# Real estate daily market update: February 9, 2018

*We'll add more market news briefs throughout the day. Check back to read the latest.*

## Most recent market news

Bankrate mortgage rates

- The 30-year fixed mortgage rate on Bankrate.com is currently 4.33 percent, up from 4.23 last week.
- The 15-year fixed mortgage rate is currently 3.66 percent.

### Today's Current Mortgage Rates

| Loan Term | Rate | Change | Last Week |
|---|---|---|---|
| 30-year fixed mortgage rate | 4.330 | 0.1 | 4.230 |
| 15-year fixed mortgage rate | 3.660 | 0.1 | 3.560 |
| 5/1 ARM mortgage rate | 4.120 | 0.06 | 4.060 |
| 7/1 ARM mortgage rate | 4.180 | 0.04 | 4.140 |
| 30-year fixed jumbo mortgage rate | 4.640 | 0.26 | 4.380 |
| 30 Year FHA mortgage rate | 4.030 | 0.12 | 3.910 |

Bankrate

## News from earlier this week

**Thursday, February 8**

Zillow Mortgage Rate Ticker

- The 30-year fixed mortgage rate on Zillow Mortgages is currently 4.15 percent, up ten basis points from this time last week.
- The 30-year fixed mortgage rate rose to 4.19 percent early last week, then fell back to 4.08 percent on Monday before rising to the current rate.
- The rate for a 15-year fixed home loan is currently 3.52 percent, and the rate for a 5-1 adjustable-rate mortgage (ARM) is 3.52 percent. The rate for a jumbo 30-year fixed loan is 4.28 percent.

| State | Current 30-Year Fixed Rate (2/7/18) | Last Week's 30-Year Fixed Rate (1/31/18) | Change in Basis Points |
|---|---|---|---|
| California Mortgage Rates | 4.13% | 4.03% | +10 |
| Colorado Mortgage Rates | 4.16% | 4.05% | +11 |
| Florida Mortgage Rates | 4.13% | 4.05% | +8 |
| Illinois Mortgage Rates | 4.15% | 4.07% | +8 |
| Massachusetts Mortgage Rates | 4.12% | 4.04% | +8 |
| New Jersey Mortgage Rates | 4.14% | 4.03% | +11 |
| New York Mortgage Rates | 4.18% | 4.14% | +4 |
| Pennsylvania Mortgage Rates | 4.15% | 4.04% | +11 |
| Texas Mortgage Rates | 4.13% | 4.03% | +10 |
| Washington Mortgage Rates | 4.15% | 4.08% | +7 |

Current rates for 30-year fixed mortgages by state. Source: Zillow

“Mortgage rates moved sharply higher last week, spurred by a sell-off in the stock market and further evidence of a strong economy that will soon force the world’s major central banks to push interest rates higher,” said Aaron Terrazas, senior economist at Zillow.

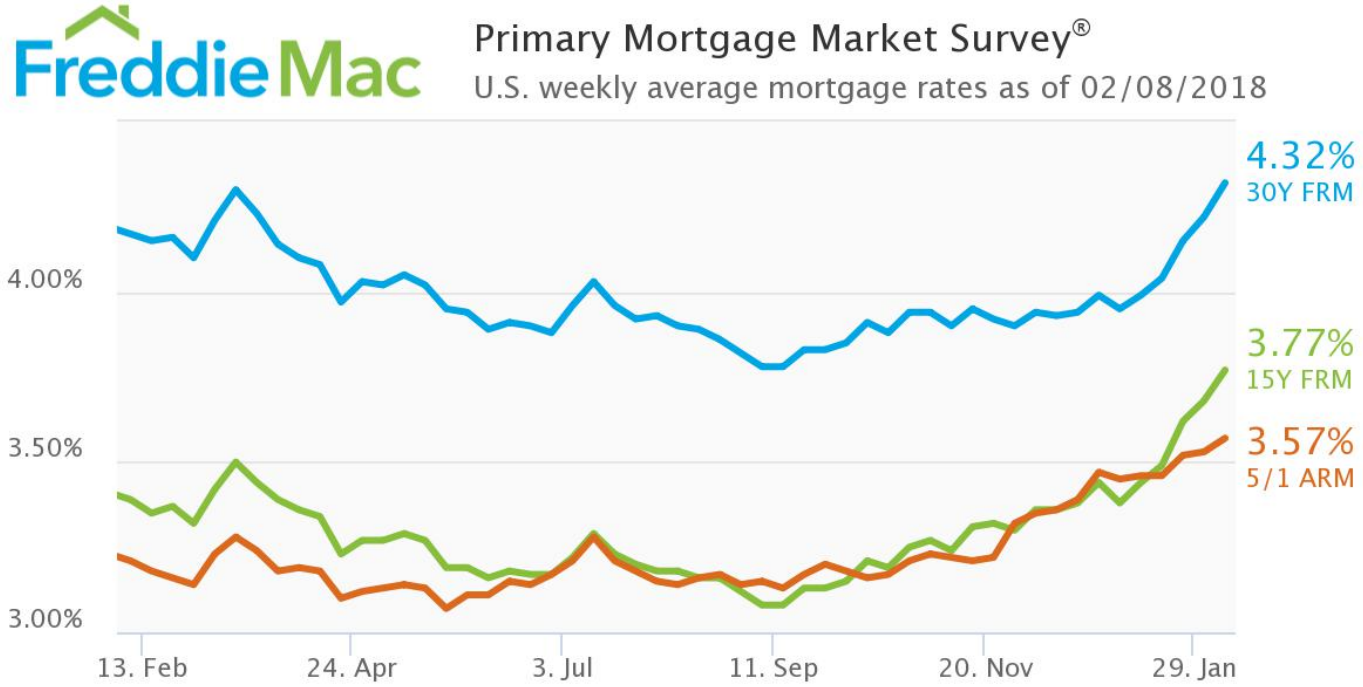
How to create your ‘best day ever’ every single day

