



## Christmas Comes Early This Year

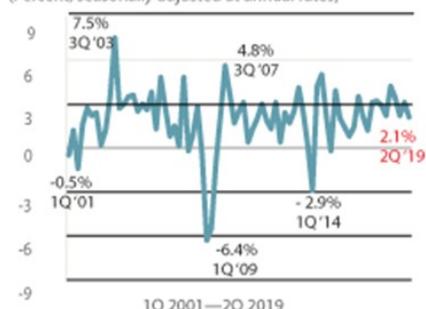
**W**ith the Chinese/American trade war carrying over, the markets were encouraged for at least a period of time with the Administration's decision to delay additional tariffs on certain goods until December 15. This decision was announced so that consumers were not hurt during the Christmas shopping season. Apparently, the season is ending a few weeks early this year. We won't quibble with the date, since we know the news on tariffs is likely to change plenty of times between now and then.

While the trade war news definitely is affecting the markets, which are embroiled in extreme volatility -- we don't have evidence that the war is actually affecting our economy as of yet. At the end of August and beginning of September, we will be seeing the release of data which might help give us some clarity in this regard. This data will include a revision of the measure of economic growth for the second quarter, personal spending and the August jobs report.

We must also consider whether the volatility in the markets might affect consumer confidence. Though stocks are not owned by much more than 50% of American's, the majority hears the news when stocks are skyrocketing upward or diving downward. On the other hand, it is possible that all these headlines about trade wars and the markets are getting stale, as our population does not have a long attention span. Either way, the data we see shortly may help us answer the key question of the connection between the headlines and consumer behavior, as well as the direction of the economy... □

### Gross Domestic Product

(Percent, seasonally adjusted at annual rates)



First (advance) estimate of second-quarter U.S. gross domestic product saw economic growth slow 2.1%.

Source: Bureau of Economic Analysis.



## Hispanic Owners Leading Gains

**H**ispanics are one of the fastest growing group of homeowners in the U.S. Hispanics are experiencing the largest homeownership gains of any ethnic group in the U.S., bouncing back from a 50-year low in 2015.



Data from the U.S. Census Bureau indicates that Hispanic homeownership has increased by 3.3 percentage points since 2015, compared to the overall U.S. homeownership rate increase of 1.3 percentage points since the homeownership rate bottomed out in 2016.

The National Association of Hispanic Real Estate Professionals (NAHREP) states that Hispanics accounted for the majority of new U.S. homeowner gains over the past decade, making up nearly 63% of total gains. "The housing market would look very different today if it weren't for a tidal wave of Latino home buyers," Gary Acosta, NAHREP's co-founder and Chief Executive indicated... □

Source: The Wall Street Journal

## Selected Interest Rates

August 22, 2019

- 30 Year Mortgages——3.55%
- 2019 High (Jan 3)——4.51%
- 2019 Low (Aug 22)——3.55%
- 15 Year Mortgages——3.03%
- 5/1 Hybrid ARMs——3.32%
- 10 Year Treasuries——1.61%

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.

## Your Credit Score Is The Key

**I**f you're thinking about buying a house in the next few years, you might want to work on improving your credit score. The Federal Reserve reports that 90% of U.S. home loans taken out in the first quarter of 2019 were by home buyers with a score of at least 650, and 75% had a score higher than 700. The average credit score this year sits at 759, the report found, and only 10% of borrowers had scores under 647.

FICO credit scores range from 300 to 850, and the national average is 704. Any score between 700 and 749 is typically deemed "good," while scores from 650 to 700 are "fair." Excellent scores are usually those over 750. While you can likely qualify for a home loan with a rate lower than the median, a higher score typically means better interest rates and loan options.

A multitude of other factors can also influence the approval process, including the cost of the home, the size of the down payment and your income. But the score is a significant factor. Remember, raising your score won't happen overnight. Paying your bills on time and lowering credit usage are long-term habits that need to be built and cultivated. To improve your score, patience is key... □ Source: CNBC

### Did You Know...

Low interest rates reached in mid-August have made 8.2 million U.S. mortgages "refi eligible," meaning borrowers would save money by getting a new home loan even with the application and funding costs, according to Black Knight.

FHA has released new condominium guidelines that are designed to qualify more projects for FHA financing. The new rules, effective October 15, will include the ability to approve individual units in projects which are not approved.

### Compliments of Suzanne Smith

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