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buyer if it's not built into the deal. It's also unclear how this will impact home prices, as sellers could be more flexible since there is less commission paid to sell their home.

As a licensed California Real Estate agent, I can provide some of the services that a buyer's agent would have provided in the past while just earning one commission on the mortgage loan and not on the real estate transaction. I think this will become a trend where the loan agent will be counted on to provide more services to the buyer. More to come as we adjust to this new paradigm.

Finally, I have some great news regarding access to a new investor and a turnkey Home Equity Line of Credit (HELOC) that can be used for primary residence, investment property, multi-unit residential, and LAND LEASE properties. I'm speaking specifically to you homeowners in University Hills who are on a land lease and have little to no access to HELOCs. I just closed one there using this new investor and the valuation was not restricted by the Maximum Resale Price (MRP) set by the Irvine Campus Housing Authority (ICHA). Since this product is fully online and automated, it uses an Automated Valuation Model (AVM) to determine the property value and these AVMs have no way of seeing the MRP set by ICHA. The

values used are based on the surrounding area which means you have a better chance of getting a higher HELOC loan limit. Best of all, this investor doesn't care about the deed restrictions in the ground lease and the ground sublease. If you are interested in learning more about this new product, whether in Uni Hills on a land lease or for any standard property, please reach out to me to schedule a *free* consultation.

If you are curious to see how you can use the current market conditions to your benefit, please reach out for a *free* consultation. Stay tuned here for future updates and feel free to reach out for a *free* consultation if you want to understand more about interest rates and mortgage products.

As always, your mortgage guy,
Viral (Vic) Joshi
Home of Real Mortgage Advice®

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My mission is to help buyers qualify for the best loan available for their circumstance. I spend a generous amount of time with each client to educate them about how the mortgage industry works, through free "Mortgage 101" consultations, so they can make good decisions and get the best loan possible. I've revamped my website to give clients the best resources to supplement my consultations.

When I'm not doing loans, I'm an avid scuba diver and certified Rescue Diver. Eventually, I'd like to become a dive instructor, so I can share the joys of this ocean sport with others.

I give back to the Monterey Bay Aquarium, Divers Alert Network (DAN), and the National Outdoor Leadership School (NOLS).

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Vic's Mortgage Report

"Home of REAL Mortgage Advice®"

NEW HELOC for UNI HILLS!! FINALLY!!

Hi Friends,

No surprises were coming out of the most recent two-day Federal Reserve Open Market Committee Meeting (FOMC) that concluded on March 20, 2024. The Fed kept the status quo and refrained from cutting their target interest rate, the Fed Funds. The Fed's current pause in changing the Fed Funds rate is the second longest in 35 years. The Fed is still holding onto their 2% inflation target before starting to cut the Fed Funds rate and it doesn't appear that they will get to that target this year. The current core Personal Consumption Expenditures (PCE) rate is at 2.85% and, based on projections for this year, it appears we may break below 2.5% but not get to the 2% target unless our economy falls into a recession.

The markets don't believe that the Fed will allow the economy to fall into a recession before starting to cut the Fed Funds rate and most predictions are for the first cut to come at the conclusion of the two-day June FOMC meeting. The markets have revised the number of cuts predicted from four .25% rate cuts to three .25% rate cuts. Whenever the rate cuts start, look for an increase in demand for U.S. Treasury bonds and for mortgage rates to begin coming down. I am still optimistic about a drop in 30-year fixed mortgage rates to 6% APR by the end of this year with a potential to get to 5% APR by the end of 2025.

In other news, the National Association of Realtors (NAR) announced a settlement that includes a \$418 million payment for damages and a ban on any rules allowing a seller's agent to set



compensation for a buyer's agent — changing the cooperative compensation agreement. Previously, when a home was sold with a 6% commission it would be predetermined and split between the seller's agent and buyer's agent. Also, fields displaying broker compensation on the Multiple Listing Service (MLS) must be eliminated. Buyers' agent compensations will still be allowed and can be negotiated, but they cannot be predetermined. These changes will likely go into effect mid-July 2024.

The Buyers' agent compensation can still be paid by the buyer, but how? It can be paid by the buyer or negotiated into the offer like a seller concession. This is something that could raise costs for the

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...And More Stuff Every Homeowner Should Know