



## Rich E. Blanchard

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## Mortgage Rates Highest in More Than a Month

**Mortgage rates** and the broader bond market are both in the midst of a **correction** after hitting the best levels in more than 3 years last week. This is a correction that many market watchers were worried about on several occasions in August. But every time it looked like rates had bottomed, it only took a few days of indecision before they were again pressing into new long-term lows.

This most recent break from long-term lows has been **far more threatening** with 2 of the past 4 business days bringing the biggest single-day jumps in several months. As a result, the average lender is now back to offering rates last seen in early August.

Notably, a conventional 30yr fixed rate of 3.75% is right in the neighborhood of what many borrowers would be quoted today. That said, for many lenders 3.75% **makes no sense**. The reason has to do with structure of the secondary mortgage market. Long story short, it only costs the average lender a tiny bit more to offer 3.625%.

**So what should you do?** Simply put, if you're being quoted 3.75% on a conventional 30yr fixed, ask your lender what it would cost to buy the rate down to 3.625% and compare the monthly savings against the additional upfront expense. It might be less than you anticipate.

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	7.19%	-0.06	0.00
15 Yr. Fixed	6.64%	-0.04	0.00
30 Yr. FHA	6.62%	-0.02	0.00
30 Yr. Jumbo	7.41%	-0.04	0.00
5/1 ARM	7.30%	-0.02	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: 5/7

## MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.28	+0.23
MBS GNMA 6.0	101.01	+0.10
10 YR Treasury	4.4356	-0.0503
30 YR Treasury	4.5838	-0.0526

Pricing as of: 5/7 12:33PM 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**

