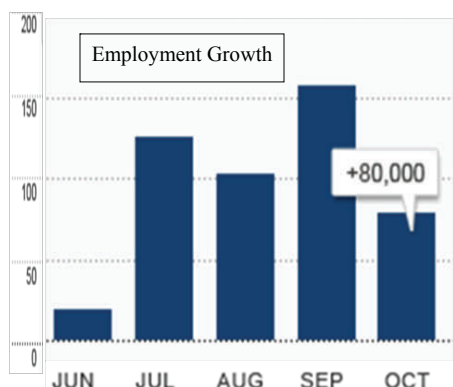


## 'Tis The Season To Be Spending

**B**lack Friday has arrived and that means that the Holiday spending frenzy has begun. This season is a very important measure of the health of the economy every year. This year, the results could be even more important. In our prolonged struggle to recover from the severe recession, we have encountered many obstacles. Initially, the housing crisis certainly put a major dent in the pace of consumer spending. The good news is that over the painful years of the recovery, consumers have been saving and this puts them in better shape to return to more "normal" spending habits. Indeed, retail sales growth has been strong for the majority of this year. But nothing is more important than the spending that occurs in the last quarter of the year.

Keep in mind that we still face obstacles. The European debt crisis is in the headlines every day and the fear is that a meltdown in Europe will be felt here in the form of a recession or fiscal crisis. Congress seems to be going nowhere with regard to paring our deficits while state and local governments have been laying off workers for the better part of two years. The shadow inventory of foreclosures is holding the important real estate sector back.

Where does that leave us? We need the consumer to lead the recovery right now. If consumer spending continues to be strong then the housing recovery will follow more quickly. Companies which are flush with cash will be less reticent to hire. The November employment report to be released early in December will be a significant gauge of business optimism going into the Holiday season. Our best hope? Everyone has a great Holiday season and gets the gifts they want and we have momentum going into the New Year. Is it too early to start wishing everyone a happy New Year?...



## The New Home Market Stirs

**P**ermits for housing construction climbed in October, signaling an uptick in optimism among homebuilders. The number of permits for future housing construction jumped to a seasonally adjusted annual rate of 653,000 last month, up 10.9% from the rate of 589,000 in September.

**Up 16.5%  
In A Year**

That was much higher than expected, with economists surveyed by Briefing.com looking for a 603,000 permit rate. "The government's numbers for October housing production are very much in keeping with what home builders have been telling us in our recent surveys," said Bob Nielsen, chairman of the National Association of Home Builders (NAHB) and a home builder from Reno, Nev. "While we still have a long way to go toward a recovery, some signs of hope are emerging in certain markets where economic and job growth is occurring and where foreclosures have not been an overwhelming obstacle." While combined housing starts in October declined by a barely perceptible 0.3% to a rate of 628,000 units, the single-family sector posted a 3.9% gain to 430,000 units. Permits and construction both increased significantly from a year ago. Housing starts are up 16.5% from the same month a year ago, and building permits are up 17.7%...

Sources: CNN/Money and The NAHB

## Selected Interest Rates November 23, 2011

30 Year Mortgages — 3.98%  
2011 High (Feb 10) — 5.05%  
2011 Low (Oct 6) — 3.94%  
15 Year Mortgages — 3.30%  
5/1 Hybrid ARMs — 2.91%  
1 Year Adjustables — 2.79%  
10 Year Treasuries — 1.88%

Sources—Fed Reserve, Freddie Mac  
Note: Average rates do not include fees and points. Information is provided for indicating trends only and should not be used for comparison purposes.

## FHA Is Offering Great Deals

**I**n several states, the U.S. Department of Housing and Urban Development is offering home buyers foreclosed homes with only a \$100 down payment, in trying to unload some of its inventory. The incentive runs until October 2012. To qualify, purchasers must be an "owner-occupant," intending to live in the property and not rent it out. They also will have to qualify for Federal Housing Administration financing, and have to offer the full list price for the home. Some additional eligibility requirements:

- ⇒The home purchased must be a HUD home. Visit the HUD Homes For Sale Web site for a list of homes.
- ⇒Buyers must use a HUD-registered real estate broker or agent in order to get the incentive.
- ⇒The property must be purchased "as-is."

Also, home buyers must request the offer and it needs to be written in the contract in order to get it...  Source: Realty Times Note: If you are interested in whether homes are available and whether you are eligible for the program, please contact me.

### Did you know...

- ⇒The Administration has released an expansion of the Home Affordable Refinance Program (HARP) effective this month. This program allows homeowners to refinance homes financed by Fannie Mae or Freddie Mac mortgages with more liberal qualification rules. The new rules include an elimination of the maximum 125% loan-to-value ratio and limitation of added fees. For more information and an analysis of whether you might be eligible to refinance under this program, please contact me.
- ⇒As we are going to press, the President has signed legislation to increase the maximum loan limits for FHA loans in high-cost areas. This "jumbo" FHA program expired at the beginning of October...

### Compliments of Suzanne Smith

HNB Mortgage

432-683-0081

suzanne@hnbmortgage.com

NMLS # 192813