The weekly survey conducted by the Mortgage Bankers Association revealed that the refinance share of mortgage activity has remained close to 80% for weeks, up from around 70%. The underwriting standards employed by mortgage lenders, however, have not eased, and, in some instances, have actually tightened. Data from Ellie Mae Incorporated shows that the average FICO credit score on new mortgage loans closed in August was 750, nine points higher than a year ago, according to the Los Angeles Times. The average purchaser of a home in August with a Fannie-Freddie loan made a down payment of 21%.

The average FICO score range from 300 to 850, with low scores representing a higher probability of default. Fannie Mae reports that 78.5% of consumers have scores between 300 and 749.

**Monday, October 1, 2012**

Last week’s average 30-year fixed-rate mortgage interest rate stood at 3.63%, the lowest rate in the history of the weekly survey conducted by the Mortgage Bankers Association. The refinance share of mortgage activity has remained close to 80% for weeks, up from around 70%. The underwriting standards employed by mortgage lenders, however, have not eased, and, in some instances, have actually tightened. Data from Ellie Mae Incorporated shows that the average FICO (Fair Isaac Co.) credit score on new mortgage loans closed in August was 750, nine points higher than a year ago, according to the Los Angeles Times. The average purchaser of a home in August with a Fannie-Freddie loan made a down payment of 21%. FICO scores range from 300 to 850, with low scores representing a higher probability of default. Fannie Mae reports that 78.5% of consumers have scores between 300 and 749.

**Tuesday, October 2, 2012**

In September, the dividend-payers' (403) in the S&P 500 (equal weight) posted a total return of 2.36%, vs. 2.30% for the non-payers (97), according to Standard & Poor's. Year-to-date, the payers were up 13.17%, vs. a gain of 15.76% for the non-payers. For the 12-month period ended August, payers were up 28.64%, vs. a gain of 26.22% for the non-payers. The number of dividend increases y-t-d totaled 254, up from 242 a year ago. Seven dividends were cut, up from four a year ago. Twelve companies initiated a dividend, down from 17 a year ago.

**Wednesday, October 3, 2012**

Demand for rental apartments has been strong since their recovery started in 2010. Reis Incorporated reported that apartment vacancies declined by 10 basis points from 4.7% to 4.6% in Q3'12, according to CNBC. That decline was the lowest since the rebound began and well below the average quarterly drop of 35 basis points from 2010-2011. The drop in the vacancy rate has driven rental rates significantly higher, and that has inspired builders to add more units. Multi-family housing starts were up 37% (y-o-y) in August, according to the U.S. Department of Commerce. Reis estimates that between 160,000 and 200,000 new units will open in 2013 in the 79 markets it tracks, with the potential for another 320,000 units in 2014. Only 41,000 units were built in 2011. From 2001-2008, the annual average was around 120,000 units.

**Thursday, October 4, 2012**

The S&P Dow Jones Indices, which tracks approximately 10,000 U.S. traded stocks, announced that total stock dividend distributions increased by a net $8.8 billion in Q3’12, according to its own release. In Q3, 439 companies increased their dividend payouts, up 25.4% over the 350 increases in Q3’11. The number of companies decreasing their dividend payouts rose from 23 in Q3’11 to 53. The dividend payout rate, which has historically averaged 52%, remained low, at 34%. Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices, reported that individual investors will have saved $358 billion on qualified dividend tax cuts from 2003 through the 2012 expiration date.

**Friday, October 5, 2012**

Individual investors’ appetite for ETFs is growing, according to CNNMoney.com. It cites a recent survey from Charles Schwab in which 40% of those polled said they plan to funnel more of their capital into ETFs over the next year. Over 50% would like to have ETFs as an investment option in their employer-sponsored retirement accounts, such as 401(k) plans. The survey, however, also revealed that individual investors admit they do not fully understand how ETFs work, including the tax benefits.