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A Message from BRETON MACDONALD:

"Highest Rates in a month! Today's Most Prevalent Rates... 30YR FIXED - 4.625-4.75 FHA/VA - 4.25-4.5% 15 YEAR FIXED - 4.125%"

Mortgage Rates Highest in Over a Month

Mortgage rates were slightly higher today, **depending on the lender**. Many lenders ended up raising rates last Friday afternoon as underlying bond markets weakened. The remaining lenders had more distance to cover in terms of getting caught up with market movements. The average lender is just slightly worse off. Unfortunately, that puts rates at the highest levels in more than a month.

Whereas there was clear cause and effect behind Friday's rate spike, today has been relatively drama-free and movement free. This can be viewed positively or negatively. On the one hand, it's nice to see rates seemingly holding their ground here after Friday's spike. On the other hand, the fact that rates **AREN'T** doing more to recover suggests they're not too terribly opposed to feeling out these new, higher levels.

As the week progresses, big-ticket events will once again have an opportunity to cast a vote on the next move for rates. Last Friday, it was the wage growth component in the jobs report. **This Thursday**, it will be the Consumer Price Index--an inflation metric that some economists believe will be influenced by rising wages. In general, higher inflation means higher rates.

Today's Most Prevalent Rates

- 30YR FIXED - 4.625-4.75
- FHA/VA - 4.25-4.5%
- 15 YEAR FIXED - 4.125%
- 5 YEAR ARMS - 3.75-4.25% depending on the lender

Ongoing Lock/Float Considerations

- Rates moved higher in a serious way due to several big-picture headwinds, including: the Fed's rate hike outlook (and general policy tightening), the increased amount of Treasury issuance to pay for the tax bill (higher bond issuance = higher rates), and the possibility that fiscal stimulus results in higher growth/inflation.

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.87%	-0.02	0.00
15 Yr. Fixed	6.32%	-0.01	0.00
30 Yr. FHA	6.33%	0.00	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.59%	+0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.77%	-0.09	0.00
15 Yr. Fixed	6.05%	-0.11	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: 7/23

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.46	+0.07
MBS GNMA 5.5	99.80	+0.02
10 YR Treasury	4.2291	-0.0234
30 YR Treasury	4.4547	-0.0178

Pricing as of: 7/23 1:00PM EST

- Despite those headwinds, the upward momentum in rates has cooled off heading into the summer months. This could merely be the eye of the storm, or it could end up being the moment where markets began to doubt that prevailing trends would continue.
- It makes sense to remain defensive (i.e. generally more lock-biased) because the headwinds mentioned above won't die down quickly. Temporary corrections can be explained away, but it will take a big change in economic fundamentals or geopolitical risk for the big picture to change. While that doesn't necessarily mean rates have to skyrocket, there's a good chance it means rates will struggle to move much lower than early 2018 lows until more convincing motivation shows up.
- *Rates discussed refer to the most frequently-quoted, conforming, conventional 30yr fixed rate for top tier borrowers among average to well-priced lenders. The rates generally assume little-to-no origination or discount except as noted when applicable. Rates appearing on [this page](#) are "effective rates" that take day-to-day changes in upfront costs into consideration.*

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Breton is a Branch Manager & Sr Loan Officer at the top of his field for over 15 years. Transparency & treating people like family is how he has built a solid network of referral & repeat business over the years. Candor and expertise is how he communicates & consistently closes on time getting the best loan possible. With Geneva Financials' wide array of products & its seamless, straightforward process he will be able to find you the best mortgage structured the right way. With a positive attitude, Breton is consummate pro who is honest, upfront & shoots it to you straight. 949-887-7289

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