



## Rich E. Blanchard

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## Mortgage Rates Quickly Down to 2 Week Lows

As of yesterday, it looked like [mortgage rates](#) would be more interested in staying in a narrow, sideways range for the holiday-shortened Spring Break/Good Friday trading week. Today, financial markets gave us a reminder about how much reality can differ from apparently probable outcomes. Fortunately, the surprises work **in the favor of the mortgage market** today as rates are **sharply lower** (at least in the context of the recent range, which has been extremely narrow).

Bonds (which underlie rates) drew motivation from a **combination of factors** today. These included compulsory trades that had to be made by the end of the month, automatic trades made in response to certain lines in the sand, and safe-haven trades resulting from the massive losses in the stock market. The net effect for the average mortgage borrower is a noticeable improvement in upfront costs at the very least (for instance, a quoted rate may be the same as yesterday, but the associated closing costs would be lower).

In other cases, the rate itself could be an **eighth of a percentage point** lower, although in those cases, the drop in rate would likely be offset, in part, by a slight increase in upfront costs. If we derive an "effective rate" from the combination of the two, today's drop is equivalent to 0.04% for the average lender.

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## 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

## Expert Advice | Exceptional Service | Flawless Execution

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**

