

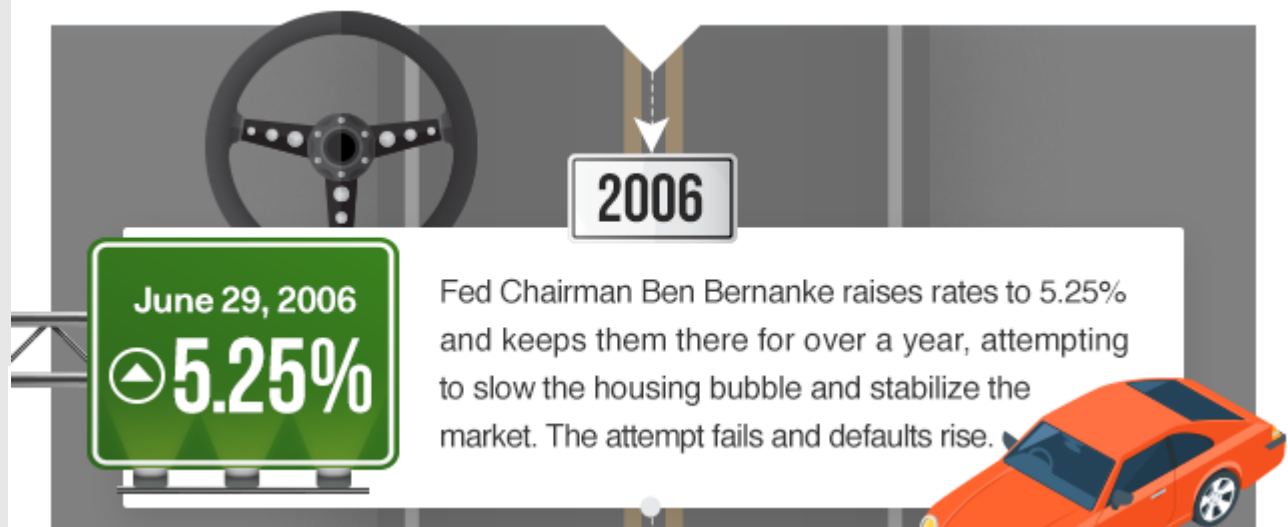
Email Name: A Timeline of Fed Rate Hikes — to Partners
Subject Line: Can your clients take a hike?

Fed rate hikes continue slow, steady climb. [View online](#)



If you're in the housing industry, you're no stranger to the fact that interest rates have been steadily rising in recent years. Rates are still near all-time lows, but in just the past two years, we've seen nearly as many Fed rate hikes as there are *Fast & Furious* sequels. And there doesn't seem to be a sign of letting off the throttle any time soon.

As the Fed Funds Rate has gone up, mortgage rates have followed suit, which has started to slowly erode homebuyers' purchasing power. Let's take a look at how we got here, what to expect next, and how to respond to the changing climate of the housing market.¹



2007

Rate drops to 4.75%. Home sales are down, inflation is up, and unemployment is an unhealthy 6.00%. GDP is dropping fast enough to make your head spin.

Sept. 18, 2007

4.75%

2007 – 2008



From September 2007 through October 2008, rates continue their steady decline, with eight rate drops in one year alone.

2008

The Fed lowers the funds rate to 0.25% — the lowest possible rate — in an attempt to stabilize the economy.²

Dec. 16, 2008

0.25%
(effectively zero)

2008 – 2015

Federal funds rate remains at effectively zero while the economy and housing market struggle to improve.



2015

Dec. 17, 2015
0.25%-0.50%

Fed raises rates for the first time in *nine years*, signaling confidence in the U.S. economic recovery.

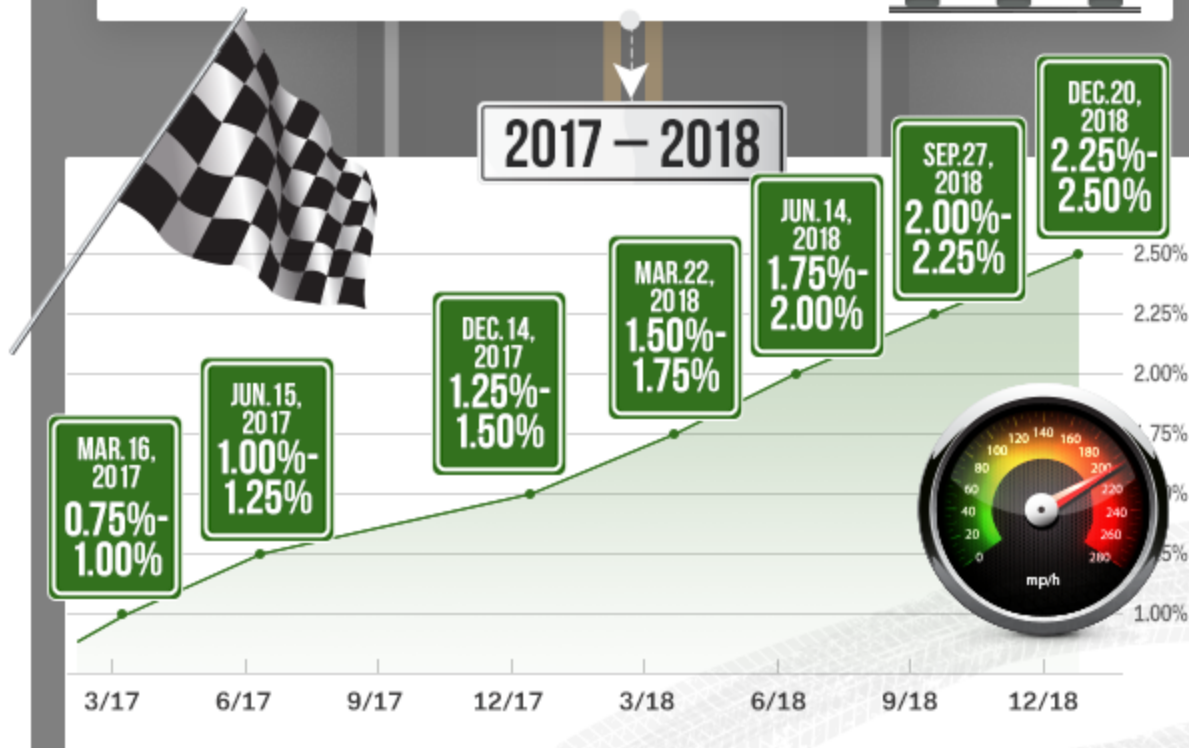
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WORK
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2016

Fed raises rates to a range of 0.50% to 0.75%, beginning a slow but steady rate increase that continues throughout 2017 and 2018.

Dec. 15, 2016
0.50%-0.75%

2017 – 2018



CAUTION: RATE HIKES AHEAD

The Fed anticipates at least two rate hikes throughout the course of 2019.

The important thing to remember is that rates are still at historic lows, but that doesn't mean it's the time to sit on the sidelines. It's up to us to educate buyers that the longer they wait, the less purchasing power they may have. Contact me to discuss how we can work together to help our clients take action now — while their dream home is still within reach!

[1] Board of Governors of the Federal Reserve System, Open Market Operations

[2] The Balance, Fed Fund Rates History With Its Highs, Lows and Chart

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