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Mortgage Rates Lender-Dependent After Fed Announcement

Mortgage rates were unchanged today, despite the potential for volatility surround the Fed's rate announcement. No one expected the Fed to hike rates at this meeting, but there was a risk they could shake things up via the release of their updated forecasts or during Fed Chair Yellen's press conference. As it turned out, all of the above was "rate-friendly," at least as far as bond markets are concerned.

Mortgage rates are primarily driven by trading levels in MBS (mortgage-backed-securities), which tend to follow slightly less dramatic versions of the same path seen in US Treasuries--especially the 10yr. To be sure, today's Fed events were of **great benefit** to Treasuries, and moderate benefit to MBS, but there are some **caveats** by the time we consider actual rates on lender rate sheets. Reason being, those rates are **WORSE**, in many cases.

The biggest caveat is yesterday's market movement. Bonds were consistently weaker after hitting the best levels in several years in the morning. But many mortgage lenders held-off raising rates yesterday. This meant today started at a disadvantage in cases where lenders didn't raise rates yesterday. Today's best moments just **barely** made it to yesterday morning's territory, and that was only after the Fed news hit.

Bottom line: we started out **weaker** (read: slightly higher rates) versus yesterday and a handful of lenders revised rates lower this afternoon, bringing them back in line with yesterday morning. If markets don't move overnight, most lenders would be back in line with yesterday morning's levels.

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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