



## Rich E. Blanchard

Managing Director, RICH Home Loans LLC

NMLS: 492461

1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900

Mobile: 303.328.7047

Fax: 214.975.2874

[richblanchard@richhomeloans.com](mailto:richblanchard@richhomeloans.com)

[View My Website](#)

## ALERT: Under Some Pressure Early; Reprice Risk Debuts

A few lenders could already be considering negative reprices, but they would have needed to be out with the morning's first rate sheets very early and those rate sheets would have needed to be fairly aggressive relative to yesterday.

Either way, we're coping with potentially important weakness. Reason being: it took a noticeable turn at the 8:20am CME open. This lets us know that traders are selling simply because they were planning on selling when they got in today (many big accounts begin their trading day at 8:20am). Bond yields went a bit higher again at the 9:30am NYSE Open--another milestone for trading positions and liquidity in the morning.

All of the above could suggest that the "short positions" mentioned in the [Day ahead](#) are finally washed out (i.e. they've been forced to buy bonds) and now the traders who've bought bonds in recent weeks are finally booking their profits (i.e. they're selling bonds heading into the weekend). Notably, Treasuries weren't interested in following European headlines overnight (ECB officials anonymously said they had indeed done more to map out a retreat from their bond buying program than Draghi shared yesterday).



## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.31
MBS GNMA 6.0	101.03	+0.29
10 YR Treasury	4.5138	-0.0657
30 YR Treasury	4.6711	-0.0579

Pricing as of: 5/3 5:04PM EST

## Average Mortgage Rates

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

30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

### Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	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: 5/3

10yr yields are currently up 2.6bps at 2.068 (2.06 is an important technical level, so trading above it isn't good). Fannie 3.5s are down 5/32nds from the morning's highs and Fannie 3.0s are down 6/32nds--just enough for negative repricing risk.



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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

**Rich E. Blanchard**

