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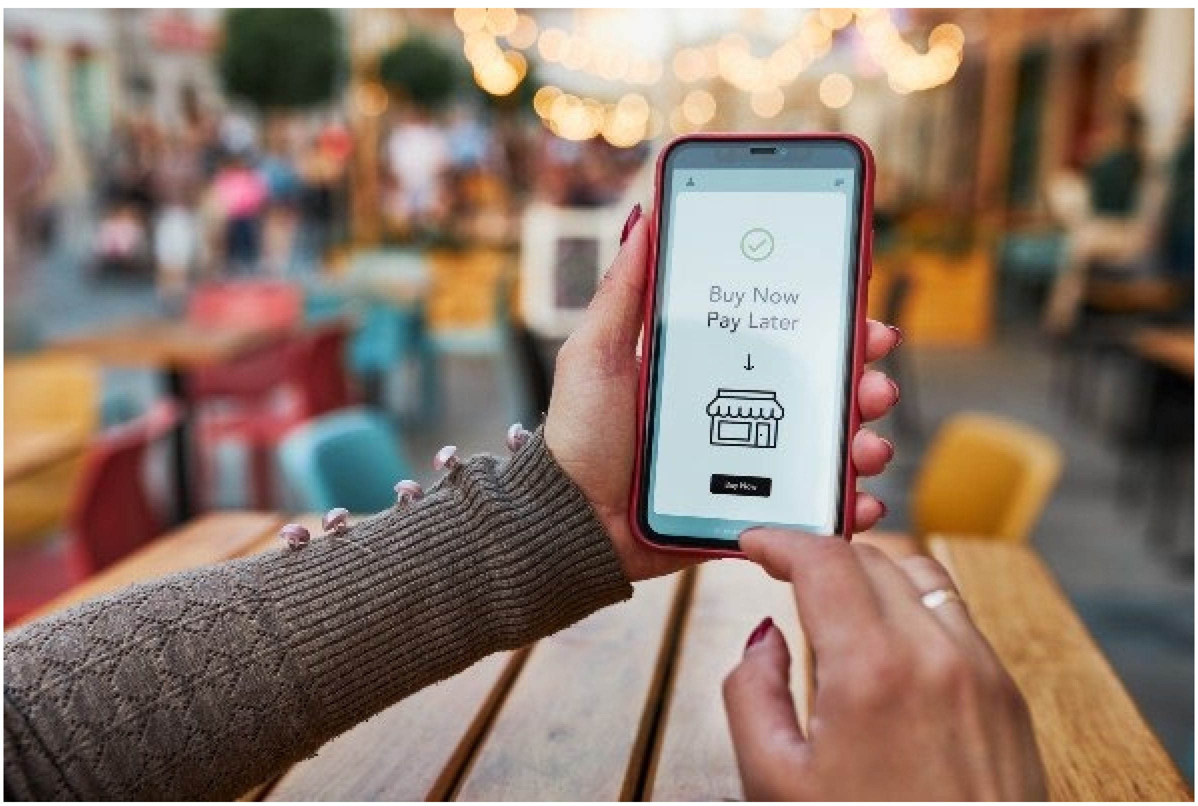

**Buy now, pay later loans will now impact Americans' credit scores**

***Source: Fox Business***

**FICO announced that it is going to incorporate buy now, pay later data (BNPL) into credit scores as the payment method surges in popularity. FICO said the scores represent a "significant advancement in credit scoring, accounting for the growing importance" of such loans in the U.S. credit ecosystem.**

**Lending services such as Afterpay, Klarna, Affirm and PayPal have risen to prominence as cash-strapped consumers looked to stretch their wallets as they contend with persisting inflation, high interest rates and student loan payments, which resumed in October 2023 after a pause due to the COVID-19 pandemic. The services allow consumers to make purchases and pay for them in installments, often with no interest or fees. However, interest is tacked on to certain plans, and consumers can get hit with a late fee if they don't have adequate funds in their account to cover the payments. Traditionally, they have been utilized for big-ticket items. However, these buy now, pay later financing options have become so popular in the current economic environment that a growing number of consumers are even leveraging them to pay for necessities like food.**

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**U.S. home sellers sitting on record $698 billion worth of listings**

***Source: NBC***

**There is $698 billion worth of homes for sale in the United States, which is a record since Redfin began tracking data in 2012. A Redfin report shows that the total worth of homes for sale is up 20.3 percent from last year. The data is based on the list price of all active U.S. listings as of the last day of each month.**

