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## Lowest Mortgage Rates in Weeks After Fed Hikes Rates. Here's How That Works...

The implication of "Fed rate hikes" is a constant source of confusion in the housing market. The general belief is that the Fed controls rates and if they're hiking, then rates are going higher. That's not exactly how it works.

Let's leave aside the question of the Fed's control for another day. It's a fairly circular and philosophical debate (chicken/egg kinda thing) with no real relevance to today's mortgage rate movement). Instead, let's focus on why today's Fed rate hike coexists with [mortgage rates](#) moving lower.

The Fed hike the Fed Funds Rate. That applies to loans between large institutions for period of less than a day. By influencing the cost of the shortest-term capital at the highest levels, the Fed is attempting to cool demand for goods and services, thereby reducing inflation.

Mortgage rates apply to loans that last more than 5 years on average (before the home is sold or the loan is refinanced). That means they serve a very different purpose for investors and can move quite differently versus shorter-term debt. But this isn't even the biggest reason for the disconnect.

The most obvious reason that a Fed rate hike can coexist with lower mortgage rates is that the bond market already knew the Fed was going to hike and had long since priced that in to the present level of rates. It would be different if the Fed could hike rates any time, any day, but there are only 8 meetings per year that result in rate changes. That means the market has a lot of time to adjust its expectations in between those meetings.

Because the market had already accounted for the hike, all that was left was to react to the changes in the Fed's verbiage and the comments from Fed Chair Powell in the post-announcement press conference. That verbiage generally conveyed the possibility that this was the last Fed rate hike for a long time. Even if that possibility is heavily dependent on economic data, the bond market liked the fact that the Fed wasn't set on continuing to hike.

The average mortgage lender is down to the lowest levels in roughly 3 weeks. Additional gains will depend on the economic data in the coming days-- particularly Friday's jobs report and next week's Consumer Price Index (CPI).

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.86%	-0.05	0.00
15 Yr. Fixed	6.31%	-0.02	0.00
30 Yr. FHA	6.32%	-0.06	0.00
30 Yr. Jumbo	7.04%	-0.03	0.00
5/1 ARM	6.53%	-0.02	0.00

### Freddie Mac

30 Yr. Fixed	6.78%	-0.08	0.00
15 Yr. Fixed	6.07%	-0.09	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	7.00%	-0.03	0.60
15 Yr. Fixed	6.63%	+0.07	0.61
30 Yr. FHA	6.87%	-0.03	0.92
30 Yr. Jumbo	7.13%	+0.02	0.38
5/1 ARM	6.22%	-0.16	0.60

Rates as of: 7/26

## MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.68	+0.27
MBS GNMA 5.5	99.98	+0.13
10 YR Treasury	4.1958	-0.0474
30 YR Treasury	4.4523	-0.0305

Pricing as of: 7/26 5:59PM EST

## About Me

I am proud to say that I am one of the top producing mortgage brokers in the country, ranking in the top 20 nationally by Scotsman Guide for each of the past 5-years, the top producing mortgage broker for Utah volume 2019-2023, and the top producing VA mortgage broker in 2024. I have personally closed over 12,000 mortgage loans for \$4 billion in my 22-year career. In 2023, I was ranked #6 nationally by Scotsman Guide Top Mortgage Brokers, closing 400 loans for \$185 million, while guiding my clients through the entire loan process.

Since I began in this industry over 20-year ago, my focus has always been on improving systems and increasing efficiencies to drive down the cost of a mortgage loan for the consumer. I am obsessed with originating mortgage loans and helping consumers achieve their home financing goals in expeditious fashion. I adopt a "do whatever it takes" and "do it now" mentality until the job is done and my clients are completely satisfied.

My customer experience pillars are 1) An Extremely Low Price, 2) Fast Closing Time (~18 day average), 3) Instant Response and 4) Extreme Efficiency. My success in the mortgage field is attributable to my high level of integrity, reliability, efficiency, and obsession with client service. I look forward to helping you with any mortgage questions, and helping you obtain some of the very lowest mortgage rates available in the market.

**Brian Cooke**

