



## Rich E. Blanchard

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## Super Low Rates Had a Big Impact, But Now They're Moving Back Up

**Mortgage rates** resumed a week-long move higher today, bringing them to the highest levels since March 19th or 20th, depending on the lender. Between now and then, they'd fallen abruptly to the best levels in more than 15 months. The improvements were meaningful enough to draw out refinance applicants in droves according to weekly mortgage app data released by the Mortgage Bankers Association (MBA) this morning. On an even more impressive note, the MBA's count of purchase applications was at its highest level in nearly a decade!

While we can't give low rates all the credit for fueling the purchase side of the mortgage market, they're clearly **helping**. Actually, I should clarify: they clearly **HELPED**... (past tense). Granted, today's rates are still much lower than those seen in February and the early March, but they're no longer so impressively low so as to create a major sense of urgency among prospective borrowers.

**What's the damage?** Over the past few days, depending on the lender and scenario, a 30-yr fixed rate quote could be as much as a quarter of a percentage point (0.25%) higher. This would increase the payment on a \$300,000 loan by \$43/month.

**Will the bad times continue?** Any person or website suggesting better than a 50/50 chance at predicting the near-term future of rates is a dangerous thing. While I can tell you that mortgage rates will almost certainly be significantly lower than they are today at some point in the next 3 years, I wouldn't dare try to convince you of their probably movement over the next 3 days. In any event, it will likely have a lot to do with the economic data that comes out through the end of the week as well as important news headlines concerning major market uncertainties (Brexit, US/China trade relations, etc.).

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## National Average Mortgage Rates



|                                | Rate  | Change | Points |
|--------------------------------|-------|--------|--------|
| <b>Mortgage News Daily</b>     |       |        |        |
| 30 Yr. Fixed                   | 4.23% | +0.07  | 0.40   |
| 15 Yr. Fixed                   | 3.94% | +0.03  | 0.40   |
| 30 Yr. Jumbo                   | 4.15% | +0.07  | 0.00   |
| <b>Freddie Mac</b>             |       |        |        |
| 30 Yr. Fixed                   | 4.07% | -0.87  | 0.50   |
| 15 Yr. Fixed                   | 3.53% | -0.83  | 0.40   |
| 5/1 ARM                        | 3.66% | -0.48  | 0.40   |
| <b>Mortgage Bankers Assoc.</b> |       |        |        |
| 30 Yr. Fixed                   | 4.67% | +0.02  | 0.44   |
| 15 Yr. Fixed                   | 4.08% | +0.08  | 0.46   |
| 30 Yr. Jumbo                   | 4.41% | +0.01  | 0.25   |

Rates as of: 5/21

## MBS and Treasury Market Data

|                | Price / Yield | Change |
|----------------|---------------|--------|
| MBS FNMA 3.5   | 101.06        | -0.03  |
| MBS GNMA 3.5   | 101.92        | -0.02  |
| 10 YR Treasury | 2.4280        | 0.0000 |
| 30 YR Treasury | 2.8450        | 0.0000 |

Pricing as of: 5/22 6:14AM EST