

Housing News Update

THE FEDERAL SAVINGS BANK



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Inventories Driving Price Gains Despite Rates

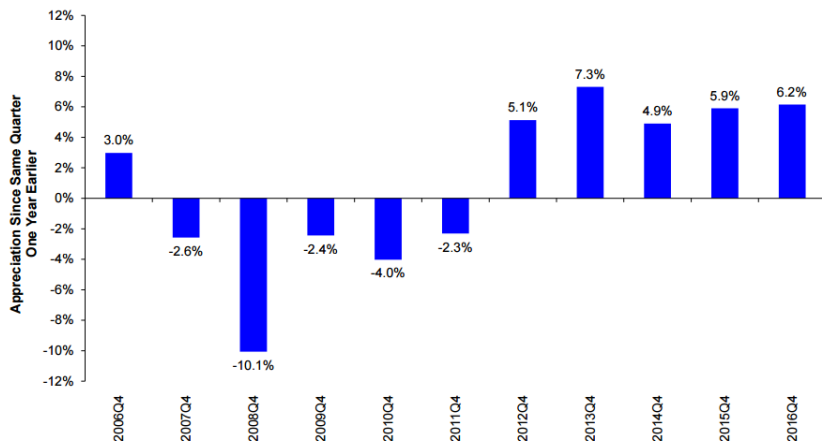
Home prices, as measured by the Federal Housing Finance Agency's (FHFA's) Housing Price Index (HPI), rose **even faster** on an annual basis in December than they had earlier in the fall. The year-over-year gain was 6.2 percent, up from 6.1 percent in the 12 months ended in November, and 6.0 percent in October.

FHFA's HPI report, which this month also included **fourth quarter** data, is based on purchase prices of homes with mortgages backed by or sold to one of the two GSEs Fannie Mae and Freddie Mac.

On a quarterly basis, the HPI was **up 1.5 percent** compared to the third quarter. The monthly change from November to December was 0.4 percent, down from a 0.5 percent gain from October to November.

"Although interest rates **rose sharply** during the fourth quarter, our data show no signs of a home price slowdown," said FHFA Deputy Chief Economist Andrew Leventis. "Although it will certainly take more time for the full effects of the elevated interest rates to be felt, there is no evidence of a normalization in the unusually low inventories of homes available for sale, which has been the primary force behind the extraordinary price gains."

House Price Appreciation Over Previous Four Quarters for U.S.
Seasonally Adjusted, Purchase-Only Index



National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

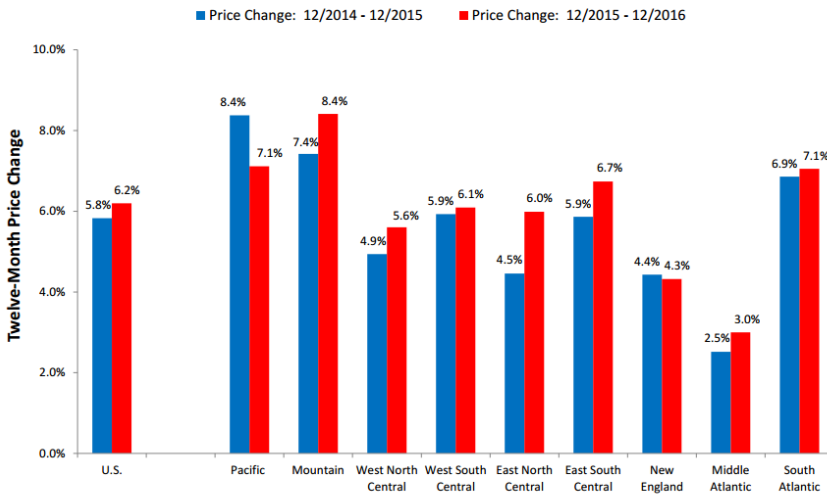
Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

Home prices **increased in 46 states** and the District of Columbia from the fourth quarter of 2015 to the same period in 2016. The largest gains were in Oregon at 11.0 percent; Colorado, 10.6 percent; Florida, 10.4 percent; Washington 10.2 percent; and Nevada 8.9 percent.

All nine census divisions had positive price changes over the year with the strongest increase in the Mountain division at 8.0 percent. That region also posted the largest quarterly change at 2.1 percent. The largest monthly change was in the East North Central division, up 0.9 percent from November.

Twelve-Month Price Changes – Prior Year vs. Most Recent Year
Purchase-Only Index



Source: FHFA

House price appreciation was weakest in the **Middle Atlantic** division, where prices rose 3.0 percent for the 12-month period, 0.9 percent quarter-over-quarter, but posted a 1.1 percent loss from November to December.

Responsive service, experienced expertise

I've dedicated my 22 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

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