



# LENDING UPDATE

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## STRATEGIC PARTNERSHIPS MATTER

*A VA Loan is one of the most powerful home loan options for Veterans and service members.*

*Success begins with partnering with a local REALTOR® and an experienced VA Lender who understand your EARNED benefit.*



## WHAT'S UP WITH RATES?!

Rates experienced significant volatility starting in early October, meaning the average day over day change was much bigger than usual.

Rates fluctuate based on a number of economic factors, including inflation, geopolitical events, and monetary policy, (i.e. Fed Hikes/Cuts). The month of October was frustrating for fans of low rates because things seemed to be getting worse with and without the typical motivations.

Some resemblance of stability began to take shape mid-November, and the volatility finally died down last week, with the average 30yr fixed rate only 0.05% different than the week previous. In the near-term, rates will continue to be weary of stronger economic data, persistent inflation, and an overabundance of government debt. In order to see a big drop, we'd need to see monthly jobs & unemployment reports come in much weaker and for inflation to come in below target levels (likely for a few months in a row).

Service members and Veterans who choose VA financing will benefit much sooner when rates come down, by utilizing the VA Streamline Refinance, also referred to by the VA as the IRRRL (Interest Rate Reduction Refinance Loan). The transaction requires no appraisal, no pay stubs, no bank statements, and almost no underwriting. It is essentially a brand-new loan at a lower interest rate that the borrower doesn't need to qualify for!



## Appraisal VS Inspection

Although home appraisals and home inspections are somewhat similar, there are a few key differences...

### VA APPRAISAL

A VA appraisal is conducted by a licensed VA appraiser who evaluates the property to determine its market value. The appraiser's primary goal is to assess whether the estimated value of the home aligns with the loan amount requested by the buyer. The appraiser will examine the property, including its condition, size, location, and comparable sales in the area. The appraiser will also verify that the home meets the [VA's Minimum Property Requirements](#) (MPRs), which include standards for safety, structural integrity, and habitability. An appraisal is required for all VA purchase-loans, and the cost is included as part of your loan closing costs.

### HOME INSPECTION

A home inspection provides buyers with a comprehensive understanding of the home's overall condition, including potential hidden issues that may not be immediately evident. Home inspectors thoroughly examine the home's physical components, such as the foundation, electrical systems, plumbing, and more. This information can be invaluable when negotiating the final purchase price or requesting repairs or concessions from the seller. A home inspection is not a requirement for a VA Loan, and the cost of inspections are paid directly from buyer to home inspector, outside of closing.