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Mortgage Rates Slightly Higher

Mortgage rates moved higher today, but not by very much, considering the amount of movement seen in other corners of financial markets. For instance, 10yr Treasury yields--one of the better indicators of mortgage rate movement over time--were 0.07% higher today. Mortgages weren't even 0.02% higher, and some lenders weren't higher at all. The most noticeable rise in rates was seen in the lowest range of conventional 30yr fixed quotes of 3.25-3.375%. Both rates remain available today on flawless scenarios, but 3.375% is slightly more prevalent than it had been on Friday.

Lock vs Float Perspective

It was reassuring in the bigger picture to see rates steady-to-slightly-improved even after Friday's strong jobs numbers. Holding that ground meant there was less risk of an abrupt move higher in rates coming into the current week. While we've indeed seen a muted move higher today, each move higher at current levels should make us wonder if we're due for a bigger push back toward higher rates. I'd be keeping a close eye on the bigger moves we're seeing in Treasuries. Even though these do not directly affect mortgage rates, if 10yr Treasury yields move noticeably higher than 1.44, it would be firmer evidence in favor of a temporary pull back toward higher rates.

Today's Best-Execution Rates

- 30YR FIXED - 3.25-3.375%
- FHA/VA - 3.25%
- 15 YEAR FIXED - 2.75%
- 5 YEAR ARMS - 2.75 - 3.25% depending on the lender

Ongoing Lock/Float Considerations

- Markets had been primarily concerned with the timing of the Fed's second rate hike (after they first hiked in December 2015)
- The possibility that the U.K. would vote to exit the European Union (Brexit) has since taken over as the biggest flashpoint for markets.
- The Fed freely admits it didn't hike in June because of this and because it wants to be sure that jobs numbers aren't taking a bigger turn for the worse. Mortgage rates moved farther into 3-year lows as a result.
- Brexit happened and rates rejoiced. Lock if you like what you see. The

National Average Mortgage Rates



	Rate	Change	Points
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: 9/1 7:34PM EST

longer term trend remains positive regardless, but periodic corrections toward higher rates continue to be a risk.

- *As always, please keep in mind that the rates discussed generally refer to what we've termed **'best-execution'** (that is, the most frequently quoted, conforming, conventional 30yr fixed rate for top tier borrowers, based not only on the outright price, but also 'bang-for-the-buck.' Generally speaking, our best-execution rate tends to connote no origination or discount points--though this can vary--and tends to predict Freddie Mac's weekly survey with high accuracy. It's safe to assume that our best-ex rate is the more timely and accurate of the two due to Freddie's once-a-week polling method).*

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