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## Mortgage Rates Little-Changed After Fed Minutes

**Mortgage rates** were just slightly higher today, keeping them in a holding pattern just shy of 4-month highs. This after an abrupt move higher from 6-month lows that began in late October after the Fed Announcement alluded to a December rate hike. Although mortgage rates aren't directly tied to the Fed Funds Rate, most rates tend to move higher as the likelihood of a Fed hike increases.

Today brought the 'Minutes' from the Fed's October meeting (the one that catalyzed the big move higher for rates). The Minutes give the Fed an opportunity to convey a more detailed account of the discussion that led to the official policy statement released at the end of the meeting. This is done in the spirit of transparency, depending on your point of view. Some would say it gives the Fed a chance to manage market volatility because the Fed can edit the Minutes. The theory there is that they could choose to rephrase sentences that might add on to any market movement they deemed overly abrupt following the announcement. Long story short, it's **their chance to clarify** what they went on record as saying.

Today's Minutes were **right down the middle**. The Fed's October statement definitely alluded to a December rate hike and the Minutes did fully supported that. The lack of resulting movement in bond markets would suggest that investors have done a good job of interpreting the Fed's signals and have moved rates as high as they'd want them to be in mid-November, all other things being equal. It continues to be the case that rates will have a hard time making any significant move lower until the rate hike is confirmed in mid December. Combined with the potential for market volatility around the Thanksgiving holiday, **risk outweighs reward** when it comes to floating rates.

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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 7:34PM EST