



Dan Clifton

Principal Broker and Mortgage Guru, Clifton Mortgage Services, LLC

NMLS # 284174

670 N Orlando Ave Suite 101 Maitland, FL 32751

Office: 888-681-0777 x1001

Mobile: 407-252-3039

Fax: 866-512-0169

dan@cliftonmortgageservices.com

[View My Website](#)

Mortgage Rates Helped by Fed Announcement

Mortgage rates caught a break today! After having moved sideways or higher for the past 7 days, and spending the last 3 at the highest levels in more than a month, rates finally moved lower, albeit modestly. The friendly push came from the Federal Reserve after it released its monetary policy announcement this afternoon.

Market participants were nervous that the Fed would do something to hint at a rate hike in June, much like it hinted at the December hike in the October Announcement. While the Fed doesn't directly control mortgage rates, the sooner they hike, the sooner it makes "money" more expensive for everyone. That thesis was reflected in the fact that stocks and oil prices also improved after today's announcement. In other words, everyone was happy that money has a chance to stay a bit cheaper a bit longer. If the Fed had, indeed, hinted at a June hike today, all of the "happy" asset classes likely would have been "sad" today (meaning higher rates and lower stocks/oil).

The best part about today's improvements for mortgage lenders is that the average lender hasn't even scarcely begun to pass along the gains implied by the market improvements. In fact several lenders didn't even update rate sheets from this morning. That means we're starting tomorrow with a handicap in our favor. If markets merely hold steady, rate sheets will improve. Of course there's never a "sure thing" when it comes to floating, but this is certainly a case where the risks are lower than normal. If rates happened to be moving higher tomorrow morning, it shouldn't be by much.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.12%	-0.04	0.00
15 Yr. Fixed	6.62%	-0.02	0.00
30 Yr. FHA	6.59%	-0.03	0.00
30 Yr. Jumbo	7.37%	-0.03	0.00
5/1 ARM	7.30%	-0.03	0.00

Freddie Mac

30 Yr. Fixed	7.09%	-0.35	0.00
15 Yr. Fixed	6.38%	-0.38	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/13

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.20	+0.12
MBS GNMA 6.0	101.08	+0.06
10 YR Treasury	4.4772	-0.0206
30 YR Treasury	4.6197	-0.0208

Pricing as of: 5/13 12:29PM EST