



## Steve Chizmadia

Mortgage Advisor - MLO-244902, Home Loans With Steve

NMLS ID: 1845124- CA BRE: 01524985 -  
141 Providence Road Charlotte, NC 28207

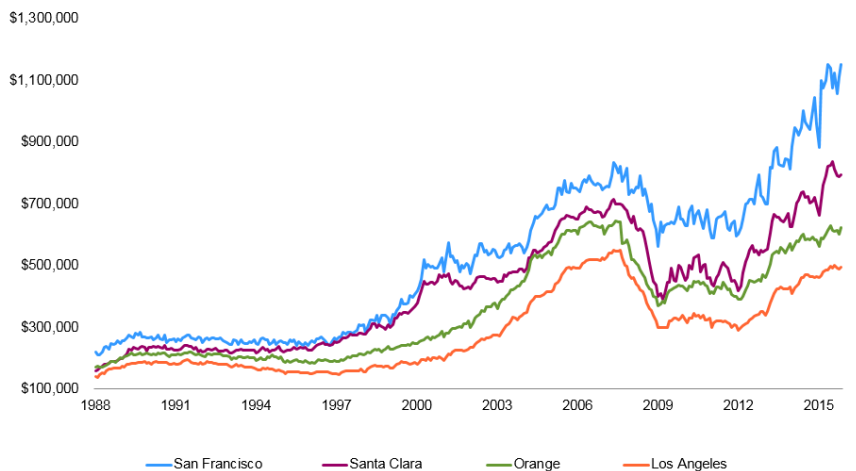
Office: (760) 715-9688  
Mobile: (760) 715-9688  
[steve@homeloanswithsteve.com](mailto:steve@homeloanswithsteve.com)  
[View My Website](#)

## Despite Price Gains Affordability Depends on Geography

Rising prices, especially in major cities like San Francisco, Seattle, and Boston which hit new price highs in 2015 have created **renewed concerns about affordability**. However CoreLogic research analyst Andrew LePage, writing for the company's *Insights* blog says that looking at housing from the prospective of mortgage payments over the last quarter century one sees that affordability doesn't look so bad, especially at more local levels.

LePage says the monthly mortgage payment is a **key measure** of affordability since that is the number used to qualify a borrower. He looked at the ups and downs of payments calculated from a local area's median sale price and adjusted for inflation to derive what he calls a typical mortgage payment over time. The calculation assumes a 20 percent downpayment and a 30-year fixed rate mortgage at the prevailing Freddie Mac interest rate.

Figure 1: Median Price Paid for All Homes Combined In Selected California Counties



Source: CoreLogic

© 2016 CoreLogic, Inc. All Rights Reserved

He calculated payments in four California counties, San Francisco, Orange, Santa Clara, and Los Angeles. Median home prices in San Francisco topped previous records, hitting \$1.15 million in both May and November, but because of low mortgage rates the typical mortgage payment there in November was \$4,360, 13 percent below the inflation adjusted peak of \$4,997 in June 2007 when the median price was \$825,000 but mortgage rates

## National Average Mortgage Rates



Rate Change Points

### Mortgage News Daily

	Rate	Change	Points
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

### Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

## Recent Housing Data

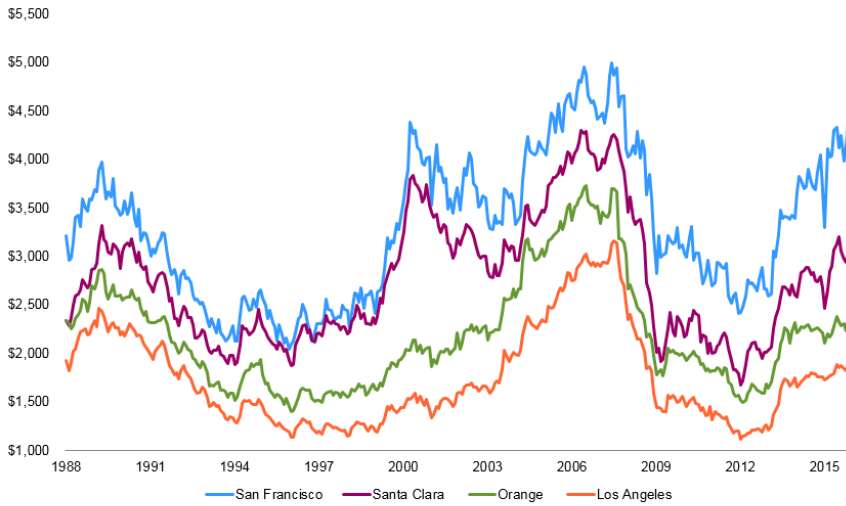
		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%

# Housing News Update

were around 6.7 percent.

		Value	Change
Builder Confidence	Mar	51	+6.25%

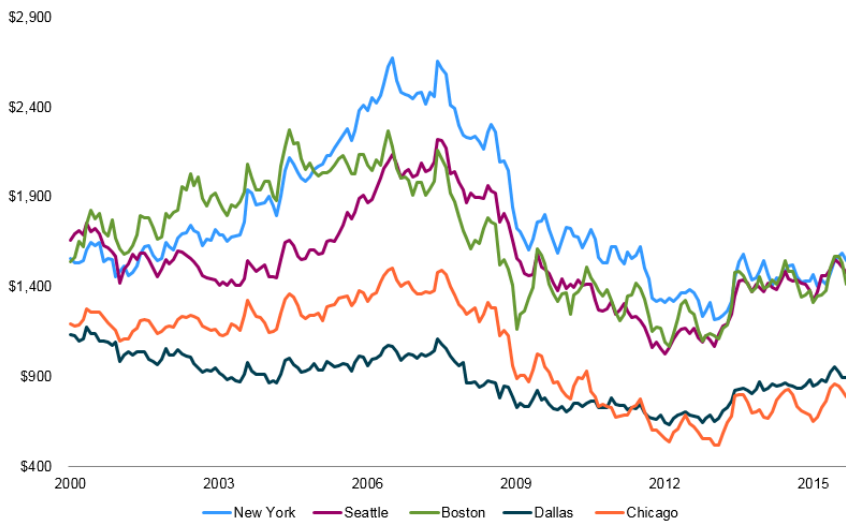
**Figure 3: Inflation-Adjusted "Typical" Mortgage Payment for Selected California Counties**



Source: CoreLogic © 2016 CoreLogic, Inc. All Rights Reserved

LePage also looked at **11 metro areas** and found typical mortgage payments to be 20 to 50 percent below peak levels in prior cycles. In metro Dallas the median sales price hit a new peak of \$252,000 but the mortgage payment in September was 24 percent below the peak reached in the spring of 2015. In New York the median home price was still 11 percent off of the area's peak but the typical mortgage payment was 42 percent lower.

**Figure 4: Inflation-Adjusted "Typical" Mortgage Payment for Selected U.S. Metro Areas**



Source: CoreLogic © 2016 CoreLogic, Inc. All Rights Reserved

LePage says mortgage payments are more likely to be near or at a peak today in **smaller** housing markets where economic and income growth are strong and the housing supply is constrained. He points to Palo Alto where the typical monthly payment peaked at (gulp) \$10,751 last fall as the median home price also peaked at nearly \$2.9 million.

He concludes that the typical mortgage payment **doesn't tell the whole affordability story** either. One needs to take into account other factors such as monthly rent levels and local income growth or lack of the same.

## Service oriented, responsive, competitive rates and an in depth knowledge of todays mortgage market

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

**Steve Chizmadia**

