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QUARTERLY UPDATE • FALL 2025

ECONOMY & MORTGAGES

Mortgage Rate Outlook

A MORE BUYER-FRIENDLY MARKET



Two years ago, real estate was a sprint—record-low rates, surging demand, and bidding wars. Homes closed in days, often with inspections waived; buyers rushed or risked being priced out.

Now the script has flipped. With higher rates, demand has cooled and the market has found balance. Joel Berner, Senior Economist at Realtor.com, calls today a “buyer-friendly balanced market.” “[We see] a lot of sellers with some unrealistic expectations who list their homes maybe at prices they would have gotten in 2022, but it’s not 2022 anymore. So they have to do price reductions and negotiate with buyers.”

It’s not a classic buyer’s market, but buyers have time for due diligence and leverage for repairs, credits, or closing costs. Instead of racing, we can align budget and long-term goals to structure the right path to ownership.

For sellers, homes no longer “fly off the shelf.” Overpriced or fixer-upper listings sit. Homes need realistic pricing, curb appeal, and seller flexibility.

What about rates ahead? Over the next 6-12 months, mortgage rates are expected to slide modestly lower -- but with significant caveats. The key drivers are the Fed's handling of

short term rates and how inflation and economic growth evolve. Although the Fed has begun trimming its policy rate, future cuts are expected to be measured and data-dependent, rather than aggressive. Bottom line, the Fed is in no hurry to get on the wrong side of either inflation or economic growth.

Long-term rates, like mortgage rates, are not mechanically tied to the Fed rate. They reflect market expectations for inflation and growth, and they incorporate a term premium (extra yield for bearing interest rate risk over the long term). Even as the Fed cuts short term rates, the term premium could remain elevated if investors worry about the impact of inflation or economic growth. Many forecasters expect average 30-year fixed rates to end 2025 in the low 6's, and gradually drift down as we go into 2026.

While the slow slide in rates might tend to test one's patience, there's a silver lining: a large drop in rates would usher a flood of sidelined buyers into the market (and guess where home prices would then go). So the good news: for well-qualified buyers is that reduced competition, improving selection, and steady values have created one of the most favorable windows in years.

If you've been waiting, now is the time to take the wheel. Let's review your numbers, explore purchase or refinance options, and chart the course toward your long-term real estate goals.

Rate Decrease:	30-Yr Fixed	15-Yr Fixed
vs. the 2023 Peak	↓ -1.49%	↓ -1.54%

Source: Freddie Mac, Primary Mortgage Market Survey, U.S. Average Conventional Mortgage Rates, week ending 9/25/25 vs the 10/26/23 Peak. Your rates will differ. Not a commitment to lend. Credit on approval.

Aloha!

The Federal Reserve's recent decision to cut interest rates for the first time since 2024 has introduced new dynamics to the housing market. This shift is expected to gradually improve affordability and stimulate buyer activity. At Myers Capital Hawaii, we understand that market changes can present both challenges and opportunities. Whether you're a homeowner seeking to refinance, or a real estate investor looking to expand your portfolio, our creative financing strategies are designed to help you navigate these shifts effectively. Let's connect and build a plan that aligns with your goals.

Reed Myers



Reed Kawai Myers
Myers Capital Hawaii

1600 Kapiolani Blvd, Suite 1320
Honolulu, HI 96814

reed@myerscapital.com
808-566-6611
myerscapitalhawaii.com

NMLS# 322195 (Originator) • 1662480 (Company)

FALL 2025



Is VantageScore Your Credit Comeback Story?



Credit scoring often feels like a locked vault. A mysterious process that most consumers don't understand, and no alternative way to measure your creditworthiness. If your FICO score is nonexistent or less than ideal, it can keep you from homeownership, or from getting a better interest rate on your next loan.

Enter **VantageScore** Solutions, an independent company formed in 2006 by Equifax, Experian, and TransUnion to give lenders—and consumers—an alternative to FICO.

