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which the markets felt were off the table until after the November elections. That may not be the case anymore and the possibility of a September rate hike has been increasing since the end of July. The Fed is still actively looking for the first opportunity to hike interest rates this year, but it is still up in the air as to whether this will happen prior to or after November. If you are on the fence about refinancing your mortgage, time is running out this year before the Fed increases the Fed funds rate, which could push mortgage rates higher heading into 2017.

We have had a very strong run this year with the first half of the year seeing a small decline in mortgage rates that started accelerating lower at the end of June and continuing through August. Most borrowers that I work with on refinancing have similar concerns. By refinancing into the same loan product as the current loan product, say 30-year fixed to another 30-year fixed, we are extending the term to pay off the loan in full. The purpose of refinancing is not just to reduce the rate and reduce the monthly payment, but to generate more positive monthly cash flow, which can then be applied to paying down the principal on the mortgage or to fuel other types of investments like retirement accounts. When we apply the savings in the monthly payment to the principal on the new loan each month, we find that borrowers are saving tens of thousands of dollars over the term that is shortened by paying down the principal on a monthly basis. In some cases, we are saving borrowers hundreds of thousands of dollars over term.

There are other reasons to refinance while rates are at these historically low levels. If the borrower has Private Mortgage Insurance, PMI, with the current increased property appreciation, refinancing can save hundreds of dollars per month by removing PMI. If the borrower has a 1st and 2nd mortgage, we can combine

those loan balances into one new 1st mortgage at a lower combined rate. This is a great time to borrow money on the cheap and take cash out of the equity in the property to do home improvements, pay off debt, purchase an investment property, and put away money for later expenses like kids' college tuition. This may also be the time to go to a shorter term, like a 15-year fixed, and get a rate close to 2.5% APR and save hundreds of thousands of dollars in interest.

Most of the refinances I am closing are for no points and no fees where the lender is paying not only our commissions, but also all of the one-time, third-party closing costs. Consulting with me is free and I give away free information all day every day. Literally, all day every day since I am still working from the time I wake each morning to the time I go to bed every night. As of the time I am writing this update, that schedule has been going for eight weeks straight. Because of this I am not able to be proactive and reach out to many of you who could benefit from a refinance, so please don't hesitate to reach out to me for a free consultation. Many of you who have done so have been able to jump the line and capture the lowest rates I have ever seen in my 22 years in the business and the lowest rates offered in over 50 years.

*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.

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Vic's

Mortgage Report

"Home of Free Mortgage Consultation"

Viral (Vic) Joshi

*Branch Manager/
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Hello Friends,
Rates continue to be near the lowest levels I have ever seen, but we have only had three days since Brexit

where we touched or got close to the 50+ year low. That occurred on July 5th with some carry-over to July 6th and then again on July 29th for half of that day before rates started rising again.

Lenders are still backed up trying to handle the overwhelming refinance volume and that is spilling over to purchase transactions with escrows extending past 30 days in many cases. Appraisers are starting to decline appraisal orders and are taking more than two weeks to return appraisal reports even when they do accept orders. Trying to throw extra money at appraisers to shorten the time frames isn't working in most cases as appraisers would rather not take the extra money than put themselves under the stress of delivering appraisals early or even within normal time frames.

The minutes from the July 27th Fed meeting pointed to a continued conservative stance towards increasing the Fed funds interest rate, but that meeting occurred two days before the second consecutive strong jobs report. More recently, some of the Fed members, both voting members and non-voting members, have been reviving talk of a September rate hike,

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