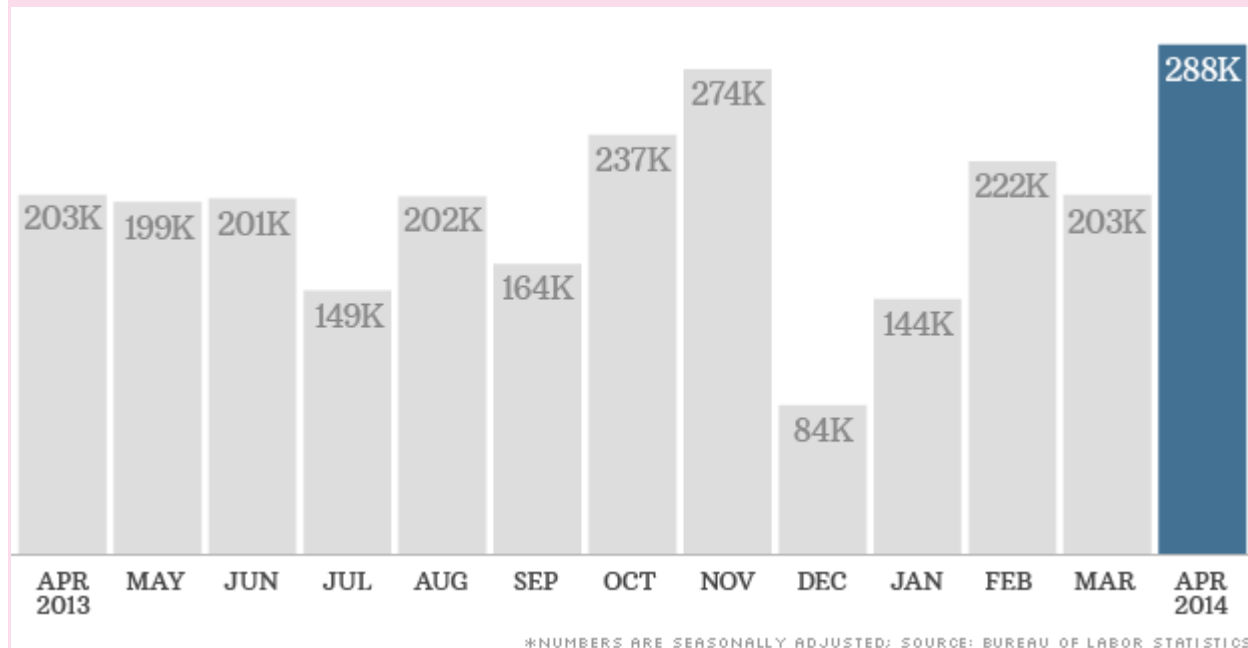
Consumers also spent more on utilities probably because of the cold temperatures, but they cut back on clothing, household furnishings and eating out at restaurants.

The Fed has been buying bonds to stimulate the U.S. economy on and off since 2008, but the central bank is now gradually bringing that program to an end. The wind-down process is known as "tapering" and they announced that they would reduce bond purchases to around \$45 billion a month.

# HIRING IS UP IN APRIL, UNEMPLOYMENT DOWN

The jobs recovery is chugging along, but the labor market remains far from fully healed from the crisis. The U.S. economy added 288,000 jobs in April, the strongest month for job growth in two years, according to the Department of Labor. That number blew away economists' forecasts, and stocks rose following the news, although they have since fallen back. The oft-quoted unemployment rate fell to 6.3%, down from 6.7% in March.

The severe winter had been holding back many economic statistics, as snowstorms slowed the housing market, retail sales and manufacturing. On Friday, the jobs numbers were revised higher for both February and March, showing the economy is over that winter lull.



That said, the unemployment rate told a more discouraging story. That number, which comes from a survey of households, shows fewer Americans are joining the labor force and fewer people report they're employed. These trends led to the unemployment rate falling to 6.3%, its lowest level since September 2008. This could mean fewer young people are entering the job market for the first time, and more seniors are retiring and staying that way. That said, participation also fell among the prime working-age population. Economists also caution not to read too much into just one month of data. The big picture remains the same.

