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difficult to get a refinance closed efficiently and at the promised rate and fee combination.

Look for home purchase activity to increase as well and be prepared for another up tick in bidding wars and multiple offers for each listing. As mortgage rates get closer to 5% APR, potential home sellers may be better able to get off their historically low interest rate mortgages and sell to move up, move into a different area, or capture the increased equity that results from higher home prices. Until we see more homeowners willing to part with their low rate mortgages, we will still have an inventory issue. Coupled with more buyers getting back into the market, home prices will continue to rise.

When the Fed rate cuts start going into effect, I will likely get hit with even more mortgage refinance requests. There are roughly 10 Million borrowers who could benefit from a refinance by just lowering their rate, not to mention refinancing to take cash out of their property's equity for home improvement and consolidating debt.

If you have a greater than 6% mortgage rate or need cash out of your equity, please start reaching out to me ASAP so I can go over your numbers and get you in line. After the fallout in the mortgage industry from the last 2.5+ years of increased mortgage

rates, banks and mortgage lenders are short staffed and will not be able to handle the sudden increase in mortgage refinance applications. Getting prepared early will ensure that you are at the front of the line and can close efficiently and with a rate that makes sense for your situation. Keep in mind that the bond market and mortgage rates are fluid and change from day to day. On volatile days, the changes can happen hour to hour. I am ready to get busy again and I have the staff, lenders, and tools to help everyone meet their mortgage needs.

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,
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Vic's Mortgage Report

"Home of REAL Mortgage Advice®"



Vic Joshi
straightdeal
MORTGAGE
Home of REAL Mortgage Advice®

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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Rate Drop Has Begun!

Hi Friends,

On August 2nd we saw mortgage rates fall to their lowest levels since March of 2023, very close to 6% APR for 30 Year Fixed. My phone and e-mail have been inundated since then and I am in the process of preparing many borrowers for the likely Federal Reserve interest rate cut on September 18th. Unemployment was over 4.3% for the month of July and many of the voting Fed members seem to be on board with a September 18th rate cut to help keep the economy from falling into a recession. The markets are predicting a 100% chance of a Fed rate cut and it remains to be seen whether the Fed cuts it's target rate, the Fed Funds, by .25% or by .5%.

It appears that the Fed may have waited too long to start cutting the Fed Funds, much in the same way they waited too long to increase the Fed Funds post pandemic. Unfortunately, the Fed is not very good at looking forward and seems too preoccupied with looking at past data before changing their policy on interest rates.

Once the Fed starts cutting the Fed Funds rate, indicating that they think inflation is under control, look for more demand in the bond market, which will accelerate the drop in mortgage rates. I am hoping we will see 30 Year Fixed mortgage rates fall below 6% APR this year, and maybe into the mid 5's. We may be at the beginning of an extended run of Fed rate cuts that could see the Fed cut the Fed Funds as much as 1.5% through the end of 2025.

Most refinances I will close this year will be for zero closing costs and will set my clients up for one more refinance in 2025 to capture the lower mortgage rate



environment. It is still unlikely that fixed mortgage rates will fall to the 2% - 3% APR range that we experience for 22 months during the pandemic. However, by the end of 2025, getting back into the mid 4's is a distinct possibility.

In November of 2008, when 30 Year Fixed Mortgage rates had fallen to 4.875% APR, those were the lowest mortgage rates many of us had ever experienced and it caused a huge refinance run. With 80% of current mortgage rates below 4% APR, we may not experience that level of surge in refinance activity this round. Even so, 10 million mortgages currently could benefit from the impending rate drop. Unfortunately, the contraction in the mortgage industry during the last 2.5 years will make it

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...And More Stuff Every Homeowner Should Know

Common Repairs That Should Be Made Prior to a Home Appraisal

A real estate appraisal is an important part of obtaining a mortgage and can determine whether or not the home loan process can continue.

If possible, have repairs made to your home *prior* to the appraisal being conducted. Not only will the repairs improve the home’s marketability, they can help the sale or refinance of your home go more smoothly.

