

How Interest Rates Affect Home Buying Power



When purchasing a home, did you know the mortgage interest rate you obtain can directly impact the loan amount for which you may qualify. That's right! In fact, the higher the loan amount, the more an interest rate may affect your buying power.

But what exactly is buying power? Buying power is comprised of the total amount of money you have available each month for a mortgage payment. Any money you've saved for a down payment, the proceeds from the sale of your current home, if applicable, and the amount of money you're qualified to borrow all impact your buying power as well.

When you take all of this into account, you may find you're able to purchase a larger home or a home in a more desirable neighborhood.

As interest rates have dropped to near-historic lows, it's clear that now may be the right time to buy and sell a home. If you've been on the fence about purchasing a home, you probably want to act soon. You may find that you can afford a bigger, better home than you thought – while still making reasonable monthly payments.

While your interest rate should not be the only consideration when buying a home, a lower *(Continued on page two).*

Is it Time to Refinance?

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Interest Rates (Cont.)

rate can result in a higher purchase price and loan amount for which you may be approved.

Here's how a lower interest rate can mean more buying power for you:

Example 1:

Purchase Price	Mortgage Amount	30 Year Fixed Interest Rate (APR)	Monthly Principal & Interest Payment
\$281,250	\$225,000	3.00% (3.138% APR)	\$948.63
\$250,000	\$200,000	4.00% (4.086% APR)	\$954.85

In this scenario — for a similar monthly principal & interest payment — the lower interest rate yields a difference in buying power of \$25,000!

Example 2:

Purchase Price	Mortgage Amount	30 Year Fixed Interest Rate (APR)	Monthly Principal & Interest Payment
\$562,500	\$450,000	3.00% (3.114% APR)	\$1,897.24
\$500,000	\$400,000	4.00% (4.057% APR)	\$1,909.68

In this scenario — for a similar monthly principal & interest payment — the lower interest rate yields a difference in buying power of \$50,000!

If you are planning to purchase a home, be sure to understand the costs in addition to your principal and interest mortgage payment such as property taxes, insurance, maintenance, repairs, and utilities. ■

Source: Prosperity Home Mortgage

Mortgage amounts are based on 30-year fixed rate conforming and jumbo conventional loans with a 20% down payment. Interest rates and annual percentage rates (APRs) are based on current market conditions, are for informational purposes only, are subject to change without notice and may be subject to pricing add-ons related to property type, loan amount, loan-to-value, credit score and other variables.

Examples are provided for educational and illustrative purposes only. The payment amounts do not include homeowners insurance or property taxes, which must be paid in addition to your loan payment. Your actual payment may be higher. This is an illustration and does not reflect your actual loan information, cost or the exact interest rate for which you may qualify. Please contact us for current interest rates. Your loan's interest rate will depend upon the specific characteristics of the loan transaction and your credit profile up to the time of closing. Estimated closing costs used in the APR calculation are assumed to be paid by the borrower at closing. If the closing costs are financed, the loan, APR and payment amounts will be higher. If the down payment is less than 20%, mortgage insurance may be required and could increase the monthly payment and APR. Speak with your mortgage consultant for more information regarding the content contained in this article.

Step-by-Step from Benjamin Moore How To Choose Interior Paint Colors

As any homeowner knows, choosing paint colors can be overwhelming. Use the following guide to help you explore and select interior color schemes you'll love!



Step #1: Analyze the Room for Interior Paint Ideas

Hardwood floors, countertops, a fireplace surround, area rugs, and of course furniture...the colors in these items will help determine which paint color families will work best in your room, and help narrow your options.

Additionally, the right paint color for any room should reflect the mood you want to create in the room as well as complement its architecture and style.

Paint truly transforms your space—see some of our favorite colors for living room and bedroom if you are selecting color for either of these important spaces in your home.

Step #2: Explore the Best Interior Paint Colors—for You

If you want to cut to the chase, check out Benjamin Moore's tried and true most popular paint colors, where we highlight homeowner favorite colors including Chantilly Lace OC-65, Revere Pewter HC-172, Hale Navy HC-154 and many more.

For a more deliberate approach, use magazines, online tools like Pinterest and our Inspiration section to find colors and color combinations that inspire you. Is your eye drawn to darker hues, fresh pastels or bold primary colors? Explore how paint and color work together in the Color Handbook and tap into our online color tools at benjaminmoore.com (Continued on page three).

Interior Paint Colors (Cont.)

Step #3: Get Color Chips, then Test with Paint Samples

Once you've selected the colors you're drawn to, visit your local Benjamin Moore retailer and pick up color chips and inspirational brochures to bring home.

While you may be tempted to use color swatches only to determine which color to use, the best way to test color in different lighting conditions is to buy paint samples from your local Benjamin Moore retailer. Natural and artificial light can impact the appearance of color, so viewing it at different

times of the day in all lighting conditions is crucial.

