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was also able to carve out the time to take advantage of the historically low mortgage rates by refinancing the mortgages on my properties. If you are not sure about where your mortgage rate stands in relation to the current market, please don't hesitate to reach out to me for a free consultation.

Rising mortgage rates have not yet slowed down the home purchase market. I have been inundated with new home buyers in need of being pre-approved or a mortgage to purchase residential real estate since January of this year. It feels like people who were sitting on the fence to jump into purchasing residential real estate have seen the recent rate hike and are now trying to get into the market before rates increase further. Maybe this rate hike can convince potential home sellers to put their homes on the market as we see fewer multiple offers because fringe buyers can no longer afford to purchase a home with the increased mortgage rates. Inventory is still at a historically low level while property appreciation continues to be at a 20% per year clip.

With the high levels of appreciation, now may be the time to refinance to take cash out and do home improvement while we wait to see where mortgage rates will go during the next recession. Refinancing for cash out will not feel great from a rate perspective, but doing a cash-out refinance for zero closing costs and then refinancing again when mortgage rates fall during the next recession may be a good strategy if home improvement is needed. Or to consolidate debt taken out during the pandemic. Feel free to contact me for a free consultation to see what the options are in the current market.

*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"

Rates March Upwards

Hi Friends,

We all knew this was coming and mortgage interest rates have finally increased significantly. Rates are up over 1% from where they were in December of 2021 due to rising inflation. The Federal Reserve will take action this year to combat the 40-year-high inflation by increasing their target interest rate, the Fed Funds, by .75% or more in the coming months. The Fed Funds only impacts one consumer interest rate, the Prime Rate, which directly impacts revolving lines of credit, such as credit cards and Home Equity Lines of Credit, HELOCs. The increase to the Fed Funds rate will help fixed mortgage rates because the markets will see the Fed action as helping to fight inflation, which will cause more money to flow into the bond market, which will reduce the bond yields and reduce fixed mortgage interest rates. Eventually, mortgage rates will follow the Fed Funds rate and continue to increase but in the short term, mortgage rates tend to fall when the Fed increases the Fed Funds rate to fight rising inflation.

There are some indications that the economy will head into a recession in 2023 or 2024, so there may be another reprieve for mortgage rates going lower in the next year or two. It is still unlikely that we will see the



historically low mortgage rates we experienced in 2020 through 2021. Any 30-year Fixed Mortgage rate below 5% APR is still a historically low interest rate. We have all been spoiled by the sub 3% APR 30-year Fixed rates of the last few years. Hopefully, most of you have taken advantage of the low-rate environment of the past few years and have managed to refinance your mortgages. Despite the long hours I have worked the last few years, I

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"What effect does my credit rating have on me?"
- **6 Things That May Be Hurting Your Credit Score!**
- **7 Easy Tips to Give Your Home's Value a Boost!**

...And More Stuff Every Homeowner Should Know