What follows are the most common repairs that should be addressed *before* an appraiser arrives.

Health and safety is always top priority. Some examples of items that raise a red flag for appraisers:

- Electric garage door opener won’t reverse with

- resistance.
- Burglar bars without safety latches.
- Steps or stairwells with no handrail that may be deemed a safety concern by the appraiser.
- Second floor doors lacking decks that are not secured.
- Raised decks with no railing.
- An outlet within 10 feet of a water source that has only a regular two-prong plug (for FHA and VA loans). A grounded plug or a GFI outlet (designed for bathrooms, kitchens, garages and anywhere outside where you need an electrical outlet) must be installed.

Utilities must be functional and have no safety issues present such as exposed electrical wires. The appraiser will test the operation of water,

electricity and air conditioning.

Water stains on the ceiling may not require repair, however, they generally require an inspection to locate the cause of the stain, such as a plumbing or roof inspection.

- Foundation or structural inspections may be required if there are signs of concern such as:
- Cracks in the walls, ceiling or foundation.
 - Water intrusion through the foundation.
 - Lack of sound roofing structure (must have at least three years of economic life remaining).

While there are many repairs that may be needed depending on your specific situation, these are the most common repairs we recommend should be handled *before* an appraiser visits your home.

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From the Inside
“What can I do to help ensure a successful mortgage closing?”

You have found your new home! ...And it’s perfect: the house, the yard, the neighborhood, the school district. You’ve been pre-approved, your offer has been accepted, and the inspection went smoothly. All that’s left to do is the mortgage closing. Buying a home is a major transaction and a successful deal depends on many things. But it’s not over yet.

Make sure you’re prepared and follow these four tips for a successful mortgage closing.

Maintain (or Improve!) Your Credit Rating
Fannie Mae’s *Loan Quality Initiative* will prompt your lender to check your credit again just before closing, so it’s extremely important to maintain your credit rating throughout the entire mortgage process. Something as simple as applying for a new credit card can cause problems. Making a large purchase can shift your debt-to-income ratio and may disqualify you from your current loan offer. You don’t want to jeopardize your comfortable interest rate by dropping a lot of cash on a big item like a new car.

Don’t Change Jobs
There are exceptions to this one. *If you’re offered a*

promotion, take it! Keeping a consistent job and income history is important. While you’re not locked into your job forever, just be wise about making a serious change and wait until *after* you’ve closed.

Follow Through With Lender Requirements
Make sure you get all your paperwork submitted completely *and* on schedule. Delays can cost you time and money! Your locked-in rate will expire depending on your agreement and you may be subject to a change in interest rates. Also, every loan is different. For example, a VA loan for a purchase will require you to provide different paperwork than an FHA Streamline refinance.

Make sure you get all your paperwork submitted completely and on schedule. Delays can cost you time and money!

Show Up On Time and Fully Prepared for Your Closing

Go through all your required paperwork well before your scheduled closing. You don’t want to find out at the table that you’ve got a discrepancy or are missing a document. Make sure you bring enough money, if required, to your closing. You’ll need your full down payment, money for any points, insurance (if required), and closing costs. Get a detailed description of all the cash you need to have on hand, so your deal doesn’t fall through. And, the word “cash” here in this article is used very loosely. Find out what types of payment are accepted for your closing; for example, you may need to do a direct deposit or get a cashier’s check.

You have the power to make or break your mortgage. Follow these tips and you’ll be relaxing in your new (or newly refinanced) home in no time at all!

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New Construction vs. Resale Homes in Today’s Market

When deciding to buy a new home, one question you may ask yourself is whether you want new construction or an older home. Are you one of those people who love the new paint smell? Or are you looking for a home with “charm” that’s close to everything?

Every home you see will have its pros and cons. Choosing what’s important to you and creating a checklist of “must haves” will help you decide. For instance, is it more important to have a larger home with a more modern layout or a shorter commute? Or, is your dream having a home in a more established, old-style neighborhood?

