



Judy's News You Can Use

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February

Sold



\$917,500

Encinitas, 4-BR, 3.5-BA, 2 fireplaces, large yard, over 25 fruit trees, view, corner lot.

"Just Call Judy," for more information
760-274-5910

How Interest Rate Jumps Affect Purchase Decisions and Affordability

Source: www.car.org/marketdata/blog, January 4, 2017

Mortgage rates have shot up in the weeks following the election, moving to highest levels in two years, with the 30-year fixed rate loan at 4.25%. This has instantly pushed up the cost of borrowing and home purchasing for many people in California, caused many to try to lock in current rates and has caused an immediate drop in mortgage refinancing.

Homebuyers on the market are pushing to lock in rates and to speed through closings: the median monthly payment for a California single family home instantly jumped up \$110 from the pre-election median price of \$2510. Each .25% increase in rates translates into roughly a \$60 increase in payments.

Rate	Q3	Q4 Forecast
4.00%	\$ 2,564	\$ 2,541
4.25%	\$ 2,624	\$ 2,600
4.50%	\$ 2,685	\$ 2,661
4.75%	\$ 2,746	\$ 2,722
5.00%	\$ 2,809	\$ 2,784
5.25%	\$ 2,873	\$ 2,847

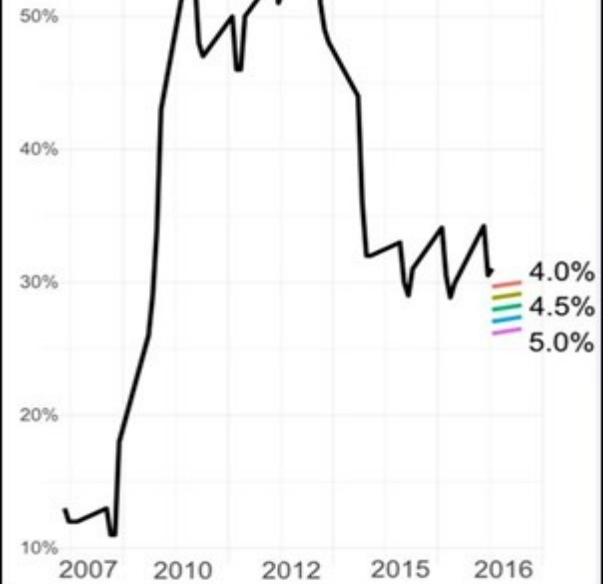
Min. Monthly Payment for Median CA Home

The rapid jump was driven by a mix of expectations of inflation, Fed rate hikes, and anticipation of the new administration's fiscal and tax policies. For many people looking to buy this means pushing forward to lock in rates that are still at historically low levels, with an eye for further upward movement over the coming months and years.

Near-peak prices, low levels of affordable homes on the market and the non-existence of new building, particularly for entry-level homes, have combined to drive affordability in California to lows. Rate jumps will further suppress the number of people who can afford to buy, and while price increases in the future will moderate, affordability will not improve if current market conditions persist. As such, sales activity in the California housing market may stall or even slow-down in the coming years.

Both buyers and sellers will need to acclimate to the reality in the future that supply may increase, but only due to fewer buyers at middle and lower housing price segments.

CA Housing Affordability Index Forecast Under Rate Changes



CAR Calls On HUD to Reinstate FHA Insurance Cut

Source: www.car.org, January 20, 2017

In response to the announcement by the US Department of Housing and Urban Development (HUD) that the Federal Housing Administration (FHA) will indefinitely suspend a recently announced cut in its annual mortgage insurance premium, the California Association of REALTORS® (CAR) has called on HUD and the new Administration to make reinstatement of FHA insurance premium cut a priority.

"We hope HUD and the Trump administration will make it a priority to quickly review the reduction in the FHA mortgage insurance premium," said CAR President Geoff McIntosh. "Homebuyers in California, who would have saved an average of \$860 a year, will be negatively impacted more than any other state by the decision to not reduce the FHA premium.

CAR and the National Association of REALTORS® (NAR) both have long advocated for lower FHA mortgage insurance premiums and intend to continue to make the case to reinstate the cut.



Judy Goldberg

REAL ESTATE

Judy's Corner

The Year of the Fire Rooster... What's Next???

Chinese New Year 2017 is the Year of the Fire Rooster. Since fire represents red color, the year may also be known as the Year of the Red Rooster.

Roosters are confident, self-assured, perfectionists, proud and also a little eccentric. They are not only hard-working but also punctual. They are always eager to learn new things in life.

Element Fire represents warmth, passion and brilliance. Hence, Fire Roosters are "trustworthy, with a strong sense of timekeeping and responsibility," according to Chinahighlights.com.

The year 2017 will be a year of resolve as well as achievements for all. If some projects were being postponed from a very long time or if they were in mind, they will likely be accomplished this year.

However, one needs to stay focused as Fire Roosters also symbolize impatience (of getting all the tasks done). Hence, it is important in this Year of the Fire Rooster to stay focused and centric on one task at a time.

Therefore, the year will be good but chaotic. Hold on, it could be a bumpy ride!