Maximize. Every. Minute! READ MORE

“Rates matched their highest level since September 2014. This week political uncertainty should wane as Congressional negotiators have agreed to a two-year budget, but financial market volatility could continue. Short-term market fluctuations aside, the trend in rates is clearly upward after spending years near historic lows.”

[Freddie Mac Primary Mortgage Market Survey (PMMS)]

- 30-year fixed-rate mortgage (FRM) averaged 4.32 percent with an average 0.6 point for the week ending February 8, 2018, up from last week when it averaged 4.22 percent. A year ago at this time, the 30-year FRM averaged 4.17 percent.
- 15-year FRM this week averaged 3.77 percent with an average 0.5 point, up from last week when it averaged 3.68 percent. A year ago at this time, the 15-year FRM averaged 3.39 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.57 percent this week with an average 0.4 point, up from last week when it averaged 3.53. A year ago at this time, the 5-year ARM averaged 3.21 percent.




Attributed to Len Kiefer, Deputy Chief Economist:

“The U.S. weekly average 30-year fixed mortgage rate rocketed up 10 basis points to 4.32 percent this week. Following a turbulent Monday, financial markets settled down with the 10-year Treasury yield resuming its upward march. Mortgage rates have followed.

“The 30-year fixed mortgage rate is up 33 basis points since the start of the year. Will higher rates break housing market momentum? It’s too early to tell for sure, but initial readings indicate housing markets are sustaining their momentum so far.

“The MBA reported that purchase applications are up 8 percent from a year ago in their latest Weekly Mortgage Applications Survey.”

Mortgage Bankers Association’s (MBA) National Delinquency Survey

- The delinquency rate for mortgage loans on one-to-four-unit residential properties increased to a seasonally adjusted rate of 5.17 percent of all loans outstanding at the end of the fourth quarter of 2017.
- The delinquency rate was up 29 basis points from the previous quarter, and was 37 basis points higher than one year ago, according to the Mortgage Bankers Association’s (MBA) National Delinquency Survey.
- The percentage of loans on which foreclosure actions were started during the fourth quarter was 0.25 percent, unchanged from the previous quarter, and three basis points lower than one year ago. Mortgage delinquencies increased across all loan types – FHA, VA and conventional – on a seasonally-adjusted basis.

“The 30-day delinquency rate actually dropped by 15 basis points in the fourth quarter of 2017, as homeowners affected by Hurricanes Harvey, Irma and Maria either became current on their payments or moved to later stages of delinquency,” according to Marina Walsh, MBA’s Vice President of Industry Analysis.

“However, while the earliest-stage delinquency rate dropped, the 60-day and 90-day delinquency rates did increase in the fourth quarter of 2017. Despite the hurricanes and these quarter-over-quarter results, most states are seeing overall mortgage delinquency rates at lower levels than a year ago.”

“The FHA overall delinquency rate in the fourth quarter of 2017 is higher compared to the fourth quarter of 2016 in all but three states. FHA borrowers appear to be impacted not only by the storms but other factors that could be stretching their ability to make payments,” Walsh continued.

