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## Mortgage Rate Situation Growing More Tense

**Mortgage rates** were slightly higher again today, and this time, it's personal! OK, so it's not really "personal," but it is now more of a concern for those following rate trends and hoping they'll stay near all-time lows. We actually get more help from US Treasuries in arriving at this conclusion than we do from mortgage rates themselves. That's not because Treasuries are directly linked to mortgage rates, but rather because Treasuries are a better indicator of trends in the overall market for debt and interest rates.

At the moment, the yield on the US 10yr Treasury Note is hovering just over 1.53. This is a critical level that acted as a floor in both February and June. Then it acted as a ceiling on several occasions since then. This sort of "floor/ceiling" behavior suggests there would be some additional upward momentum for rates if they are able to break through. There's no way to know how much of an impact that would have on mortgage rates if it happens--only that they too would likely be heading higher.

### Today's Best-Execution Rates

- 30YR FIXED - **3.375%**
- FHA/VA - 3.25%
- 15 YEAR FIXED - 2.75%
- 5 YEAR ARMS - 2.75 - 3.25% depending on the lender

### Ongoing Lock/Float Considerations

- Markets had been primarily concerned with the timing of the Fed's second rate hike (after they first hiked in December 2015)
- The possibility that the U.K. would vote to exit the European Union (Brexit) has since taken over as the biggest flashpoint for markets.
- The Fed freely admits it didn't hike in June because of this and because it wants to be sure that jobs numbers aren't taking a bigger turn for the worse. Mortgage rates moved farther into 3-year lows as a result.
- Brexit happened and rates rejoiced. Lock if you like what you see. The longer term trend remains positive regardless, but periodic corrections toward higher rates continue to be a risk.

## National Average Mortgage Rates



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

### Freddie Mac

30 Yr. Fixed	7.02%	<b>-0.42</b>	0.00
15 Yr. Fixed	6.28%	<b>-0.48</b>	0.00

### Mortgage Bankers Assoc.

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

Rates as of: 5/17

## MBS and Treasury Market Data

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

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

- *As always, please keep in mind that the rates discussed generally refer to what we've termed '**best-execution**' (that is, the most frequently quoted, conforming, conventional 30yr fixed rate for top tier borrowers, based not only on the outright price, but also 'bang-for-the-buck.' Generally speaking, our best-execution rate tends to connote no origination or discount points--though this can vary--and tends to predict Freddie Mac's weekly survey with high accuracy. It's safe to assume that our best-ex rate is the more timely and accurate of the two due to Freddie's once-a-week polling method).*

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