



beyond the headlines



One of Trump's First Orders Means Home Loan Fees Won't Go Down

Source: NPR

Friday was the day that many homebuyers across the country were to start saving on average \$500 a year on their loans. A fee reduction was set to go into effect at the Federal Housing Administration, lowering the cost of nearly 1 million FHA loans per year.

But that's not going to happen, at least for now, because in his very first hours in office, President Trump issued an order suspending that fee cut.

The Obama administration had authorized the fee reduction for FHA loans earlier this month. Trump's order says it is now "suspended indefinitely." The Trump administration could ultimately allow it to go through, but the order states "more analysis and research are deemed necessary."

Geoff McIntosh, president of the CALIFORNIA ASSOCIATION OF REALTORS®, said his group was disappointed by the Trump administration's move. "It would have made a difference to California homebuyers of about \$860 a year," McIntosh told NPR.

Making sense of the story

- The higher the price of the home, the greater the savings since the fee in question was to be cut by 0.25 percentage points of the total amount borrowed; on a \$400,000 home loan, the savings would be \$1,000.
- Why would the new administration want to keep that money out of Americans' pockets? The order doesn't say precisely. But some conservatives had warned that cutting the fees for FHA borrowers might leave taxpayers on the hook in another housing crash.
- "FHA insures over \$1 trillion in outstanding mortgage loans," says Ed Pinto, co-director of the American Enterprise Institute's Center on Housing Risk. He sees that as a potentially ominous liability given the FHA's cash reserves.
- Other analysts disagree and say the FHA is once again on strong financial footing and they say the fee cut was justified.

Listen to the full story

<http://www.npr.org/2017/01/27/511942876/trump-blocks-fha-fee-cut-that-would-have-saved-homebuyers-money>

In other news...

Third-Party Sales at Foreclosure Auctions Now Higher Than Ever

Source: HousingWire

Investors are undaunted by rising home prices and increasing interest rates, and perhaps even encouraged by it, as the share of third-party sales at foreclosure auctions reached a new high.

In fact, third party buyers, those who are not associated with the lender or former owner, made up 28.5 percent of all completed foreclosure auctions in 2016, according to the Year-End 2016 U.S. Home Sales Report from ATTOM Data Solutions.

The remaining 71.5 percent went back to the foreclosing lender. This is up from 23.5 percent in 2015 and the highest point going back to the earliest data available in 2000.

A total of 96,438 single-family homes sold to third-party buyers at foreclosure auctions in 2016. This was led by buyers in San Jose, Calif., where 59.1 percent of all foreclosure auction homes sold to third-party buyers. This was followed by Los Angeles with 52.2 percent, Reno, Nevada with 52.1 percent, Oxnard-Thousand-Oaks-Ventura, Calif, with 50.3 percent, and Stockton, Calif., with 50.2 percent.

Read the full story

<http://www.housingwire.com/articles/39109-third-party-sales-at-foreclosure-auctions-now-higher-than-ever?eid=369821174&bid=1652377>

Looking for a Flip-Worthy House? Must-Haves for Every Room

Source: Trulia

While location is key in almost any real estate transaction, that's not all you should consider when purchasing a property you intend to "flip." You need to examine the home room by room, looking for potential ways to make it marketable.

"Flipping real estate is all about minimizing risk," says Robin Mathis, a settlement attorney in Fairfax, Va., who flips homes with her husband, Mike Irvin. "It's not something to go into lightly."

With that in mind, here are some details to mull over before you buy.

Read the full story

<https://www.trulia.com/blog/house-flip-tips-room-by-room/>

Millennials Think Housing No Longer Part of American Dream

Source: HousingWire

In 2015, 80 percent of millennials said buying a home was part of the American dream, but the same survey taken at the end of 2016 showed that number dropped to 72 percent.

“Given millennials make up the largest pool of potential homebuyers in the U.S., this should be at least somewhat disconcerting,” Trulia Chief Economist Ralph McLaughlin said. “If the for-sale housing market is to continue building steam in the years ahead, this demographic will need to transition into homeownership in order to support the resale of homes by their older counterparts.”

“Though home buying among millennials is likely to be volatile in the short-run, the long-run potential for this generation to support housing consumption in the U.S. is large,” McLaughlin said.

However, there is still hope for the future of homeownership. McLaughlin points out that the report shows growth in household formation. Household formation increased 0.5 percent to 805,000 new households, however, the increase was due to the formation of renter households.

Read the full story

<http://www.housingwire.com/articles/39079-homeownership-rate-remains-unchanged-in-q4>

San Diego Home Price Increases Outpace Nation and California

Source: San Diego Union Tribune

Prices in San Diego County’s housing market in November outpaced the rest of the nation and California, said the S&P CoreLogic Case-Shiller Indices released Tuesday.

Adjusted for seasonal variation, the San Diego regional index of home prices was up 5.8 percent in November compared to a year ago. The nationwide increase was 5.6 percent, setting an all-time high in three consecutive months.

The Los Angeles index rose by 5.5 percent and by 5.3 percent in San Francisco. David Blitzer, managing chairman of the Index Committee at S&P Dow Jones Indices, wrote in the report Tuesday that recent gains show it could end the boom-bust cycle that began about 12 years ago.

Read the full story

<http://www.sandiegouniontribune.com/business/real-estate/sd-fi-case-shiller-20170130-story.html>

Twelve Home Design Trends for 2017

Source: Coastal Living

From faux marble to flamingos, the hottest Pinterest trends of 2017 are perfect for beach houses and beyond. Other trends include navy blue, indoor vine wallpaper and farmhouse styles.

Read the full story

<http://www.coastalliving.com/homes/decorating/home-decorating-trends-2017-according-pinterest/view-all>

What you should know

- Rates for home loans were unchanged after notching their first weekly increase in 2017, mortgage provider Freddie Mac said Thursday.
- The 30-year, fixed-rate mortgage averaged 4.19 percent during the February 2 week. The 15-year, fixed-rate mortgage averaged 3.41 percent, up one basis point during the week.
- The 5-year, Treasury-indexed, hybrid adjustable-rate mortgage averaged 3.23 percent, up from 3.20 percent the prior week.
- The 10-year Treasury yield fell 5 basis points during the week as familiar signs of slow growth re-emerged, Freddie noted in a release.