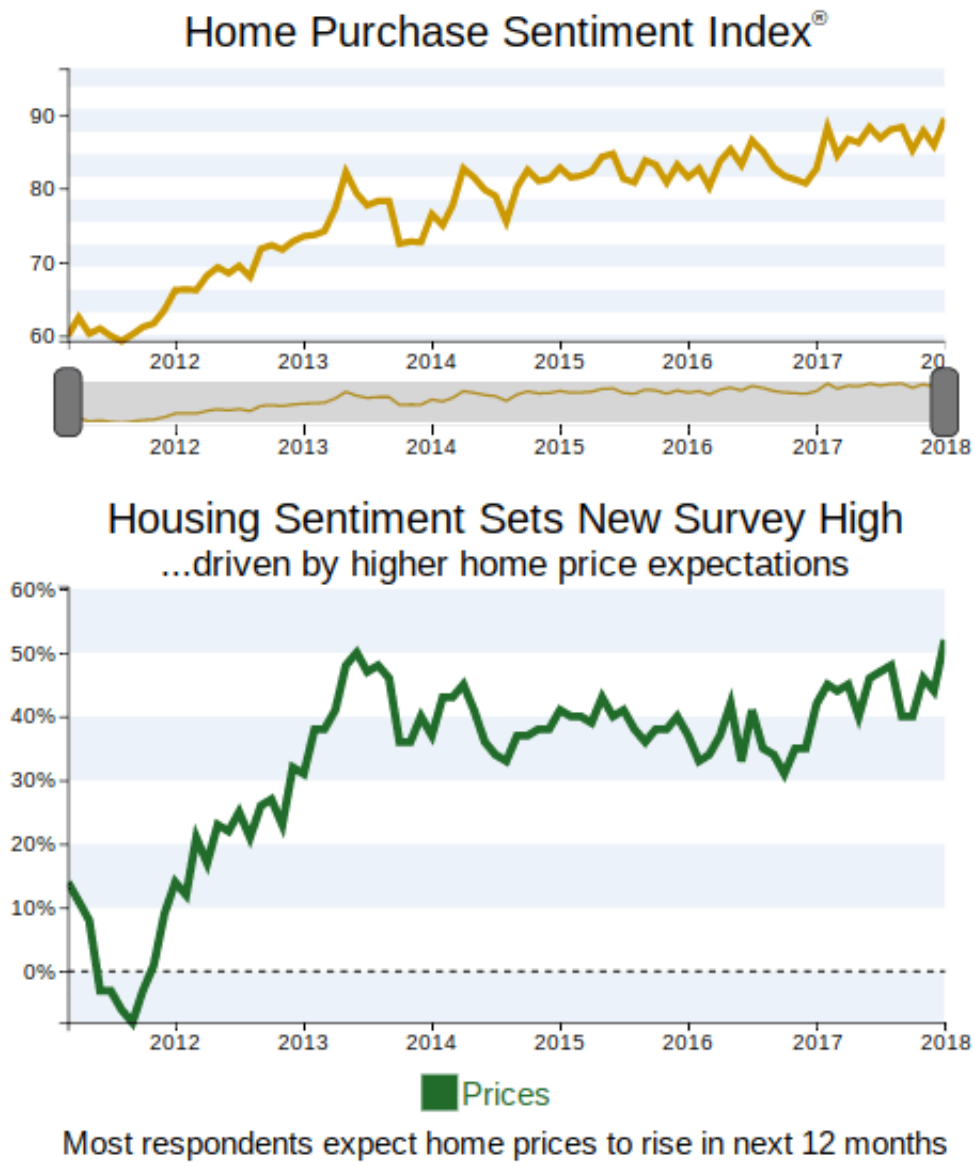
“Regardless of the hurricanes, an increase in delinquencies – particularly FHA delinquencies – off historic lows is not particularly surprising given the seasoning of the loan portfolio, expected higher interest rates, declining average credit scores on new FHA endorsements since 2014 and rising debt-to-income ratios. Mitigating factors include low unemployment and increasing home equity levels that provide homeowners with more options to cure a potential default.”

“Storm-related foreclosure moratoria continue to play a large factor in keeping foreclosure starts at bay, as the fourth quarter saw little movement in either foreclosure starts, or foreclosure inventory. As forbearance periods expire, an increase in the percent of loans in foreclosure is likely. We anticipate it will be several more quarters before the effects of the September hurricanes on the survey results dissipate, especially given extended forbearance periods.”

**Wednesday, February 7**

Fannie Mae Home Purchase Sentiment Index (HPSI)

- Fannie Mae's 2017 Home Purchase Sentiment Index (HPSI) increased in January by 3.7 points to 89.5. The HPSI is up 6.8 points compared with the same time last year.
- The net share of Americans who say it is a good time to buy a home rose 3 percentage points to 27%, reversing some of last month's decline.
- The net share of those who say it is a good time to sell rose 4 percentage points to 38%. The share who said it is a good time to sell reached a new survey high of 65%.
- The net share of Americans who say home prices will go up rose 8 percentage points to 52% in January, reaching a new survey high. The percentage who said home prices will go up reached a new survey high of 58%.
- The net share of those who say mortgage rates will go down over the next 12 months rose 2 percentage points to -50%.
- The net share of Americans who say they are not concerned about losing their job rose by 5 percentage points to 73%.
- The net share of Americans who say their household income is significantly higher than it was 12 months ago remained at 16% from last month.




Source: Fannie Mae

“HPSI rebounded from last month’s dip to a new survey high in January, in large part due to the spike in consumers’ net expectations that home prices will increase over the next year,” said Doug Duncan, senior vice president and chief economist at Fannie Mae.