Warmest regards,

I am always here for you

760-274-5910

February HomeWork



□ Remove drain traps under sinks and clean thoroughly. Clean pop-up drain plugs. Inspect the linkage for pop-up drains to make sure they are set properly. To adjust the linkage, squeeze the finger-operated pressure lock to release it and slide it up or down as necessary.

- Inspect grout and caulk around tubs, sinks and showers. Chip out cracked grout and replace missing grout. Stained, discolored and mildewed caulk should be cleaned with trisodium phosphate or other household cleaner. If the caulk remains discolored, remove it and replace it with fresh, mildew-resistant caulk.
- Refinish furniture in a heated garage or workspace equipped with ventilation fans. Otherwise, use water-based strippers, paints, stains and varnishes that are especially formulated for low odors.
- Musty closet odors can be reduced or eliminated by removing the closet's contents and washing walls with a diluted solution of chlorine bleach. In addition, try replacing solid doors with louvered doors. Note: If the mustiness is the result of moisture, find the source and correct it. Otherwise the problem will come back.
- To keep valves from sticking and check for leaks, turn all water valves off and on. This includes outdoor faucets and valves to toilets, bathroom and kitchen sinks, laundry, bar, etc.

Source: www.weather.com

February Observances

National Freedom Day on February 1st commemorates President Lincoln's signing of the resolution to outlaw slavery that resulted in the 13th Amendment.



On Groundhog Day (February 2) if the groundhog comes out and sees its shadow, expect 6 more weeks of winter!



National Wear Red Day, February 3rd, raises awareness of the problem of heart disease in women.



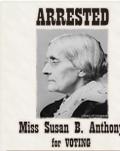
Rosa Parks Day on February 4th recognizes this early civil right's activist's achievements in raising awareness of inequality and discrimination.



Valentine's Day is celebrated on February 14th, as a festival of romantic love.



February 15th is Susan B. Anthony Day. We note the achievements of this early women's rights activist.



President's Day, a federal holiday held on the third Monday of February to honor all presidents of the United States, will be celebrated this year on **February 20th**.



Mardi Gras (aka Shrove or Fat Tuesday), a celebration marked by over-the-top festivals, parades and costumes, will be celebrated this year on **February 28th**.



Source: www.timeanddate.com

2017 Tax Rates, Brackets and Exemptions May Result in Lower Tax Bills

The Internal Revenue Service announced new inflation-adjusted income brackets for the 2017 tax year. The top tax rate of 39.6% now applies to single taxpayers earning more than \$418,400, up from the 2016 thresholds of \$415,050. Both the 2017 and 2016 Rates are below for comparison:



2016 Taxable Income Brackets and Rates

Rate	Single Filers	Married Joint Filers	Head of Household Filers
10%	\$0 to \$9,275	\$0 to \$18,550	\$0 to \$13,250
15%	\$9,275 to \$37,650	\$18,550 to \$75,300	\$13,250 to \$50,400
25%	\$37,650 to \$91,150	\$75,300 to \$151,900	\$50,400 to \$130,150
28%	\$91,150 to \$190,150	\$151,900 to \$231,450	\$130,150 to \$210,800
33%	\$190,150 to \$413,350	\$231,450 to \$413,300	\$210,800 to \$413,350
35%	\$413,350 to \$415,050	\$413,350 to \$466,950	\$413,350 to \$441,000
39.6%	\$415,050+	\$466,950+	\$441,000+

2017 Taxable Income Brackets and Rates

Rate	Single Filers	Married Joint Filers	Head of Household Filers
10%	\$0 to \$9,275	\$0 to \$18,649	\$0 to \$13,349
15%	\$9,325 to \$37,949	\$18,650 to \$75,899	\$13,350 to \$50,799
25%	\$37,950 to \$91,899	\$75,900 to \$153,099	\$50,800 to \$131,199
28%	\$91,900 to \$191,649	\$153,100 to \$233,349	\$131,200 to \$212,499
33%	\$191,650 to \$416,699	\$233,350 to \$416,699	\$212,500 to \$416,699
35%	\$416,700 to \$418,399	\$416,700 to \$470,699	\$416,700 to \$444,499
39.6%	\$418,400+	\$470,700+	\$444,500+

For 2017, standard deductions will rise: heads of household to \$9,350, \$6,350 for singles and \$12,700 for married couples filing jointly.

Personal exemptions remain the same as in 2016, however, the exemption is subject to a phase-out that begins with adjusted gross incomes of \$261,500 (\$313,800 for married couples filing jointly). It phases out completely at \$384,000 (\$436,300 for married couples filing jointly.)

The Alternative Minimum Tax exemption amount for tax year 2017 is \$54,300 and begins to phase out at \$120,700 (\$84,500, for married couples filing jointly which begins to phase out at \$160,900). For tax year 2017, the 28 percent tax rate applies to taxpayers with taxable incomes above \$187,800 (\$93,900 for married individuals filing separately). Other key changes include:

- The maximum Earned Income Credit amount is \$6,318 for taxpayers filing jointly who have 3 or more qualifying children.
- The foreign earned income exclusion is \$102,100 for 2017.
- The dollar amount used to determine the penalty for not maintaining minimum essential health coverage is \$695.
- The adjusted gross income amount used by joint filers to determine the reduction in the Lifetime Learning Credit is \$112,000.



Source: *Internal Revenue Service*