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Mortgage Rates Higher for 6th Straight Day

Mortgage rates continued pressing into the **highest levels since July--** themselves the highest levels of the year. In just over a week, the most frequently quoted conventional 30yr fixed rate has moved from 3.75 to a range of 4.0-4.125%. Most lenders are quoting the same contract rates as Friday, with the weakness instead seen in the form of higher upfront costs.

What's with all the drama? In a word: the Fed. There had been some remaining disagreement about when the Fed was most likely to begin raising rates after nearly 7 years of the record low 0-.25% target. Last Friday's jobs report helped get everyone on the same page. Unfortunately, the consensus is that the hike is all the more likely. While mortgage rates are not directly linked to the Fed Funds Rate, most interest rates **tend to rise** when expectations for a Fed rate hike increase.

When rates rise as much as they have and for as many consecutive days as they have, it becomes increasingly likely that they'll take a break and bounce back somewhat. If you wait to lock, you will feel like a genius if that happens, but you could be looking at significantly higher costs if it doesn't. In this case, the risk of loss is greater than the potential reward for timing the bounce correctly. Lenders **aren't likely** to give back meaningful amounts of the ground we just lost unless the bounce is sustained and substantial.

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National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.0	99.37	+0.02
MBS GNMA 5.0	99.93	+0.02
10 YR Treasury	3.9068	+0.0029
30 YR Treasury	4.1960	+0.0028

Pricing as of: 9/17:34PM EST