“Results may continue to fluctuate over the coming months as consumers sort out the implications of the newly passed tax legislation on their household finances. Over the past year, continued

home price growth has helped spur a sizable increase in the net share of consumers who say it's a good time to sell a home but also a modest weakening in the net share who say it is a good time to buy.

"At the start of 2018, it is still too early to determine the overall effect of the new tax legislation on housing, and we will need to see whether positive impacts on both housing demand and supply materialize in the coming months."

Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey

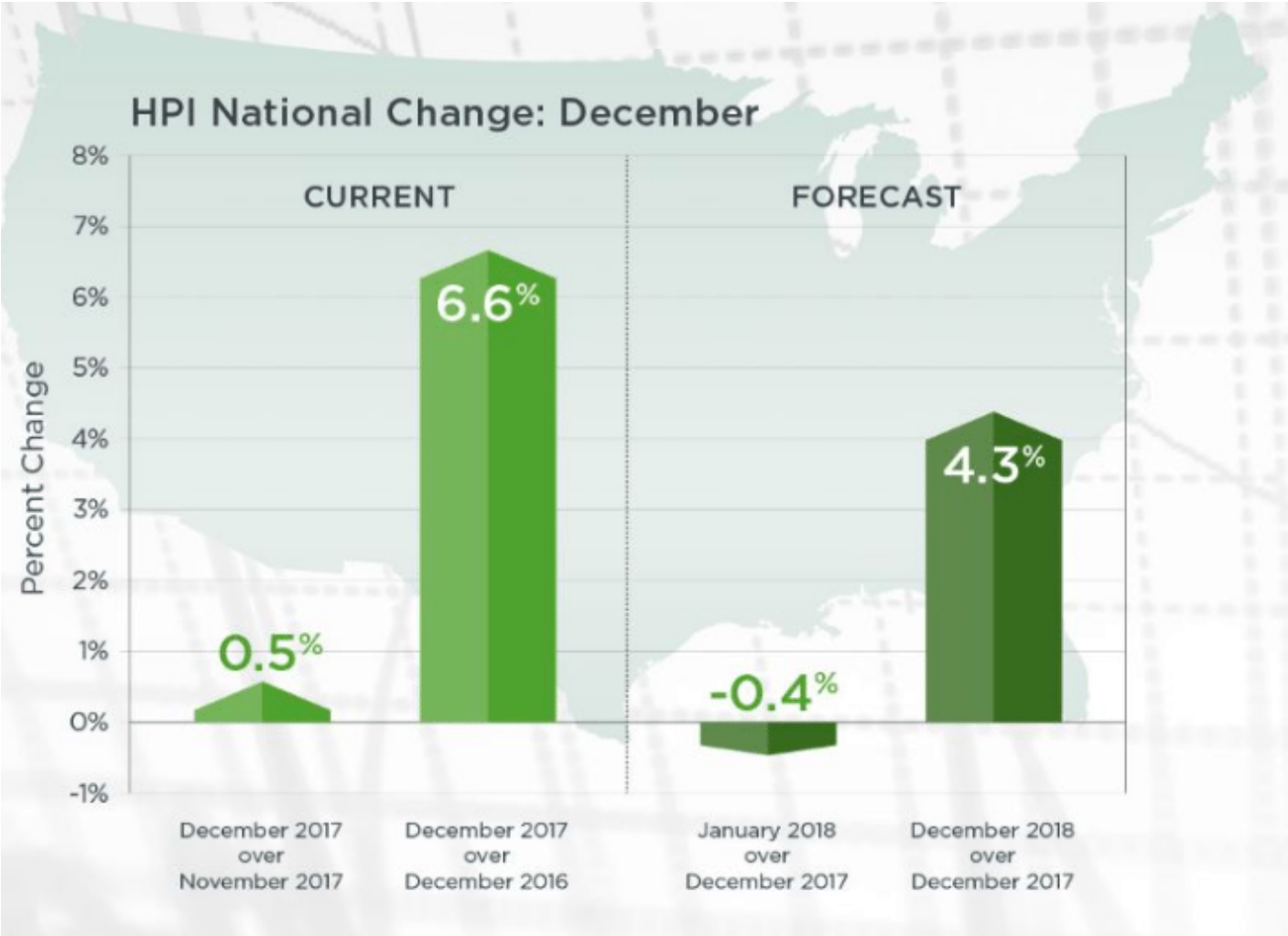
- The Market Composite Index, a measure of mortgage loan application volume, increased 0.7 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index increased 4 percent compared with the previous week.
- The Refinance Index increased 1 percent from the previous week.
- The seasonally adjusted Purchase Index remained unchanged from one week earlier. The unadjusted Purchase Index increased 7 percent compared with the previous week and was 8 percent higher than the same week one year ago.
- The refinance share of mortgage activity decreased to 46.4 percent of total applications, its lowest level since July 2017, from 47.8 percent the previous week. The adjustable-rate mortgage (ARM) share of activity increased to 6.1 percent of total applications.
- The FHA share of total applications decreased to 10.4 percent from 10.7 percent the week prior. The VA share of total applications remained unchanged at 10.1 percent from the week prior.
- The USDA share of total applications decreased to 0.7 percent from 0.8 percent the week prior.
- The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances ($453,100 or less) increased to its highest level since April 2014, 4.50 percent, from 4.41 percent, with points increasing to 0.57 from 0.56 (including the origination fee) for 80 percent loan-to-value ratio (LTV) loans. The effective rate increased from last week.
- The average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (greater than $453,100) increased to its highest level since April 2014, 4.47 percent, from 4.34 percent, with points increasing to 0.44 from 0.40 (including the origination fee) for 80 percent LTV loans. The effective rate increased from last week.
- The average contract interest rate for 30-year fixed-rate mortgages backed by the FHA increased to 4.47 percent from 4.40 percent, with points increasing to 0.69 from 0.68 (including the origination fee) for 80 percent LTV loans. The effective rate increased from last week.
- The average contract interest rate for 15-year fixed-rate mortgages increased to its highest level since April 2011, 3.92 percent, from 3.85 percent, with points increasing to 0.65 from 0.60 (including the origination fee) for 80 percent LTV loans. The effective rate increased from last week.
- The average contract interest rate for 5/1 ARMs decreased to 3.77 percent from 3.79

