



Formerly Cobalt Financial Corp.

4811 Telegraph Ave., #511
Oakland, CA 94609



Viral (Vic) Joshi

Branch Manager/
Loan Consultant

Cell: (510) 853-2407

DRE Lic. #01242935

NMLS #244388

PRESORTED
STANDARD
U.S. POSTAGE
PAID
MONUMENT, CO
80132
PERMIT #57



Compliments of: Viral (Vic) Joshi

C2 Financial Corporation is licensed by the CA Dept. of RE, License #01821025 • NMLS #135622

(Continued from front page)

hikes in 2017 to three hikes in 2017. At the end of 2015, the Fed predicted four rate hikes in 2016, but only increased the Fed Funds rate one time on 12/14/16. The Fed pointed to solid job growth and an increase in inflation as the reasoning behind more future rate hikes.

Not surprisingly, mortgage applications and mortgage volume have dropped following the sharp mortgage rate increase that came with a soaring, post-election stock market and a massive sell off in the bond market. Those of you who have adjustable rate mortgages or know people who do may want to start thinking about cutting your loses and getting into a fixed rate before market rates soar over 5%.

I think the residential real estate purchase market is set to flip in the next year from a seller's market to a buyer's market based on the mortgage rate increases we are experiencing, over 1% higher in the six weeks post-election. As I have mentioned before in this newsletter, a rate hike will cause buyers on the fringe to not be able to qualify for mortgages at these lofty real estate prices, thereby reducing the amount of potential buyers in the market. That will have a ripple effect to reduce the number of multiple offers and up-bidding on houses for sale, which should spur potential sellers to get off the fence and recognize that we may have already hit the top of the market in the most recent run up on home prices. More inventory and

less buyers means prices will fall, which could make the next year or two a very attractive time to buy residential properties.

The Fed and interest rates will provide direction for the real estate markets, but the new President and some deregulating of the mortgage industry could also have an opposite effect. If the mortgage industry starts to deregulate, that could bring more exotic mortgage products back to market, which could allow more potential home buyers who are locked out of the market to get in and then we may revisit, to some degree, the buying frenzy of the early 2000s.

So much is up in the air with the new regime and we are seeing the effect of this in the bond markets, which are volatile again after a relatively solid run in 2016.

I am available for free consultations any time if you want to go over your current mortgage situation or strategize on making a home purchase. 2017 promises to be a rocky year in the mortgage industry.

As always, your loan guy,
Viral (Vic) Joshi

P.S. If you want to get more timely market updates, I have a weekly newsletter that goes out via e-mail. E-mail me, viral@vicjoshi.com, so that I can put you on the mailing list.

Vic's

Mortgage Report

"Home of Free Mortgage Consultation"

Viral (Vic) Joshi

Branch Manager/
Loan Consultant



Hello Friends,
Happy New Year! 2016 was one of the two best years for me in my 22+ year career.

Thank you all for your continued support as I needed this good year with a far less certain year ahead.

The Federal Reserve did increase their target interest rate, the Fed Funds, by .25% on December 14th as predicted. The immediate knee-jerk reaction was for the stock market to continue soaring and the bond market to continue selling off, which caused another small spike in mortgage interest rates.

Last year at this time, the Fed also increased the Fed Funds rate by .25% and we saw a similar knee-jerk reaction followed by some solid gains in the bond market that sparked the first of two refinance booms in 2016.

As of the date I am writing this update, 12/16/16, the bond market is starting to show signs of recovery. The rate-hike decision was unanimously voted on by the voting Fed members and the Fed changed their forecast from two

(Continued on back page)

Office: (510) 655-2868

Cell: (510) 853-2407

Fax: (510) 291-2824

viral@vicjoshi.com

www.vicjoshi.com