Here are some pros and cons that hopefully will help you decide what type of property you’re most interested in.

The PROS and CONS of NEW CONSTRUCTION

- The PROS**
- **Layout.** Newer construction is usually done with modern families in mind. For instance, most have a family room adjacent to a spacious kitchen in order to accommodate the need of having one large room where families can spend time together.
 - **Amenities.** Some newer developments have amenities such as a pool and/or a gym.
 - **Fewer Repairs.** Because it’s newer construction, you typically have fewer repairs to do, especially the larger ones like a roof repair or a new furnace.
 - **More energy-efficient.** Since new homes include new, energy-efficient appliances, new windows, and insulation, among many other things, your home will stay warmer during the winter and cooler during summer.
 - **Warranties.** With new construction comes new appliances, new equipment and their warranties. Some builders also have *extended* warranties on their newly built homes, which can give a buyer peace of mind, especially first-time home buyers.

- The CONS**
- **Higher Price.** Typically, all these modern layouts and conveniences come with a higher price.
 - **Potential HOA fees.** Since newer neighborhoods tend to have amenities such as pools and gyms, you may have to pay Homeowner’s Association fees to maintain these.
 - **Typically less charm.** Builders obviously want to increase their profit margin. One way to do this is by limiting the number of floor plans available. This means that a newly constructed neighborhood may look like a “cookie-cutter” one, meaning that a lot of the newer homes look the same.
 - **May have longer commute to work and schools.** Again, since builders want to save as much money as possible, they may choose to buy land *outside* of a city. If they offer new construction *inside* a city, this may translate into a higher price.
 - **Limited or no negotiating room.** Most of the time, builders of new homes don’t allow for negotiating room when selling a home. You may be able to negotiate certain upgrades, but the price most likely won’t change.

The PROS and CONS of RESALE HOMES

- The PROS**
- **More styles to choose from.** Even though there are some older neighborhoods that have homes that look very similar, established neighborhoods have many different floor plans and, therefore, have less of that “cookie cutter” look.
 - **Typically have lower prices.** Since older homes tend to need a little TLC, or some updates (or maybe even some major repairs), you may be able to get the house for a lower price.
 - **Established neighborhoods.** One of the nice things about choosing a home for resale is the fact that

it would probably be in a more established area, with a stronger community feeling.

- **If home was maintained, many repairs have already been made.** Some may argue that resale homes are money pits, but others may feel some peace of mind knowing that the house has been “lived-in” and any major issues would have surfaced by now.



- The CONS**
- **Typically smaller.** It’s interesting to see how floor plan size has increased over time. According to the National Association of Home Builders, the average home size in the U.S. in 2024 was 2,140 square feet, compared to only 1,400 square feet in the 1970s. The main complaints of older homes are storage space, bedroom size, and the lack of having a “master suite.”
 - **Less energy-efficient.** Because windows and insulation are typically older, some homes were built with older materials; some homes may even have additions that tampered with the home’s structure, or maybe even construction with code violations. There are many ways for an older home to truly become a money pit when it comes to energy consumption.
 - **More maintenance.** Again, you may have to change the roof, or furnace, or carpet, etc. There are just changes that you need to make on a home every so many years.
 - **Older appliances.** Unless you find one of those older homes that has been completely updated, you may need to also replace major appliances.

Whether you decide to buy a new construction or an older one, buying a new home is a dream that can become reality with plenty of research and a little patience.

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The Greatest Stories Never Told
Yankee ingenuity from a country lawyer

Many people consider Thomas Jefferson to be the greatest inventor who ever lived in the White House. But Jefferson never bothered to patent any of his ideas. Among Jefferson’s many inventions were a cipher wheel used for encoding messages, a more efficient wooden plow, and a revolving bookstand that could hold five open books at once.