percent, with points increasing to 0.42 from 0.41 (including the origination fee) for 80 percent LTV loans. The effective rate decreased from last week.

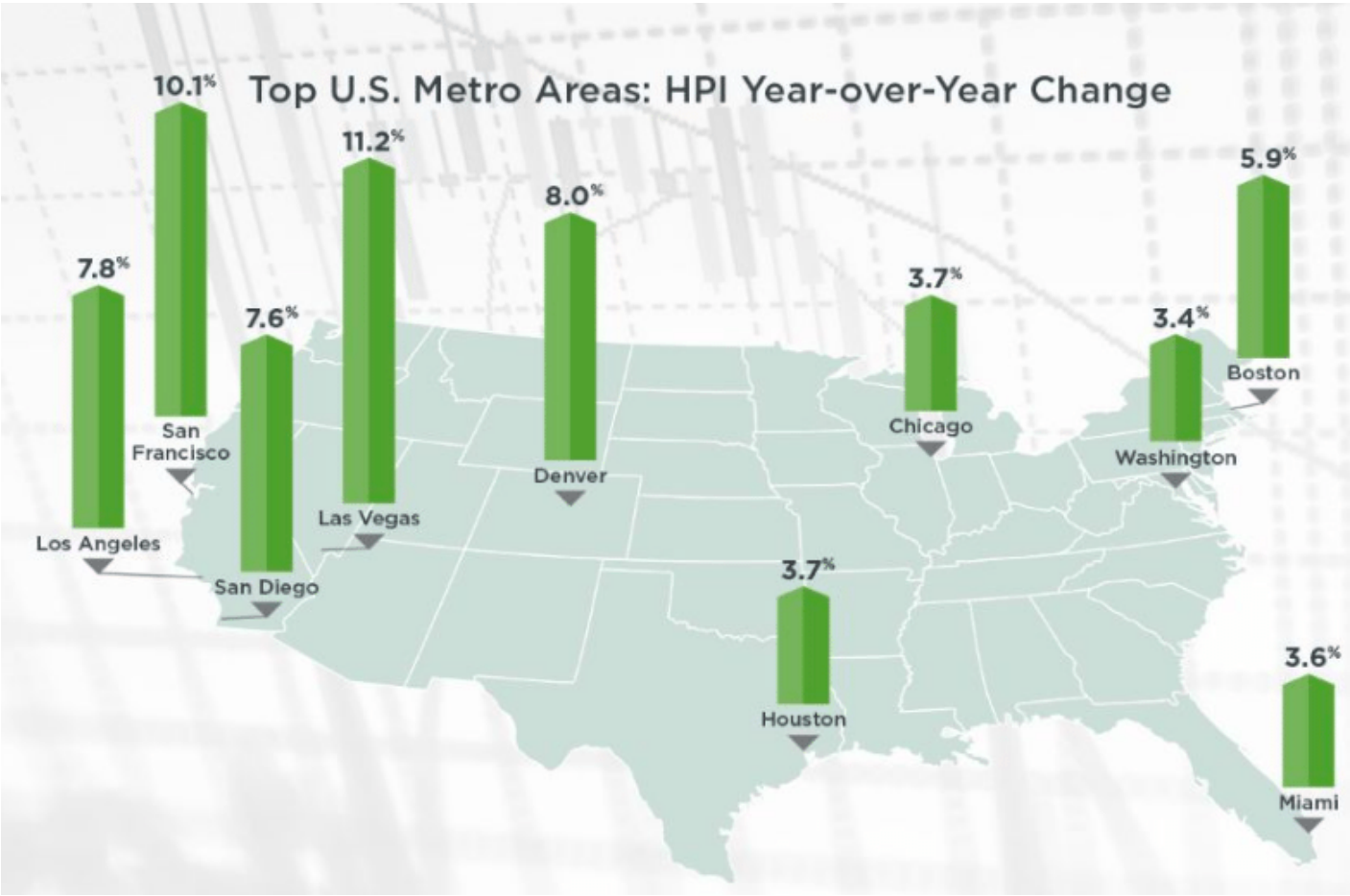
**Tuesday, February 6**

[CoreLogic Home Price Index (HPI) and HPI Forecast]

- Home prices nationwide, including distressed sales, increased year over year by 6.6 percent in December 2017 compared with December 2016 and increased month over month by 0.5 percent in December 2017 compared with November 2017 (revisions with public records data are standard, and to ensure accuracy, CoreLogic incorporates the newly released public data to provide updated results).
