



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

[View My Website](#)

Mortgage Rates Continue to Plummet

Mortgage rates dropped quickly again today, easily hitting the lowest levels since late 2017 for the average lender. The move comes in response to a surge in volatility and perhaps even a wave of panic in financial markets. Stocks have fallen somewhat swiftly as trade tensions increasingly look like an ongoing narrative as opposed to a temporary issue. The bigger story, however, is in the bond market (which is directly responsible for most interest rates, including mortgages).

Relative to stocks, bonds have been undergoing a **much bigger move** as the market attempt to reprice its expectations for Fed rate cuts. Yes, that's CUTS with a "C" now. Up until the past few days and weeks, you were just as likely to hear about potential "hikes." But all that seems to have gone out the window, and quickly! In less than a week, speculators are betting on the Fed cutting rates by an additional 0.75%. That's on top of the 0.25% cut that was already priced-in at the time.

The Fed doesn't set mortgage rates, nor are mortgage rates (other than HELOCs) based on the Fed Funds Rate. That said, the Fed's rate definitely tends to move in the same direction as longer-term rates (like mortgages) over time. The biggest reason for this is that the underlying economic realities that push longer-term rates lower also tend to argue a case for Fed rate cuts. Even so, there's some additional benefit for longer-term rates when Fed rate hike/cut probabilities are rapidly shifting. In other words, the past few business days represent the best pace of gains that mortgage rates typically see outside of a specific, catastrophically huge development.

Subscribe to my newsletter online at:

<http://housingnewsletters.com/richhomeloans>

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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

MBS and 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

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