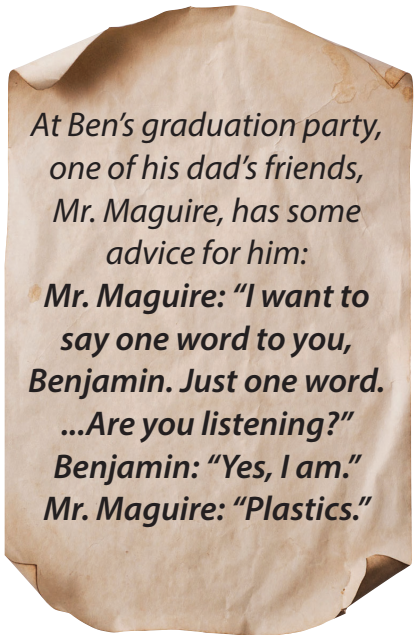
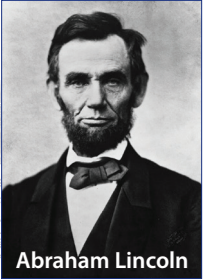
Only one president has ever obtained a patent—someone not normally associated with the cutting edge of technology. Abraham Lincoln.

In the late 1840s, Lincoln served as a congressman from Illinois. He made part of the journey to and from Washington aboard a Great Lakes steamship. On one occasion, the steamer got stuck on a sandbar. All the passengers and cargo had to be unloaded to float the ship over the sandbar. It was a long and tedious process.

This gave Lincoln an idea: what if there was a way to float the boat over the sandbar without having to empty it out and reload it? When he got back to his law office in Illinois, he began working on a device that would do just that. He whittled the model in between court appearances. The result: patent #6469, “Manner of Buoying Vessels.” Lincoln’s idea was to add “adjustable buoyant air chambers” below the water line. When the ship was stuck, these could be filled with air to float it off. It is remarkably similar to the idea that inventors later used to help create the modern submarine.

Lincoln’s invention proved impractical, and was never manufactured. But it did prove that this up-and-coming prairie lawyer possessed a creative mind willing to embrace and act on new ideas—a mind that would be sorely needed by the country in the turbulent years to come.

Source: Excerpted from “The Greatest Presidential Stories Never Told” by Rick Beyer



AFI’s Top 25 Movies of All Time

At #17, **The Graduate** is a 1967 American romantic comedy-drama directed by Mike Nichols and written by Buck Henry and Calder Willingham, based on the 1963 novel of the same name by Charles Webb, who wrote it shortly after graduating from Williams College. The film tells the story of 21-year-old Benjamin Braddock (Dustin Hoffman), a recent college graduate with no well-defined aim in life, who is seduced by an older, bored, married woman, Mrs. Robinson (Anne Bancroft), but then falls in love with her daughter Elaine (Katharine Ross). Although career-defining, Hoffman was paid \$20,000 for his role, but netted just \$4,000 after taxes/expenses.

The film boosted the profile of folk-rock duo Simon & Garfunkel. Originally, Nichols used their existing songs like “The Sound of Silence” merely as a place-holder pacing device for the editing until Nichols decided that substituting original music would not be effective and decided to include them on the soundtrack, an unusual move at that time. Producer Lawrence Turman then made a deal for Paul Simon to write three new songs for the movie. By the time they had nearly finished editing the film, Simon had written only one new song. Nichols begged him for more, but Simon, who was touring constantly, told him he did not have the time. Simon then played Nichols a few notes of a new song he had been working on: “It’s not for the movie... it’s a song about times past—about Mrs. Roosevelt ... DiMaggio and stuff.” Nichols then told Simon, “It’s now about Mrs. Robinson, not Mrs. Roosevelt.”

The Graduate was released in December 1967 to critical and commercial success, grossing \$104.9 million in the U.S. and Canada, making it the highest-grossing film of the year. It received seven Oscar nominations including for Best Picture and won for Best Director. In 1996, **The Graduate** was selected for preservation in the U.S. National Film Registry as being “culturally, historically, or aesthetically significant.”

The American Film Institute (AFI) is an American nonprofit film organization that educates filmmakers and honors the heritage of the motion picture arts in the United States.

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