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## Rates Move Higher for First Time in Nearly 2 Weeks

**Mortgage rates** moved higher today for the first time in nearly 2 weeks. After rising slightly on Monday June 6th, rates have been on a mission--moving slowly and steadily to the lowest levels in well over 3 years. Even after today's modest increase, rates are still at 3-year lows in terms of contract interest rates. Today's effective rate (which factors in upfront costs/credits) is just a bit higher. The most prevalently-quoted conventional 30yr fixed rate is 3.5% on top tier scenarios with only a few lenders on either side of that at 3.375% or 3.625%. Keep in mind, of course, that the average loan isn't "top tier," which makes 3.625% a more prevalent rate overall.

The question is **whether or not rates will continue** to operate near these ultra-low levels. The last time we were in this territory, there was a sharp bounce back, although the conditions leading up to those lows were different than current market conditions. We've also spent more time holding ground in the low range this time around. Thus, there is some hope that we're establishing a new normal.

The safest way to look at all this is to know that there will be periodic corrections toward higher rates even if the super long-term trends remain favorable (and they have for more than 3 decades). When we have Fed speakers taking the podium and saying that the factors holding rates down "are not going to be rapidly disappearing, but will be part of the new normal," it only makes sense that we embrace that new normal in the bigger picture.

At the same time, knowing that rates **MUST** periodically move higher by varying times and distances, it also only makes sense to look for opportunities to lock when they arise. Today is the **first day in several weeks** that has raised its hand to be considered as one of those opportunities.

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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