- The CoreLogic HPI Forecast indicates that home prices will increase by 4.3 percent on a year-over-year basis from December 2017 to December 2018, and on a month-over-month basis home prices are expected to decrease by 0.4 percent from December 2017 to January 2018.



CoreLogic




CoreLogic

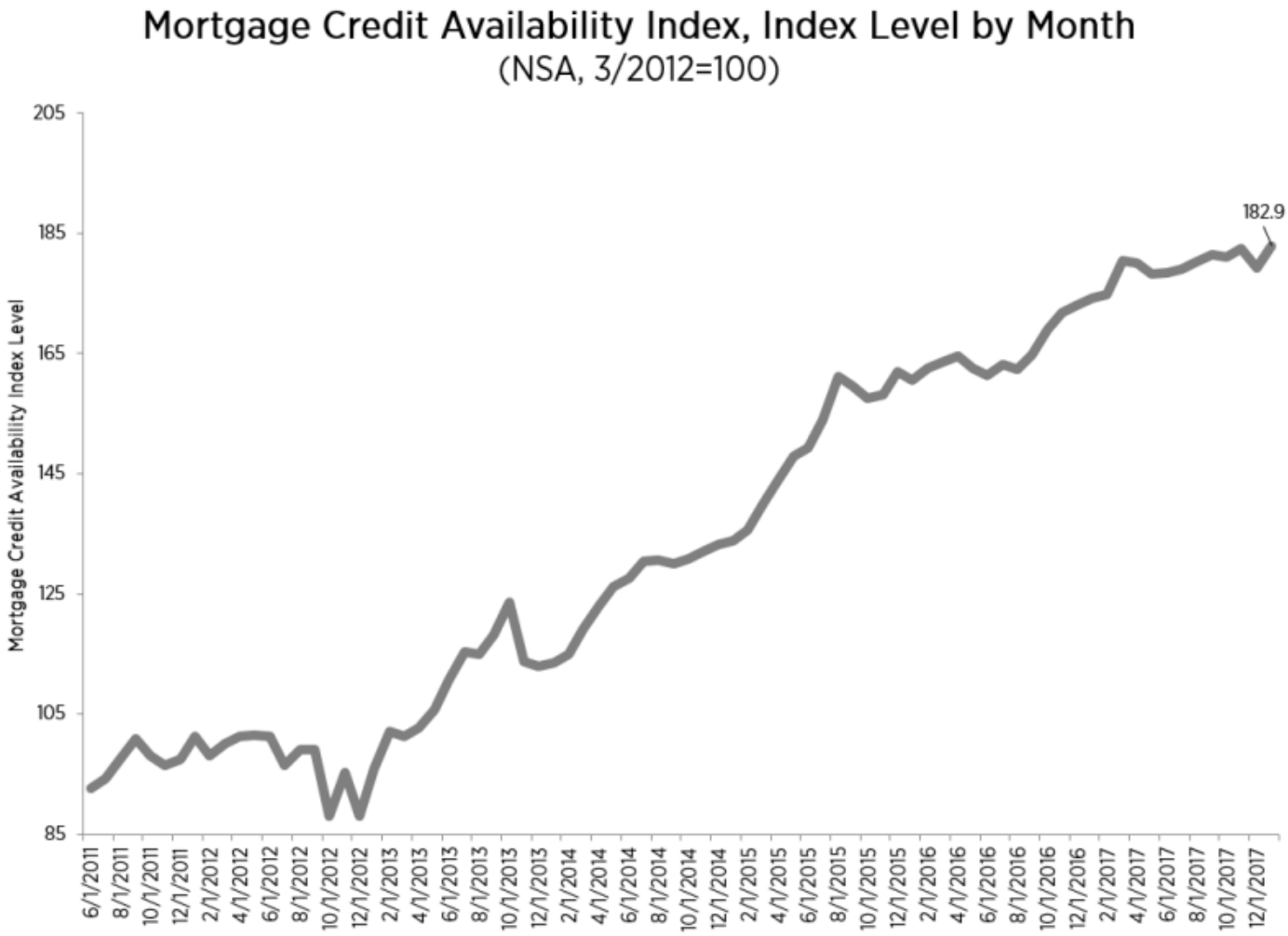
“The number of homes for sale has remained very low,” said CoreLogic chief economist Dr. Frank Nothaft. “Job growth lowered the unemployment rate to 4.1 percent by year’s end, the lowest level in 17 years,” he said in the report.