**The value is at an all-time high due to three significant factors: growing inventory, slowing demand, and increasing home-sale prices. In terms of inventory the total number of homes on the market nationwide rose 16.7 percent year over year by April 2025. In terms of demand, the typical home sold in April 2025 took over 40 days to go under contract, five days longer than last April. Redfin's report indicated that would-be buyers are backing off due to record-high monthly housing costs and widespread economic instability. In addition, home-sale prices rose 1.4 percent year-over-year by April 2025. The report indicated that there are nearly 500,000 more home sellers than buyers in the current market nationwide.**

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**Homeowners face a stiff penalty for staying in their homes too long**

*Source: Realtor.com*

Millions of American homeowners are sitting on a hidden tax burden they never planned for — one that threatens their hard-earned home equity and, at the same time, is tightening the nation's already strained housing supply. Today, roughly 1 in 3 homeowners — nearly 29 million households — have built more home equity than the federal capital gains tax exclusion for single filers protects when they sell their primary home, according to a recent analysis by the National Association of REALTORS®. By 2030, that number is expected to grow to 56 percent of homeowners.

Most people don't think of their home as a taxable investment. It's their nest egg, future college fund, or inheritance for their kids. But an outdated federal rule, left unchanged since 1997, means the longer you stay and the more your home appreciates, the more likely the IRS will claim a cut when you finally sell. In 1997, the tax change allowed homeowners to exclude up to $250,000 in profit is single, or $500,000 if married and filing jointly, every time they sold a primary home. But in the decades since, home prices have climbed more than 260 percent, while the tax exemption has stayed exactly the same because it was not indexed for inflation. If it had kept pace, the cap would now be about $660,000 for individuals and $1.32 million for couples. About 31 percent of households in California could be affected by this capital gains tax.

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**Consumer confidence unexpectedly declines in June**

***Source: Yahoo! Finance***
**Consumer confidence retreated in June after increasing the previous month amid President Trump's various tariff delays. The latest index reading from the Conference Board was 93 in June, below the 98.4 seen in May and the 99.8 economists had expected.**

**"Tariffs remained on top of consumers' minds and were frequently associated with concerns about their negative impacts on the economy and prices," Stephanie Guichard, senior economist of global indicators at the Conference Board, said in a press release. "Inflation and high prices were another important concern cited by consumers in June."**

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**Pets drive home buying**

***Source: NAR***
**Did you know that there are more households with pets than children? And these beloved pets are a driver of economic activity, namely home buying. About one-fifth of recent home buyers considered their pet when choosing a neighborhood, a share that increases among unmarried couples and single woman buyers.**

**According to the U.S. Census, in 1985, 58 percent of home buyers had children under the age of 18 in their homes. In 2024, just 27 percent of home buyers had a child under the age of 18 in their home. This is an all-time record low. While the number of children in U.S. households has declined in the last 40 years, there has been a rise in pet ownership. According to the American Pet Products Association, 71 percent of**

American households own a pet. This is up from 56 percent in 1988. Given the increasing share of pets in households and the growing time and resources devoted to them, it's no surprise that many home buyers consider their pets the most important factor when making homebuying decisions. Factors such as proximity to a veterinarian and outdoor space for pets are important considerations for buyers with pets. Among all unmarried couples, 24 percent of home buyers considered their pet when deciding on a neighborhood, while 17 percent of single women considered their pets when deciding on a neighborhood compared to 12 percent of single men.

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Mortgage rates and demand stuck in a holding pattern

*Source: CNBC*
Economic uncertainty at home or military conflicts overseas would each, alone, normally have a significant effect on the bond market. But now, even together, they have done little to move mortgage rates. ago.

Last week, the average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (of $806,500 or less) increased to 6.88 percent from 6.84 percent, with points decreasing to 0.63 from 0.66, including the origination fee, for loans with a 20 percent down payment. That's according to the Mortgage Bankers Association's seasonally adjusted index. Applications for a mortgage to buy a home dropped 0.4 percent last week compared with the previous week, including an adjustment for the Juneteenth holiday. Purchase demand was 11 percent higher than the same week one year ago, but overall, it is historically low. Applications to refinance a home loan rose 3 percent for the week and were 29 percent higher than the same week one year ago. Volumes are so low that even small changes make for big percentage moves.

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