What to Know About Trump's Executive Order on Lowering Housing Costs

Real Estate Today



By Jim Smith
Realtor®

With the midterm elections just days away, President Trump has signed an executive order titled "Decreasing Housing Costs for the American People."

I discussed the order with **Jaxzann Riggs**, owner of **The Mortgage Network**, who has financed Colorado homes for more than four decades. Our conclusion? Some promising ideas, but no immediate benefit.

The order directs the Federal Housing Finance Agency (FHFA) to consider expanding a program that substitutes automated title reviews for traditional lender's title insurance on eligible refinances.

It also calls for consideration of waiving appraisals, income re-verification and certain fees on qualifying refinances. These changes could make refinancing more accessible, particularly for retirees or borrowers whose income circumstances have changed.

Another provision proposes automatically identifying borrowers eligible to cancel private mortgage insurance (PMI) as their home equity increases. Unfortunately, the proposed pilot applies only to mortgages originated after the program begins. If your home has equity, and you currently have mortgage insurance, contact your servicer to see if it can be removed or reduced, based upon its current value.

The order also establishes a "task force" to recommend ways to reduce regulatory barriers affecting manufactured and factory-built housing.

We should welcome strategies that would improve housing affordability, but none of these proposals help homeowners or buyers today.

Where does this leave prospective purchasers? Here is what Jaxzann and I concluded.

While Washington considers future savings, opportunities already exist for buyers who understand financing and approach negotiations with a strategy.

Mortgage rates have been volatile, and headlines tend to emphasize increases while overlooking rate improvements. More importantly, rates described in the news don't consider financing strategies that can make monthly payments more affordable.

Jaxzann recently illustrated for this column how a $10,000 seller concession on a $615,000 purchase could fund a temporary buydown, reducing the starting payment rate to approximately 5.375% on an FHA loan for the first two years before increasing to the permanent note rate of 6.375. (10/22) That scenario assumed a 3.5% down payment on an FHA loan with a purchase price of $615,000. The seller concession improved the monthly principal and interest payment in years one and two by $332.

That's a meaningful difference in monthly payments. Borrowers must qualify at the full note rate and obviously need to consider their ability to handle the increased payment at the end of year two.

FHA financing offers two other distinct benefits. With as little as 3.5% down, FHA loans frequently carry lower interest rates than comparable conventional mortgages. The spread between fixed rates and ARMs (adjustable-rate mortgages) is also growing and FHA's ARMs boost buying power because borrowers qualify for the initial monthly payment. FHA mortgage insurance is a consideration, but don't dismiss FHA loans based on outdated assumptions.

Newer credit-scoring options, including VantageScore 4.0, may also improve interest rates and buying power for some purchasers.

Down payment assistance programs, grants and deferred-payment second mortgages provide additional possibilities for qualified purchasers, including some who aren't first-time buyers.

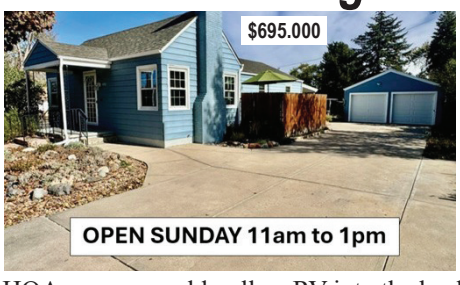
The Bottom Line

Announcements and executive orders aren't savings but, understanding your credit and loan options, matched with a solid preliminary approval and an aggressive "seller concession strategy" ***can*** reduce your actual housing costs.

The opportunity isn't simply about finding the lowest advertised rate. It's understanding how to structure the entire transaction. If you are interested, the link to the executive order is on **http://RealEstateToday.substack.com**, and if you have questions about down payment assistance, ARMs, rate buydowns or maximizing your buying power you can reach Jaxzann on her cell, **303-990-2992**.

In a special post on my Substack blog (below), I describe how I use Microsoft's Copilot (an artificial intelligence tool) to write more and better articles for this column. I give numerous examples of tasks -- both professional and personal -- that I have asked Copilot to help me perform. **Bottom line**: I consider Copilot an "editorial collaborator," not a substitute for my own efforts. You may change your view of AI reading it.

4-BR Wheat Ridge Bungalow on Corner Lot



This solid 1941 bungalow at **3450 Harlan Street** has hot water heat. Hardwood floors in excellent condition are throughout the main floor, except for vinyl in the two bathrooms and ceramic tile in the updated eat-in kitchen. The backyard is fenced, and you'll love the full-width covered patio. The location is great, providing quiet suburban lifestyle close to the city center yet accessible to highways to the mountains. No HOA, so you could pull an RV into the backyard through a double gate on 35th Avenue. You'll be hard pressed to find anything negative about this home that the seller has lovingly maintained for 34 years! Find magazine-quality photos, drone photos and video, plus a narrated video tour at **www.GRElistings.com**, then come to the open house this **Sunday from 11 a.m. to 1 p.m.** Or call **303-525-1841** for a showing.

Here Are Some of Our Current Active Listings

Narrated Video Walk-Throughs of Each Listing Can Be Found at www.GRElistings.com

1694 S. Balsam St., Lakewood - $595,000



This 5-bedroom brick ranch with finished basement is on the northeast corner of Balsam Street and W. Mexico Ave. in the Clover Lane subdivision. It was built by the builder for his own family in 1962, but the current owner purchased it a few years later and has owned it for 58 years! He has kept it up nicely and made many improvements and repairs including granite countertops, Champion double-pane windows, new sewer line, heated garage, and more!

13527 W. 63rd Way, Arvada - $499,990



PRICE REDUCED! This contemporary 3-bedroom/4-bath townhome features over 2,250 finished square feet, highlighted by an open-concept main level with soaring vaulted ceilings and slab-granite kitchen countertops. All new berber carpeting was just installed on all three levels plus the stairs. A sunny dining area opens to a spacious private patio, perfect for outdoor relaxation. Energy-conscious buyers will appreciate the ChargePoint EV charging station in the two-car garage. The basement contains a third bedroom with a 3/4 bath. ***Seller offers $10,000 for interest rate buydown!***

359 Canyon Point Cir., Golden - $1,650,000



The seller, who purchased this model home in 2002, has made several great improvements including solar panels, hardwood flooring, and totally new gourmet kitchen and master bathroom. The 4 upstairs bedrooms and stairs have new Berber carpeting, too. The view to the east takes in both table mountains and the city of Golden, plus a view of Lookout Mountain and the iconic "M" on Mt. Zion. There's a trailhead to Mt. Galbraith Park's five miles of hiking trails within the subdivision. The main-floor deck has been completely rebuilt with metal railings and a breakfast bar.

12931 W. 20th Ave, Lakewood - $360,000



PRICE REDUCED! Beautifully maintained Applewood Park townhome with updated systems, a finished basement family room, and two covered parking spaces directly behind the fenced patio. The main floor features a bright south-facing living room, dining area, and kitchen. Upstairs are two bedrooms and a full bath with tub/shower. The furnace, A/C, and water heater were replaced.

CENTURY 21
GOLDEN REAL ESTATE
Hometown Service Delivered with Integrity

Jim Smith, Broker
303-525-1851
Jim@GoldenRealEstate.com

David Dlugasch, Broker Associate
303-908-4835
David@GoldenRealEstate.com

Chuck Brown, Broker Associate
303-885-7855
Chuck@GoldenRealEstate.com