“Rising income and consumer confidence has increased the number of prospective homebuyers.

The net result of rising demand and limited for-sale inventory is a continued appreciation in home prices."

[Mortgage Bankers Association (MBA) Mortgage Credit Availability Index (MCAI)]

- The MCAI increased 2.1 percent to 182.9 in January. A decline in the MCAI indicates that lending standards are tightening, while increases in the index are indicative of loosening credit. The index was benchmarked to 100 in March 2012.
- The Conventional MCAI rose by more (up 3.6 percent) than the Government MCAI (up 0.9 percent). The component indices of the Conventional MCAI both increased from the month prior, with the Jumbo MCAI gaining more (up 6.1 percent) than the Conforming MCAI (up 1.1 percent).




Mortgage Bankers Association; Powered by Ellie Mae's AllRegs Market Clarity

“Credit availability increased across the board in January, more than reversing December declines in almost all component indices,” said Lynn Fisher, MBA’s Vice President of Research and Economics.

“Jumbo credit programs rebounded most strongly and reached a new series high, driven by an increase in the number of programs with reduced documentation requirements. In government lending programs, credit availability remains somewhat lower than the rest of 2017.”

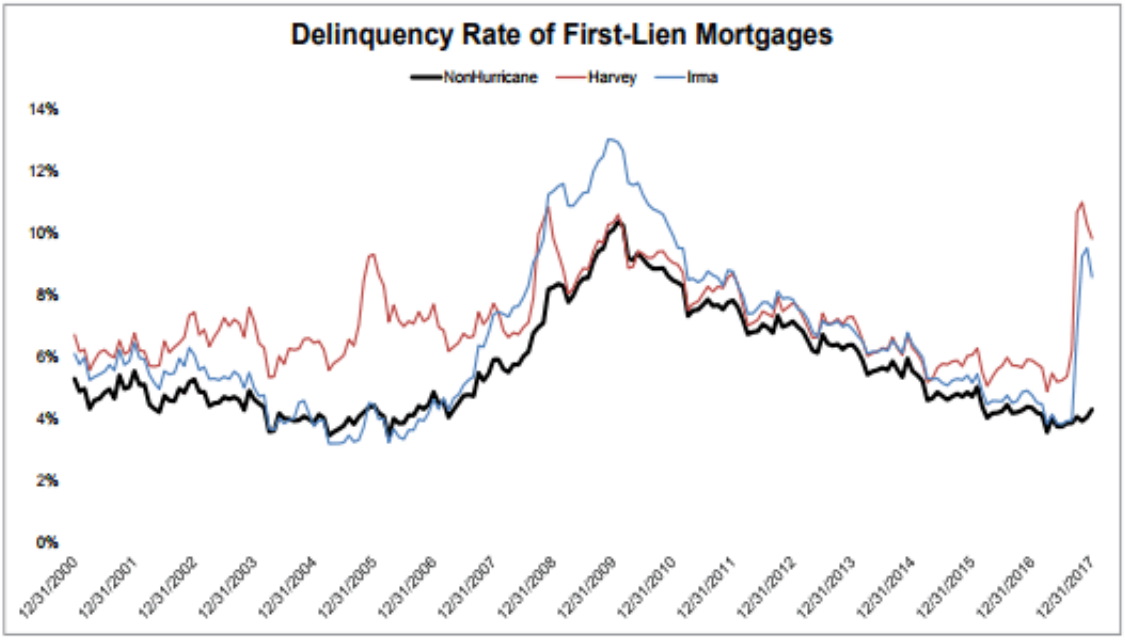
**Monday, February 5**

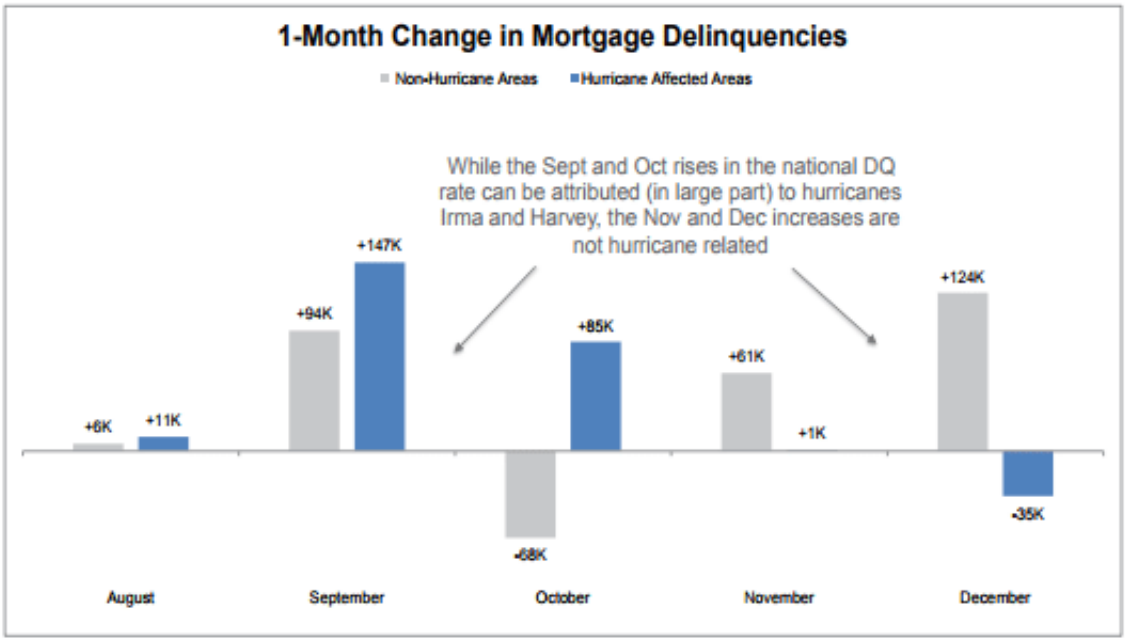
Black Knight’s Mortgage Monitor

- Though mortgage delinquencies ended 2017 at a 23-month high (up 164K from 2016 year-end), in non-hurricane-impacted areas – representing 90 percent of the total market – delinquency rates declined
- The national delinquency rate in non-hurricane-affected areas was 11 percent below long-term norms
- The total number of mortgages either past due or in foreclosure fell by more than 140K in non-hurricane-affected areas, pushing the non-current rate in these areas down to 10 percent below long-term norms
- A total of 649K foreclosure starts were initiated in 2017, the fewest of any year since 2000
- 2017 saw the fewest first-time foreclosure starts on record, which were both 15 percent below 2016 levels and roughly half their pre-crisis annual average
- While foreclosure inventory is on track to normalize in 2018, more than 125K active foreclosures remain in which no payment has been made in more than two years; 63K have not had a payment in five years or more