Given the millions of jobs lost in the financial crisis, even solid hiring is still not enough to put the huge backlog of unemployed Americans back to work right away. The jobs recovery has dragged on for four years now, and long-term unemployment remains elevated with 3.5 million people out of a job for six months or more.

Economists estimate it could take at least another two years until the job market returns to its pre-recession health, when the unemployment rate was around 4% to 5%. The good news is, the recovery is now broad-based across many industries. One of the strongest sectors for job growth, for example, is professional and business services. The industry added 75,000 jobs in April. Over the last 12 months, it has added more than 660,000 jobs. Many of these are likely to be office jobs paying mid- to high-level wages. Retail, restaurants and bars -- traditionally low-wage industries -- have also accounted for strong job growth, and blue-collar industries like manufacturing and construction are on the upswing. The only major sector that continues to cut jobs is the federal government, which slashed 83,000 positions over the last 12 months.



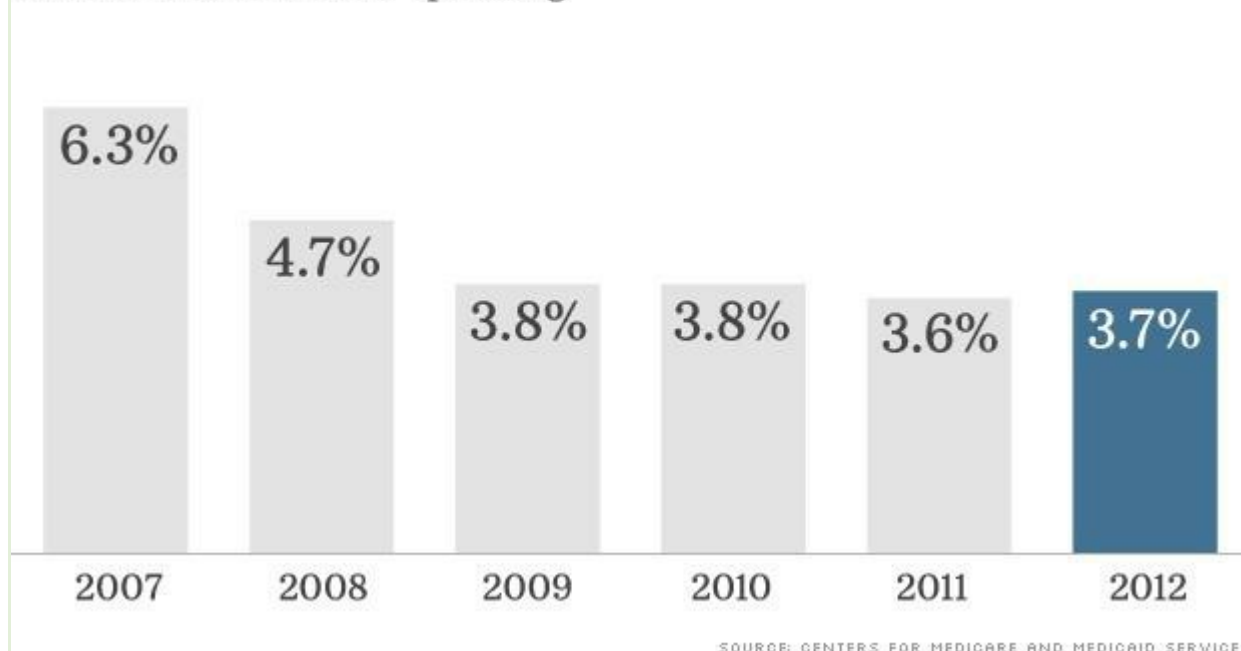
# HEALTH CARE SPENDING GROWTH STILL VERY LOW



America continued to curb its spending on health care for the fourth year in a row. Spending on health care grew by only 3.7% in 2012, continuing a streak of the slowest growth rates on record, according to data released by the Centers for Medicare and Medicaid Services. The report looked at all spending on health care services, including doctors, drugs, hospitals and nursing homes, and research nationwide. It also breaks down who is doing the spending: consumers, Medicaid, Medicare and insurers.

