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Mortgage Rates Highest in Nearly a Month

Mortgage rates moved quickly higher today, bringing them to levels not seen since early February. It continues to be the case that context is important when discussing rate movement during that time. In fact, early February was approximately when rates leveled-off after a strong move lower to begin 2016. Everything has transpired in a range between the rates seen on February 5th and February 11th.

This range has been narrow enough that all but a few days during the past month have seen contract interest rates at the same level. That means that the mortgage rate used to determine payments (aka the "note rate" or "contract rate") has been the same while the upfront costs or credits have varied. Those upfront costs affect the **"effective rate."** In other words, in a case where the note rate is 3.625%, the effective rate might be 3.68. If we talk about rates "going up," it could merely mean that the upfront costs moved high enough to nudge the effective rate up to 3.69 while the note rate remains 3.625%.

I go into this extra detail today because for the first time in more than a month, the actual note rates will be moving higher in many cases. **3.625%** had easily been the most prevalent conventional 30yr fixed quote on top tier scenarios. Today's losses mean more borrowers will be seeing 3.75%.

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National Average Mortgage Rates



| | Rate | Change | Points |
|----------------------------|-------|--------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.09% | +0.07 | 0.00 |
| 15 Yr. Fixed | 6.56% | +0.03 | 0.00 |
| 30 Yr. FHA | 6.62% | +0.07 | 0.00 |
| 30 Yr. Jumbo | 7.35% | +0.04 | 0.00 |
| 5/1 ARM | 7.30% | +0.06 | 0.00 |

Freddie Mac

| | | | |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 7.02% | -0.42 | 0.00 |
| 15 Yr. Fixed | 6.28% | -0.48 | 0.00 |

Mortgage Bankers Assoc.

| | | | |
|--------------|-------|-------|------|
| 30 Yr. Fixed | 7.08% | -0.10 | 0.63 |
| 15 Yr. Fixed | 6.61% | +0.01 | 0.65 |
| 30 Yr. FHA | 6.89% | -0.03 | 0.94 |
| 30 Yr. Jumbo | 7.22% | -0.09 | 0.58 |
| 5/1 ARM | 6.56% | -0.04 | 0.66 |

Rates as of: 5/17

MBS and Treasury Market Data

| | Price / Yield | Change |
|----------------|---------------|---------|
| MBS UMBS 6.0 | 100.40 | -0.15 |
| MBS GNMA 6.0 | 100.78 | +0.04 |
| 10 YR Treasury | 4.4223 | +0.0454 |
| 30 YR Treasury | 4.5610 | +0.0549 |

Pricing as of: 5/17 5:59PM EST