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## Mortgage Rates Highest Since January

**Mortgage rates continued higher** today, making it back to levels last seen in late January. Today's key event was a policy announcement from the European Central Bank (ECB) and the accompanying press conference with its president Mario Draghi. While the ECB's announcement exceeded market expectations (rate cuts and bond-buying), Draghi said that additional rate cuts were unlikely. This is what markets chose to focus on.

**Stocks fell and rates moved higher** as a result. Reason being: when a big central bank is providing accommodation to the global economy, it's essentially pumping money into the financial system. Both stocks and bonds like that money (it helps stocks rise and rates fall). If one of the central bank chiefs says that some form of further accommodation is unlikely, it's tantamount to parents pointing out the limit of their kids' allowance. If the kids are as petulant as global financial markets, they might throw a little fit about that. Today is that simple.

In terms of nuts and bolts for mortgage rates, lenders are now well into quoting 3.75% on conventional 30yr fixed loans, with an increasing number **moving up to 3.875%** today. It's too soon to tell if this little market tantrum will blow over, but that's at moot point. It continues to be the case that a defensive strategy (read: favor locking vs floating) makes more sense until we can rule out being in the midst of a big-picture bounce toward higher 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