Spending remained restrained due to the weak economy. People continued to pull back on medical care amid a continued weak job market and providers sought to keep prices in check. The Affordable Care Act had minimal impact, as many of the health reform's major provisions had yet to kick in. The White House quickly jumped on the report saying that health reform has helped stop the trend of skyrocketing health care costs by stressing efficiency improvements. It specifically cited the act's contribution to lowering Medicare spending by penalizing hospitals with high readmission rates as an example. Experts agreed, saying that providers began making changes in anticipation of required reforms.

## Growth in health care spending



What's clear is that the slowdown in spending growth has benefited patients in recent years, sparing them from major increases in medical and premium costs. But looking at some of the underlying trends shows that growth varied widely depending on the service and payer.

### What we spent more on in 2012:

**Hospital services:** This category grew 4.9%, due to growth both in prices and in the use and complexity of services. A year earlier, the rate increased by only 3.5%. Private health insurance and Medicare picked up nearly two-thirds of all payments for hospital care.

**Physician and clinical services:** Spending on physicians grew by 4%, up from 3.5% a year earlier. Payments to clinical services shot up 7.1%, as more people used ambulatory surgical and emergency services centers and kidney dialysis centers. In 2011, this area grew by 6.6%.

**Consumer spending** grew by 3.8%, up from 3.5% a year earlier, driven mainly by increased cost sharing for physician and clinical services. Americans also benefited from reducing spending on medication.

**Medicaid spending** also increased 3.3%, up from 2.4%, though these were two of the slowest annual growth rates in the program's history. This public health program for the poor had seen spikes in spending during the recession as people lost their jobs and flocked to Medicaid. But enrollment has since slowed and states have increasingly tried to control costs.



## What we spent less on:

**Prescription drugs:** Spending on medication grew a scant 0.4%, down from 2.5% a year earlier. The main reason was an unusually large number of blockbuster drugs, such as Lipitor and Plavix, losing their patent protection. So people bought more lower-cost generics.

**Nursing care:** This category grew only 1.6%, down from 4.3%. This was due, however, to a one-time reduction in Medicare payments to skilled nursing facilities.

**Private insurance premiums:** Premiums paid by consumers and employers grew by 3.2%, compared to 3.4% a year earlier. Insurers continued to see slow growth in premiums because enrollment remained 9.4 million below its 2007 level. The increased popularity of high-deductible plans, which generally have lower premiums, also contributed to slow premium growth. Insurers spent slightly more on benefits per enrollee, up to 3.2% in 2012, from 2.9%. This was mainly due to the increased outlays for hospital care and for physician and clinical services.

**Medicare spending** growth pulled back slightly to 4.8%, compared to 5.0%, thanks to the one-time payment reduction for skilled nursing facilities. Enrollment in Medicare soared 4.1%, the largest one-year increase in 39 years, as the oldest Baby Boomers entered the program.



This era of low growth in health care spending is likely coming to a close soon. While 2013 growth is expected to remain low, the rate is expected to jump to 6.1% for 2014, as millions of Americans gain health insurance through Obamacare, according to a report issued by the Centers last fall. Also, as the hospital industry consolidates, prices may continue to rise. So experts will closely watch to see whether there's a long-term moderation in health care spending.

## NEARLY HALF OF ALL HOME SALES, ALL-CASH DEALS



All-cash deals hit a record 43% of home sales during the first three months of 2014, according to RealtyTrac. That's up from 19% a year earlier and the highest level reported since RealtyTrac began tracking the deals in early 2011. Editor's note: (I hate these people—just kidding).

The jump is due to two main factors: strict lending standards that make it difficult to get a mortgage and intense buyer competition. Inventory shortages, as well as lending regulations favor the all-cash buyer. Even buyers who would ordinarily finance their purchases are making all-cash offers to appear more attractive to sellers, said Daren Blomquist, vice president at RealtyTrac. "If they have the ability to, homebuyers will put up cash bids just to jump to the front of the line," he said. After all, cash deals stand a better chance of closing on time. Buyers

dependent on financing may run into snags due to strict mortgage underwriting standards.