The latest version—VantageScore 5.0, rolled out in 2025—introduces new “GAIN Attributes,” analyzing recent credit behavior over 24 months to boost predictive power. Compared to older versions, it can score millions more Americans with limited history and reduce the frustrating score swings we sometimes see across the three bureaus. Here is the good news:

- **More people get scored.** Traditional FICO models won't even generate a score unless you've had a credit account open and active for at least six months. By contrast, VantageScore can create a score if you've had just one account reported at any point in the past two years. That means millions more people—especially those with new or “quiet” credit files—can finally be scored.

- **Alternative data counts.** Rent, utility, and telecom payments can be included when reported—recognizing financial habits often invisible to other scoring systems. It can mean higher approval chances and potentially better rates—especially if you've been paying your bills but haven't built up years of traditional credit history.

- **Medical debt treated differently.** Newer models give medical collections less weight, reducing unfair penalties for temporary hardships.

- **Smarter on inquiries.** Multiple credit checks for rate shopping (like mortgages) are treated as one, protecting your score while you compare.

The industry is steadily adopting it. In July 2025, the Federal Housing Finance Agency (FHFA) formally allowed lenders to use **VantageScore 4.0** (in addition to “Classic” FICO) for loans sold to Fannie Mae and Freddie Mac. This means many conforming mortgages (the bulk of the U.S. mortgage market) can now legally rely on VantageScore 4.0 in underwriting. Other programs still require FICO, and some require both. But, the door to better financing is gradually opening. Call me, and let's talk about how this new model can potentially open some doors for you!

Thank You!

Thank you for trusting me to guide you through one of life's most important milestones. I'm honored to run scenarios, explore loan programs, and craft financing that truly supports your goals and your future. Your confidence means the world to me. If I can bring the same dedication and care to your friends or family, I would be deeply grateful for your referral. Thank you in advance for sharing my name and giving me the chance to serve those you care about most.

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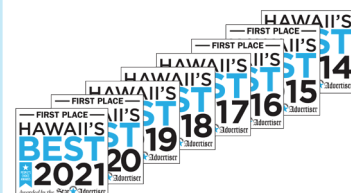
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*Targeted performance may differ from actual annualized returns. Past performance is no guarantee of future results. Accredited investors only.



MYERS INVESTMENT GROUP

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CRYPTO Meets Mortgages

Did you know your Bitcoin or Ethereum might one day help you qualify for a mortgage? In June, the Federal Housing Finance Agency (FHFA) directed Fannie Mae and Freddie Mac to begin preparing to recognize cryptocurrency investments as assets when assessing mortgage applicants. That's a big shift: until now, crypto had to be converted into U.S. dollars before it could count toward your financial picture.

While the details are still being worked out—and there are plenty of questions about volatility, liquidity, and how lenders will verify balances—this move signals that digital assets are stepping into the mainstream of housing finance. Imagine a world where your digital wallet carries weight alongside your checking and savings accounts!

In the meantime, if you want to explore how today's rules let you leverage your assets and put you in the strongest position to buy or refinance, let's talk. That next home may be closer than you think!



10 Mortgage Moves to Tame Today's Rates

With home prices still elevated and mortgage rates higher than we'd like, affordability is the elephant in every open house. But here's the good news: buyers have more tools than ever to make the numbers work. These are some of the many strategies we are using with clients, in order to open doors—often literally:

