Hi Sivas,

Questions regarding the “prevailing interest rate”, “current interest rate”, or “current average interest rate” are the most common we get from home buyers.  And, they have become the most challenging and confusing to answer in the US current market environment.  Data sources such as news agencies, and even Government Sponsored Enterprises (GSE’s), like Freddie Mac, are using different methodologies to report the information.  Some included different data details such as whether the average discount points a consumer paid is included in the reporting, different details like average rates advertised or locked, while others like Freddie Mac use a weekly average interest of funded loans not including points and special builder rate promotions on inventory homes.  It can get very confusing, if we don’t dig deep into how the average rate being reported was determined and what is included in the data.   As example, below are three different news sources and a GSE’s most recent articles discussing current mortgage rates, and the information ranges from of 6.71% to 7.32%.

<https://www.investopedia.com/mortgage-rates-surge-7555857?utm_campaign=quote-yahoo&utm_source=yahoo&utm_medium=referral>

<https://www.mortgagenewsdaily.com/mortgage-rates/30-year-fixed>

<https://www.forbes.com/advisor/mortgages/30-year-mortgage-rates/>

<https://www.freddiemac.com/pmms>

The best way I can answer your question is by saying the current average rate locked over the past 5 days, across Texas by Chesmar Homes buyers is 6.875%.  This includes all loan programs, all buyer profiles (FICO score, down payment, etc…), and interest rates on current rate sheets range from 5.99% to 8.125%.

Attached is a copy rate lock with float down option flyer.  We can lock a rate anywhere between 60 to 120 days, which will include float down option in the event rates go down lower just before the completion date of the home.  The 0.5% rate lock fee is credited back to you at the time of closing, exactly like the earnest money deposit you gave to Chesmar Homes at the time of purchase contract.  I met with the VP of Finance late yesterday after work hours.  We are going to have a meeting with the VP of Operations (head of construction) on Monday to ask he put together a lock schedule for all homes closing in the next 120 days.  This will enable us to ensure your rate lock is properly executed to amply cover the construction time remaining on your home.

Lock extension fees from the secondary investor market are…

7 days = 0.125%

14 days = 0.250%

21 days = 0.375%

30 days = 0.500%.

I am in the process of scheduling some face-to-face meeting with some of your soon-to-be Hills at Legacy neighbors.  Like you, construction on their home has gone faster than anticipated and they are looking at loan program options and to lock in their interest rate with CLM Mortgage.  I would be thrilled to meet with Sai Anusha and you in person, to discuss the various loan program and rate lock options you have available, while giving you the opportunity to review the rate sheets to select the option best for you.  I have been doing back-to-back interviews for loan officer, loan officer assistance, and processors the last few weeks.  Chesmar Homes is doubling the number of communities in the last six months of this year and adding a new division to the DFW market.  I have some openings in my schedule the next few weeks between interviews.  Are there any specific days of the week, and times of day that work best for the both of you?

I would also like to set the expectation that if your schedule permits, I may be asking for a second meeting since one of the loan officer candidates I plan to bring on board will be taking over some of my loan files, while I move back into a supporting leadership role.  I will keep you informed on that as we on board our new team members.  Very exciting time to be buying a home in North Texas and be buying a home in our market.

Thank You,

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