



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)

There are some predictions for the Fed Funds to be over 3% by 2018. With property values at another high point and mortgage fixed interest rates still close to the lowest levels we have ever seen, it may be time to roll your HELOC into your first mortgage and fix the rate on your entire mortgage liability. In some cases, we can roll the balances together and you can keep your zero balance HELOC for emergency access to the equity in your home. Those of you with Adjustable Rate Mortgages, ARMs, in first position will start to feel the rate increases in the next year or two, so this may also be a good time to get a fixed rate.

The new TRID, TILA-RESPA Integrated Disclosure, rules that the CFPB, Consumer Financial Protection Bureau, instituted on 10/3/15 have been wreaking havoc within the mortgage industry and the real estate industry. The new tonnage of red tape is causing long delays in the mortgage process, which in turn is causing delays when purchasing or selling real estate. With the lenders having to take over a crucial part of the process that escrow has exclusively handled prior to 10/3/15, many of the new disclosures are flat out wrong and most of the lenders are grossly over estimating the fees and costs in a way that is confusing to everyone in the process. Each lender is interpreting the new rules in a unique way, which is taking any consistency in disclosing costs and fees to the consumer out the door. Having closed a number of loans under the new rules, I have not yet seen a single Loan Estimate or Closing Disclosure (the new disclosures that replace the Good Faith Estimate and the Settlement Statement) come out with a

consistent format. Not only are the new disclosures harder to read and understand than the old ones, they don't even come out with a consistent format since each lender is interpreting the new disclosure rules differently. This is a boon for the loan agent who wants to confuse the consumer into thinking they are getting a better deal here than with another agent, even when the deal offered is worse.

Now more than ever, it pays to work with a loan agent who you trust and who will take the time, sometimes hours, to really explain the new disclosures and be able to accurately compare various disclosures from different lenders to explain the apples to apples comparison. Even though the CFPB is trying to protect the consumer, which is a good thing, the way they are doing it through the new disclosures is making the process less easy to understand and is opening up the consumer to be taken advantage of unless the consumer really takes the time to understand all of the data in the way it is now being presented.

If you, or anyone you know, is in a mortgage transaction and are having a hard time interpreting the new disclosures, feel free to contact me for a free consultation, whether I am going to close the deal or not.

*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,
The Federal Reserve finally raised its target interest rate, the Fed Funds, by .25% on 12/16/15.

As predicted, the rate increase did not cause mortgage rates to increase because the markets had already built the rate increase into the market rates offered.

Following the rate increase, we experienced a very slight rally in the bond market that helped mortgage rates fall just slightly. Overall, mortgage rates were flat after the Fed rate hike.

Mortgage rates are still very attractive and should still be in a good range heading into 2016. The predictions for further Fed rate hikes seem to point to four rate hikes of .25% each in 2016 with year-end seeing the Fed Funds at 1.375%.

Remember, the Prime Rate is the only consumer interest rate that is directly impacted by the Fed Funds, but all mortgage indices tend to follow the Fed Funds rate over time. That means those of you with revolving Home Equity Lines of Credit, HELOC, are likely to experience a 1% increase in your interest rate in the next year.

(Continued on back page)

Office: (510) 655-2868

Cell: (510) 853-2407

Fax: (510) 291-2824

viral@vicjoshi.com

www.vicjoshi.com