- 1) Polish That Credit Score.** A score north of 740 is like VIP access to better rates and thousands saved over the loan's life. Pay down debt, keep balances low, and hit pause on new credit cards until after closing. Check your score regularly; it's never too early to start taking the right steps.
- 2) Consider an ARM (Yes, Really).** Adjustable-rate mortgages, which are fixed for 3, 5, 7, or 10 years, often start with lower rates than 30-year fixed loans. If you don't plan to be in the house for a full 30 years, considering an ARM may be a really smart move.
- 3) Go Bigger on the Down Payment.** While not for everyone, 20% down not only avoids PMI, it shrinks your loan balance and can usually earn you a better rate and a smaller payment.
- 4) Buy Points Like a Pro.** Pay points upfront. Each point (1% of the loan amount) shaves about 0.25% off your rate. Stay put long enough for the monthly savings to pay back the upfront cost, and after that, the long-term savings can be really attractive. Let us run the numbers and show you.
- 5) Marry the House, Date the Rate.** Find the right home now, refinance later. While future rates are not guaranteed, you may not want to miss an opportunity because rates aren't picture perfect.
- 6) Negotiate Like You Mean It.** Today's sellers are more flexible. Closing costs, repairs, even temporary rate buydowns are back on the table. Ask—nicely, but firmly. Worry less about other bidders.
- 7) Snag a Builder's Buydown.** Builders hate unsold homes. Many are offering flex cash that you can use in different ways. Skip the appliance upgrade and instead use it to fund a 2-1 buydown that chops your payment for the first couple years. We'll run the math with you.
- 8) Think Beyond Conventional.** FHA, VA, USDA loans can deliver lower rates or looser requirements. For some buyers, these programs are the ticket to more-affordable financing.
- 9) A Quick DTI Diet.** Your Debt-to-Income ratio can directly affect your rate. Paying down credit cards or car loans before applying can free up room in the budget and unlock more attractive terms.
- 10) Make Extra Payments (Say What?).** If rates are higher than you'd like, the last thing you might think of is to make extra payments each month! But remember, extra principal payments -- especially early on in the life of a loan -- can save huge amounts of interest over time. It's akin to giving yourself a rate cut. A rough example: from a total interest cost standpoint, on a \$300,000 loan at 6.5%, making just a 1% extra payment each month is akin to getting a 6.3% mortgage. And you pay off about 10 months earlier. Give that one some thought. Talk to us and we'll show you.

Bottom line: today's market rewards creativity. There's no single "right way" to finance a home, but there is a right way for you. With a little strategy, you can boost buying power, tame interest costs, and step confidently into that next home (or your first one!). Let's talk about which of these moves fits your journey best!



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Real estate finance insight...

- Market Update
- 10 Mortgage Moves for Today
- CRYPTO Meets Mortgages
- VantageScore Creates Opportunity
- Rates are Down. Refi Time?

Rates as of 9/26/2025 and can change without notice. Rates mentioned in articles are for illustrative purposes only. Your actual payment obligation will be greater. Does not include additional costs such as taxes and insurance premiums. Requirements and restrictions apply. Myers Capital Hawaii, LLC, NMLS 1662480. All Rights Reserved.

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Rates are Down! Is it Time to Refinance?

**WONDERING HOW TO
BUILD YOUR REAL ESTATE
PORTFOLIO TODAY?
LET'S TALK.**



If you bought a home in the past few years, chances are your rate is close to 7%. Since then, rates have dropped enough that it may be worth exploring a refinance. The math isn't one-size-fits-all, but that's where I come in.

We'll look at closing costs, how long you expect to stay in your home, and whether resetting your loan term makes sense. Sometimes refinancing unlocks real monthly savings, even as it resets the clock. Or, it may allow you an opportunity to shorten the loan term (think 15-year loans), where you could be mortgage-free years sooner with thousands in mortgage interest saved. Credit scores matter too, and if yours could use a boost, we can create a plan together before you apply.

Here's a simple example*: on a 30-year fixed loan of \$300,000, dropping the rate from 7% to 6% lowers the monthly principal-and-interest payment by nearly \$200. That kind of savings could free up room in your budget every single month, and over the long run, it can add up to huge savings.

A quick conversation can reveal whether refinancing makes sense for you today or whether it's something for a bit later. There's no cost to talk it through. Call me when you have a few minutes, and let's see what's possible.

*This is for illustrative purposes only and not a commitment to lend. Example does not include taxes, insurance, or other costs. Actual rates, payments, and savings will vary depending on your credit profile, loan terms, and market conditions.

We Have Moved!

Visit us at our new office in the
Pan Am Building:

1600 Kapiolani Blvd.
Suite 1320
Honolulu, HI 96814



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