

# LEGENDS FINANCIAL

Experience, Reliability & Trust

## The Legends Letter

### Changes

Real Estate is like every other topic in the world, everybody has an opinion. This is especially true when the "Market" is changing or transitioning as it has over the past few months.

Lately not a day goes by when one does read a published article or view a television report about housing prices and interest rates. Opinions range from the real estate market totally collapsing to values declining slightly then holding steady for the next few years. No one can accurately predict what the market is going to do in the future. The truth is the market is always changing. Over the past number of years we have experienced unprecedented appreciation. It appears now that the market has transitioned to a place where double digit appreciation has slowed and in some local markets housing prices have actually begun to decline.

There is no doubt that record low interest rates played a significant role in the record appreciation of property values. Even as the Federal Reserve initiated what turned out to be 17 consecutive meetings in which the federal funds rate was increased, property values continued to rise. The Federal Reserve's mind set is to keep inflation intact. The practice of adjusting the federal funds rate up and down is generally how the Federal Reserve reacts to inflation and at the same time allows the economy to grow and prosper. The last two meetings the Fed has kept rates the same and thus mortgage interest rates have stayed relatively unchanged. The next Fed meeting is October 24-25th.

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### Outstanding Service at No Additional Cost

With over 25 years in the mortgage industry, Legends Financial offers the highest quality of customer service along with the most up to date technology in the Industry.

### So what is next?

Nobody knows for sure but by all indications the Federal Reserve is very comfortable with its current policy and would only begin to cut rates if the economy needed a boost. Recently real estate sales activity has slowed significantly and thus for the first time in many years there exists a healthy supply of homes on the market for sale.

Now is a perfect time to analyze your current financing situation. Listed below are a few questions that you may find helpful.

1. Do you have a loan in which the payments may have or will change in the next year due to increasing rates?
2. Has your financial situation changed which was the reason why you took your current loan?
3. Are the payments on your Home Equity Line of Credit becoming less manageable?
4. Are you going to stay in your current home longer than you originally thought?
5. With property appreciation slowing down, are you comfortable with your interest only loan or would you prefer a mortgage where a portion of your monthly payment is applied to the principal balance?

If Legends Financial can be of any assistance please do not hesitate to contact our office at 818-992-5222, or by email at [ron@legends-financial.net](mailto:ron@legends-financial.net).