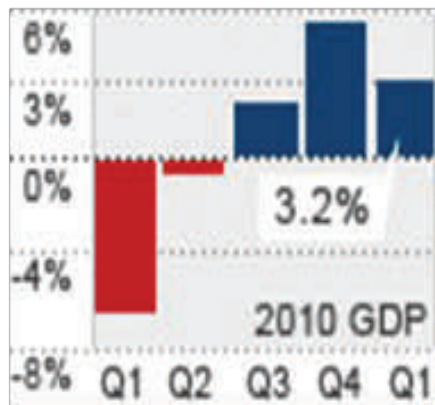


The "Good News" From Europe

With all the uproar concerning the European crisis, we must spend a few minutes to look at the bright side. The market's reaction has brought us two very important pieces of good news. First, oil prices have moved significantly lower. Just a few weeks ago we were looking at gas prices hitting \$3.00. Now the price of oil is down around 20 percent from its recent peak. What is really extraordinary about this is that the retraction is happening while oil is spilling out into the open waters in one of the largest oil disasters in our history. Ordinarily oil would be skyrocketing, not because of the immediate loss of oil, but because the long-term prospects of offshore drilling has dimmed. Why are lower prices good news? Lower energy costs not only take the pressure off inflation, it gives the consumer more money to spend. Consumer spending helps "fuel" the economic recovery.

The second present is comprised of lower rates. Everyone was talking about higher rates being a foregone conclusion. Well, it just goes to show that you can never predict the future. Lower rates free up more money for spending just like lower oil prices. With the recovery in the real estate markets underway, but on very shaky ground because impending foreclosures and "shadow inventory," lower rates are absolutely necessary to help the recovery continue. The Federal Reserve Board has indicated several times that this is the case. Lower rates provide opportunities to refinance debt and purchase homes at incredibly low bargain prices. They help car sales and also small businesses throughout the nation. The stock market may not like what is happening overseas as a fiscal crisis is painful. However, there is good news that will help our economy in the long-run. Homeownership continues to be a bargain!... □



Prime Time For Owning a Home

It's prime time for house hunters. Nearly anyone with a decent job and a good credit score can afford to buy in their home towns. More than 72% of American families making the nation's median income of \$63,800 a year, could afford to buy a home during the first three months of 2010, according to a report from the National Association of Home Builders and Wells Fargo.

Floor Plan

The national median home price for the quarter was \$175,000. "Homeownership continues its more than year-long trend of remaining within reach of more households than it has for almost two decades," said NAHB chairman Bob Jones. "With interest rates still hovering at low levels, companies starting to hire new employees and the economy beginning to rebound, this should encourage more home buyers to enter the market and help further stabilize housing and the economy."

The NAHB judges a home to be affordable if a family making the metro area's median income could devote no more than 28% of their take-home pay toward housing costs. Indeed, since this report was released the European debt crisis has forced rates lower and increased affordability even more (see related story). This is truly a once-in-a-life-time buying opportunity... □

Source: CNN/Money

Selected Interest Rates May 20, 2010

30 Year Mortgages	4.84%
2009 High (June 11)	5.59%
2009 Low (April 30)	4.78%
15 Year Mortgages	4.24%
5/1 Hybrid ARMs	3.91%
1 Year Adjustables	4.00%
10 Year Treasuries	3.26%

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.

Unmarried Women Trump Men

Unmarried women accounted for 21% of home purchases in 2009, while unwed males were 10% of the buyers, according to a National Association of Realtors report in November. It's a dramatic shift from 1981, the first year the numbers were tracked, when single women and men each accounted for 10% of home sales. When the Urban Land Institute hosted its annual real-estate conference in late April, analysts had to remind the audience to expect big numbers from young, single female buyers. "I've given some of my home-building clients lessons on how to be gender friendly," said Brooke Warrick, president of the market research firm American Lives.

He reminded sellers to treat young women as viable buyers, not bystanders, by doing something as simple as handing them a brochure when they enter a for-sale home. These women tend to stake their claim on homes in the 1,700-square-foot range predominantly in the Washington, D.C., California and Texas markets, Warrick said. After segmenting the market, Warrick noticed that young women, especially those rooted in secure industries like health care, make more money than their male peers... □
Source: MarketWatch

Did you know...

Convenient and comfortable laundry rooms are an increasingly popular feature among home buyers. Tom Byrne, president of Maryland-based Chadsworth Homes Inc., says they are more popular than such features as studies and media rooms. "In the past few years, 30 percent of the homes we build have a laundry room with granite countertops, a single-level kitchen-style faucet, and the laundry tub will be an under-counter sink," Byrne says. Stephen Melman, director of economic services for the National Association of Home Builders, concurs. "These rooms are becoming larger and more multifunctional, with organizers, a table for folding, ironing stations, and windows with a view"... □
Source: Washington Times

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