



Viral (Vic) Joshi
Branch Manager/
Mortgage Consultant
(510) 655-2868
DRE #01242935
NMLS #244388

Copyright © 2018-2024 Vic Joshi, NMLS #244388, DRE #01242935
This licensee is performing acts for which a real estate license is required. Shane Stanfield Inc, dba Straight Deal Mortgage is licensed by the California Department of Real Estate, Broker #02169106; NMLS #2320397, with headquarters at 300 PACIFIC COAST HWY STE 405, HUNTINGTON BEACH, CA 92648. Shane Stanfield Inc, dba Straight Deal Mortgage is an Equal Opportunity Mortgage Broker/Lender. Shane Stanfield Inc, dba Straight Deal Mortgage is approved to originate VA and FHA loans, and has the ability to broker such loans to VA and FHA approved lenders. Shane Stanfield Inc, dba Straight Deal Mortgage is not acting on behalf of or at the direction of HUD/FHA or the VA. Loan approval is not guaranteed and is subject to lender review of information. A loan is only approved when a lender issues approval in writing. Specified rates may not be available for all borrowers. Rates are subject to change with market conditions.



(Continued from page 1)

with a conventional lender mortgage to help reduce the qualifying mortgage payments. Another way the seller can help is to give a concession to the buyer to pay for a temporary interest rate buydown on the conventional lender mortgage in first position. The seller carry second mortgage can increase the amount of income the seller earns from the sale and can be a waiting game of only five years to receive the rest of the equity, plus interest, from the sale. The seller



concession for the temporary buydown can be negotiated into the sales price, so the seller can still net out the full amount of equity from the sale.

I am also seeing more sellers willing to sell contingent on the

buyer selling their existing home. With some properties sitting on the market for long periods of time at the higher price points, sales contingent on the buyer selling their home is coming back to the market.

I am heading out to Indonesia for a few weeks at the end of May and beginning of June for some epic SCUBA diving. I will send some photos for the July issue. In the meanwhile, here are a few pics from

May 11 off the coast of Kona. My first whale shark in over 15 years of diving there. Enjoy!

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®*

Office: (510) 655-2868
Cell: (510) 853-2407
Fax: (510) 291-2824
Email: viral@vicjoshi.com
Website: vicjoshi.com



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).

straightdeal
MORTGAGE

Office: (510) 655-2868
Cell: (510) 853-2407
Fax: (510) 291-2824
Email: viral@vicjoshi.com
Website: vicjoshi.com

Vic’s Mortgage Report

“Home of REAL Mortgage Advice®”

Whale Shark!

Hi Friends,
Good news for mortgage interest rates in May with the Federal Reserve leaving their target rate, The Fed Funds, in the range of 5.25% - 5.5%. The Fed did not increase the Fed Funds as some in the media had predicted even though the Fed did acknowledge that progress in reducing inflation has stalled. With the economy continuing to improve and strong job numbers, the Fed is still waiting to cut their target rate until they feel confident that inflation is heading towards their desired 2% rate of inflation.

Fed chair Jerome Powell was clear in not needing to increase the Fed Funds from the current level of 5.5% while waiting to see inflation come down further. He indicated that it would be possible for a rate reduction if unemployment increased more than a few tenths of a percent from the 3.8% April unemployment figure.

Mortgage rates did get some good news when Powell announced that the Fed would slow their balance sheet reduction starting in June of this year. The Fed had been purchasing large amounts of treasury bonds from the markets during the pandemic to suppress mortgage rates. Post pandemic recovery, the



Fed had been selling off \$60 Billion per month in treasury bonds, which had helped to keep mortgage rates around the 24-year high levels we have experienced over the past year and a half. Instead of selling \$60 Billion in treasury bonds back into the markets each month, the Fed will reduce that amount to \$25 Billion.



Reducing the supply of treasury bonds into the market will help reduce the bond yields, the amount of interest bonds pays out, and those yields set the basis for mortgage rates. Immediately upon this announcement, we saw bond yields decline and average 30-Year Fixed mortgage rates fell below 7% APR again. I have been pricing 30-Year Fixed loans back into the 6.5% APR range and we have a chance to get below that once the Fed balance sheet reductions begin in June.

While it’s true that the high interest rate environment is making it difficult for some home buyers to purchase real estate, there are solutions that exist that sellers are open to in the current market. One of these is a seller carry, second mortgage that can be written at below market interest rate and combined

(Continued on back page)

Contents...

- **From the Inside...**
“What factors affect my credit score?”
- 4 Tips for Improving Your Overall Credit Score!
- 6 Ways to Tackle Credit Card Debt This Summer!

...And More Stuff Every Homeowner Should Know