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when the Fed starts increasing their target rate on the Fed Funds.

Despite the lowering unemployment rate, I read that the actual percentage of unemployed in this country, which includes people who have stopped looking for work and have been out of work so long that they are no longer receiving unemployment pay, is sitting around 13.9%. That is still a huge number and it points out that our economy is still fragile. I wish I could figure out why the stock market is soaring with this many people out of work. Maybe some of you can help me understand this.

Regardless of the higher stocks and money moving from the bond market to the stock market, we continue to see mortgage rates near the all-time low levels we have been enjoying since November 2011. The Fed continues to buy mortgage-backed securities to help keep rates low and stimulate refinancing and home buying. The 15-year fixed rates continue to be at the all-time low levels, while 30-year fixed rates are about .125% to a 25% off of those levels.

There are more Jumbo products coming to the market as investors come to market to help fill the void we have seen for these types of products over the past six years. Jumbo products are mortgage loans where the loan amount is greater than the current Fannie Mae/Freddie Mac loan limits that the FHFA sets each year. In most of your markets, the Jumbo loan amount is any loan amount greater than \$625,500. FHA, the Federal Housing Administration (not to be confused with the FHFA) will allow for a loan amount

up to \$729,750 depending on the county the property is located in. Unfortunately, FHA comes with a large cost increase in the form of mortgage insurance. Rates on Jumbo loans are starting to come down quite a bit. Typically these days, rates for loans between \$417,000 and \$625,500 are .25% higher than loans at \$417,000 or less. \$417,000 is the standard limit for loans that conform to Fannie Mae/Freddie Mac guidelines. Loans between \$417,000 and \$625,500 are termed Temporary High Balance loans and they also conform to Fannie Mae/Freddie Mac guidelines, but the rate is a little higher and the guidelines are a little tougher than for standard, conforming loans. Jumbo rates are now roughly .25% higher than the Temporary High Balance rates, so be prepared to pay roughly .5% higher for a Jumbo loan than for a loan at \$417,000 or less and .25% more than a loan between \$417,000 and \$625,500. These are very general guidelines and each rate quote is dependent on a whole series of factors such as property type, occupancy type, credit scores, and Loan-To-Value ratio.

Please contact me directly if you want an accurate rate quote and remember that rates are moving all day, every day.

*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
Housing
Finance
Administra-
tion, FHFA,
has decided
to extend

the Home Affordable Refinance Program, HARP, until the end of 2015. This is the program that helps people who are upside-down in their equity to refinance into a lower rate, close to or at current market rates, which continue to be at or near the all-time low rates that we are currently experiencing. The rush to refinance into HARP seems to have slowed down somewhat after the announcement but with rates near the all-time low, it still makes sense to try and get into this program if you or someone you know is upside-down in their mortgage.

The most recent jobs numbers have been stronger than expected and the unemployment rate has dropped to 7.5%, while the Dow and S&P 500 keep hitting record highs. The Federal Reserve has tied their target rate, the Fed Funds, to the unemployment rate hitting 6.5%. We are getting closer and closer to that number. Expect rates to start increasing at a fast clip

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