Step #4: Pair Color with Quality Paint

Some painters may tell you that they can easily "match" any Benjamin Moore® color in another paint brand. This is simply not the case.

Engineered specifically by Benjamin Moore, for Benjamin Moore paints, our proprietary Gennex® Color Technology sets us apart by delivering color and durability that is truly unmatched.

Make sure that the Benjamin Moore interior paint color you ultimately choose is realized to its full potential by using only Benjamin Moore products.

Step #5: Get Started Any Time

When it comes to interior painting, you generally control the environment you're working in. Weather does not have to be a consideration—so interior painting is a year-round opportunity.

You can get well prepared at benjaminmoore.com with our other how-to articles including how to pick sheen, cut paint in a room, prep a wall, and how to paint a wall so that you set yourself up for ultimate painting success. ■

Buying or selling a home just got easier... and less expensive!

Home Sweet Rewards is a no-cost, web-based resource for home-related services that delivers value with a cash rebate on most real estate transactions, discounts and service guarantees on many real estate-related services.

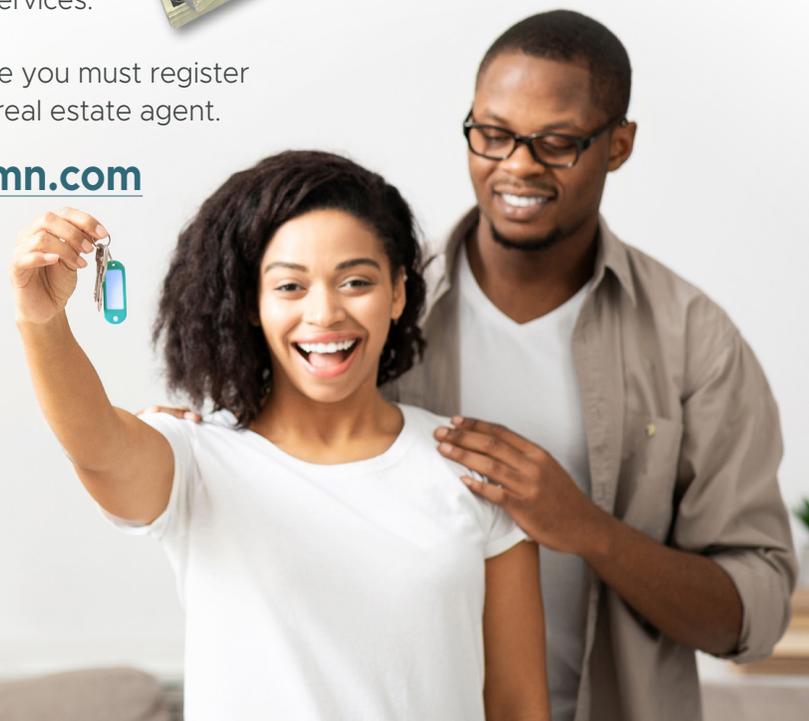
If you are thinking about buying or selling a home you must register with Home Sweet Rewards before contacting a real estate agent.

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Continued Strength and Resiliency: CoreLogic Reports Home Price Growth Accelerated in June



CoreLogic® (NYSE: CLGX), a leading global property information, analytics and data-enabled solutions provider, today released the CoreLogic Home Price Index (HPI™) and HPI Forecast™ for June 2020. Nationally, home prices increased by 4.9% in June 2020, compared with June 2019. Month over month, home prices increased 1%, compared with May of this year, the fastest monthly gain for the month of June since 2013.

CoreLogic's HPI forecast predicts a modest decline in home prices over the twelve months ending June 2021. A sign of a solid foundation and resiliency in the housing market in the face of the pandemic, stronger home prices this summer reflect improved affordability, demographic demands, supply constraints and continued strong interest

in purchasing a home. These factors combined to keep home prices steady despite the continued pressure of the pandemic and related economic fall-out.

“Mortgage rates hit record lows this spring, which enhanced affordability for home buyers,” said Dr. Frank Nothaft, chief economist at CoreLogic. “First-time buyers, and millennials in particular, have jumped at the opportunity to achieve homeownership.”

“Home price appreciation continues at a solid pace, reflecting fundamental strength in demand drivers and limited for-sale inventory,” said Frank Martell, president and CEO of CoreLogic. “As we move forward, we expect these price



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increases to moderate over the next twelve months. Given the economic outlook, housing remains a bright spot for the foreseeable future.”

Despite the renewed pickup of national home price growth, the impact on local markets continues to fluctuate. For example, home prices in Philadelphia experienced an annual gain of 8.4% in June, driven by an uptick in New York City residents purchasing homes, likely in an effort to migrate from the coronavirus (COVID-19) hotspot. Meanwhile, affordability constraints in San Francisco led to an annual decline in home prices of 0.2%. ■

Source: *Business Wire*

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Call us toll free at **(866) 678-7356**
Monday-Friday 8:30AM to 5:00PM (CT)
Email: relo@homeservices.com