Interestingly, the increase in cash sales is occurring despite a downturn in purchases by institutional investor firms that have been active in buying foreclosures and short sales with cash. "As institutional investors pull back, there is still strong demand from other cash buyers—including individual investors, second-home buyers and even owner-occupant buyers—to fill the vacuum," said Blomquist.

Cash buyers paid an average of \$207,668 for homes during the first quarter, a 13% discount to the properties' average estimated value, according to RealtyTrac. Part of that disparity is due to the fact that a quarter of the sales were of homes either in the foreclosure process or already foreclosed on by lenders. Such distressed homes typically sell below market value.

Once riddled with foreclosures, Cape Coral, Fla., had the highest level of all-cash deals at nearly 74% of first quarter sales, according to RealtyTrac. Four other Florida cities followed: Miami (67%), Sarasota (65%), Palm Bay (64%) and Lakeland (62%). Miami, New York, Boston and coastal California cities are attracting a lot of foreign buyers who are paying in all cash, according to Jeff Meyers, founder of Meyers Research.

In Miami, Latin Americans are putting down deposits of 50% or more on apartments in the early stages of development, enabling builders to self-finance the rest of the building or leverage bank loans at attractive rates. The buyer then pays the balance in cash at the time of occupancy. In California, Chinese nationals and immigrants are "parking their cash in single-family homes," said Meyers. In Irvine, Calif., for example, 80% of sales over the past year were to Chinese buyers, he said.

# MORTY'S MAILBAG

**Q.** Why are rates so low, now? [This is a question that I often get asked, right after how much longer will they stay this low?]

**A.** In brief, I would cite the following reasons:

- Flight to quality due to rising geopolitical risk
- The Fed's promise to keep short-term rates low for a long time
- Japan's massive monetary stimulus, the ECB's decision to start printing money,
- Weaker than expected US growth
- No evidence of commodity or wage inflation in the US
- The Fed's continued purchasing of over half of all Mortgage Backed Securities (MBS)!



Recipients of the newsletter are invited to Ask Morty any real estate or financing questions. The answer to the question will be answered either by phone or email and posted in the next issue for the benefit of all. Questions may be forwarded via mail phone or fax. Due to the high incidence of spam, if you email me a question it needs to be identified as a "real estate question" on the subject line of the email. (See front of issue for phone and fax numbers).

## MORTGAGE MIRTH

The evening news is where they begin with 'Good evening', and then proceed to tell you why it isn't.



# RATE SUMMARY

Mortgage rates have fallen to a 6-month low ↓

\*Conforming programs—an 1/8<sup>th</sup> cheaper ↓

\*Jumbos—little change, only the 5/1 ARM is 1/4 lower =

\*Governments—an 1/8<sup>th</sup> lower ↓



**FOR CURRENT INTEREST RATES FOR THE 16 MOST POPULAR PROGRAMS GO TO: [www.mortgagestraighttalk.com](http://www.mortgagestraighttalk.com)** The rate sheets are updated every Friday.

## BEST BUYS THIS MONTH

- Conforming 30-yr. fixed @ 3.875%
- Conforming 15-yr. fixed @ 2.875%
- Jumbo 5/1 ARM @ 2.625%
- High Balance Conf. 30 yr. fixed @ 3.99%
- High Balance Conf. 15 yr. fixed @ 2.99%
- Jumbo 5/1 ARM @ 2.75%
- FHA/VA 30-yr. fixed @ 3.375% 3.375%
- FHA/VA Conforming 15-yr. fixed @ 2.75%/2.75%
- FHA/VA High Balance Conforming 30-yr. fixed @ 3.5%3.5%
- HOMEPATH 30-yr. fixed @ 3.875%
- DU REFI PLUS or OPEN ACCESS 30-yr. fixed @ 3.99%



### I ALSO DO:

- **COMMERCIAL LOANS (more than 4 units)**
- **"HARD MONEY" LOANS**
- **REVERSE MORTGAGES**
- **FOREIGN NATIONALS**
- **DELAYED FINANCING**
- **STATED INCOME LOANS**
- **MANUFACTURED HOMES**
- **ASSET DEPLETION LOANS**