- The 232K total foreclosure sales (completions) in 2017 marked the lowest single-year total since the turn of the century

| | Dec-17 | Month-over-month change | Year-over-year change | 12 Month Trend |
|---|---|---|---|---|
| Total U.S. loan delinquency rate (loans 30 or more days past due, but not in foreclosure): | 4.71% | 3.47% | 6.54% | |
| Total U.S. foreclosure pre-sale inventory rate: | 0.65% | -2.22% | -31.92% | |
| Total U.S. foreclosure starts: | 44,500 | -6.90% | -25.46% | |
| Monthly Prepayment Rate (SMM): | 0.93% | -5.57% | -31.53% | |
| Foreclosure Sales as % of 90+: | 1.23% | -23.03% | -30.96% | |
| Number of properties that are 30 or more days past due, but not in foreclosure: | 2,412,000 | 88,000 | 164,000 | |
| Number of properties that are 90 or more days past due, but not in foreclosure: | 726,000 | 60,000 | 44,000 | |
| Number of properties in foreclosure pre-sale inventory: | 331,000 | -6,000 | -152,000 | |
| Number of properties that are 30 or more days past due or in foreclosure: | 2,743,000 | 82,000 | 12,000 | |

December *First Look* release




Hurricane impact update

“Hurricanes Harvey and Irma significantly impacted 2017 mortgage performance metrics,”

said Black Knight Data & Analytics Executive Vice President Ben Graboske. “Overall, there were approximately 164,000 more past-due loans at the end of 2017 than the year before, pushing the national delinquency rate to a 23-month high.

“When Black Knight isolated non-hurricane-impacted areas – which represent 90 percent of the entire active U.S. mortgage universe – we see the national delinquency rate actually fell to 11 percent below long-term norms. Likewise, the 90-day delinquency rate was also up six percent from last year, with roughly a third more seriously delinquent loans than we’d expect in a healthy market.

“Excluding the hurricane impact, though, we see that there were 84,000 fewer loans 90 or more days past due than last year; a 14 percent reduction. The national non-current rate – which tracks all loans 30 or more days past due or in active foreclosure – edged down slightly from 2016, even including the effects of the storms.

“Isolating those non-hurricane areas, though, we see that the total number of past-due mortgages fell by more than 140,000 – which brought the non-current rate in these areas down 10 percent below long-term norms.”

*Email market reports to* press@inman.com*.*

Source: click here