



BRETON MACDONALD

Mortgage Banker/Broker/Branch Manager, Geneva Financial LLC

174698

3155 S. Price Road, Suite 105 Chandler, Arizona 85248

Office: 949-887-7289

Mobile: 949-887-7289

bmacdonald@genevafi.com

[View My Website](#)

ALERT: Why Don't Reprices Make Any Sense Today?

Lots of illogical reprices out there, and that will continue to be the case as lenders get caught up on huge pipelines of loans waiting to be locked from last week.

Spreads between MBS and Treasuries blew out so much last week. Spreads may have come in all on their own, albeit at a gradual pace, but with the Fed's MBS buying, it's pretty much a guarantee. Lenders are banking on that and many offered aggressive improvements with initial rate sheets.

The result was "too many locks!" according to everyone at any bank that offered huge improvements this morning.

The only way to curtail inbound lock demand apart from closing shop is to jack up rates. Lenders didn't really care what MBS were doing during that decision making process. There was more than enough improvement to work with, even at the lows. This is really almost all about supply and demand.

At the same time, other lender who were more conservative out of the gate have finally gotten around to repricing for the better. So at any given time, reprice risk is going both ways and has almost nothing to do with MBS movement until further notice.



MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.5	99.39	-0.01
MBS GNMA 5.5	99.78	+0.00
10 YR Treasury	4.2286	-0.0239
30 YR Treasury	4.4482	-0.0243

Pricing as of: 7/23 7:02AM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.89%	0.00	0.00
15 Yr. Fixed	6.33%	+0.01	0.00
30 Yr. FHA	6.33%	+0.01	0.00
30 Yr. Jumbo	7.05%	0.00	0.00
5/1 ARM	6.58%	0.00	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: 7/22

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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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