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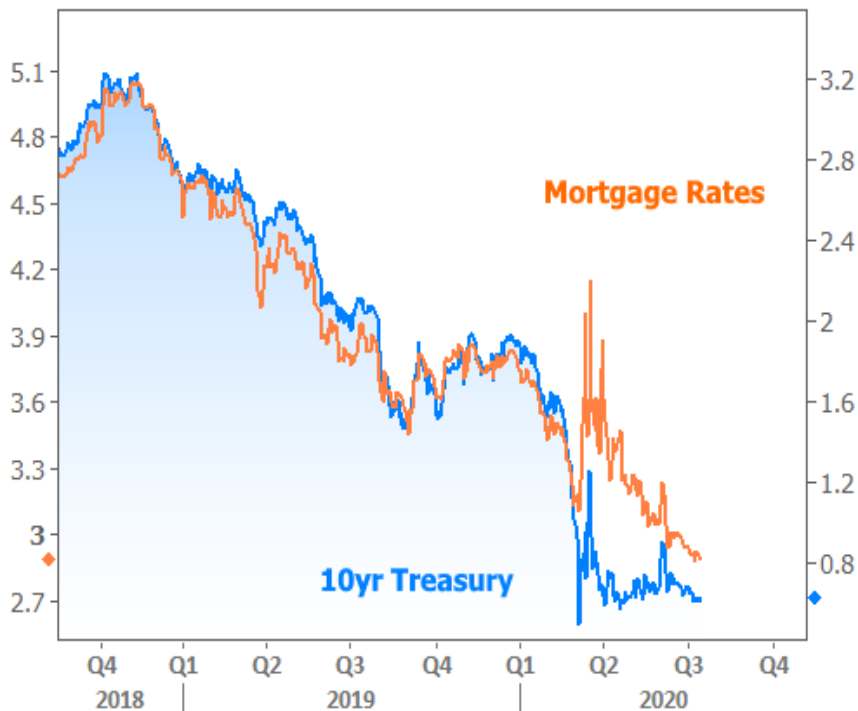
It's Time To Refinance (Again)

Markets continue to focus on coronavirus numbers first and foremost. When the news is **good**, we tend to see stocks and rates move higher. When the news is **bad**, rates tend to fall and stocks struggle to improve.

The movement is usually more pronounced for stocks. When it comes to rates, however--especially mortgage rates--recent volatility is taking place at a microscopic level compared to recent months. This could continue to be the case until we get a **much clearer** sense of how the pandemic will likely evolve in the context of our attempts to reopen the domestic economy.

Until that happens, of all the places to be flying in a relative holding pattern, this is **as good as it gets** for mortgage rates. When coronavirus first hit the bond market, it was US Treasuries that responded most convincingly. Mortgage rates weren't able to keep pace and that turns out to have been a good thing in hindsight.

Because mortgages lagged Treasuries (the 10yr Treasury yield is the customary point of comparison), they've been more capable of moving lower on the good days and less susceptible to moving higher on the bad days. The net effect is a string of ever-lower all-time lows.



National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.07%	+0.02	0.00
15 Yr. Fixed	6.45%	0.00	0.00
30 Yr. FHA	6.51%	+0.02	0.00
30 Yr. Jumbo	7.26%	0.00	0.00
5/1 ARM	7.02%	-0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Rates as of: 6/28

Market Data

	Price / Yield	Change
MBS UMBS 5.5	98.49	-0.45
MBS GNMA 5.5	99.10	-0.44
10 YR Treasury	4.3931	-0.0049
30 YR Treasury	4.5597	-0.0043

Pricing as of: 6/30 10:43PM EST

Recent Housing Data

	Value	Change
Mortgage Apps	Jun 12 208.5	+15.58%
Building Permits	Mar 1.46M	-3.95%
Housing Starts	Mar 1.32M	-13.15%
New Home Sales	Mar 693K	+4.68%
Pending Home Sales	Feb 75.6	+1.75%
Existing Home Sales	Feb 3.97M	-0.75%
Builder Confidence	Mar 51	+6.25%

No... really... this isn't just a term that's being thrown around interchangeably with "really low rates." The average lender is now able to offer conventional 30yr fixed rates in the **high 2% range** for the best scenarios.

That means some homeowners are in a position to benefit from a refinance even if they already refinanced in the past year.

But isn't it a lot of work to refi again?

While some scenarios are more complicated than others, on average, loan applications are seeing an unprecedented amount of appraisal waivers. The industry has worked quickly to adapt to new realities and in many cases, that has made things easier for borrowers.

But aren't there a lot of costs that I'll have to pay that I just paid the last time I refinanced?

Not necessarily. There are different kinds of closing costs. In general, you can **ignore** "stuff you would have paid anyway" like taxes, insurance, and prepaid interest. You won't get hit for those twice.

There's a good chance the lender can pay for a most or all of the other fees like title, escrow, origination, appraisal, etc. Either way, borrowers should consider how long it will take to break even on the refinance by dividing those new hard costs (if any) by the monthly payment savings.

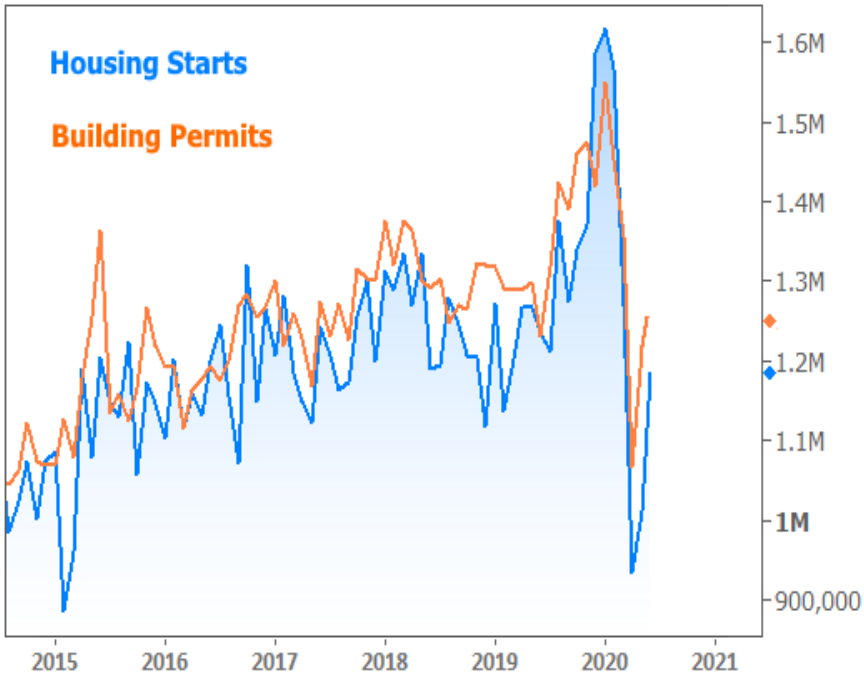
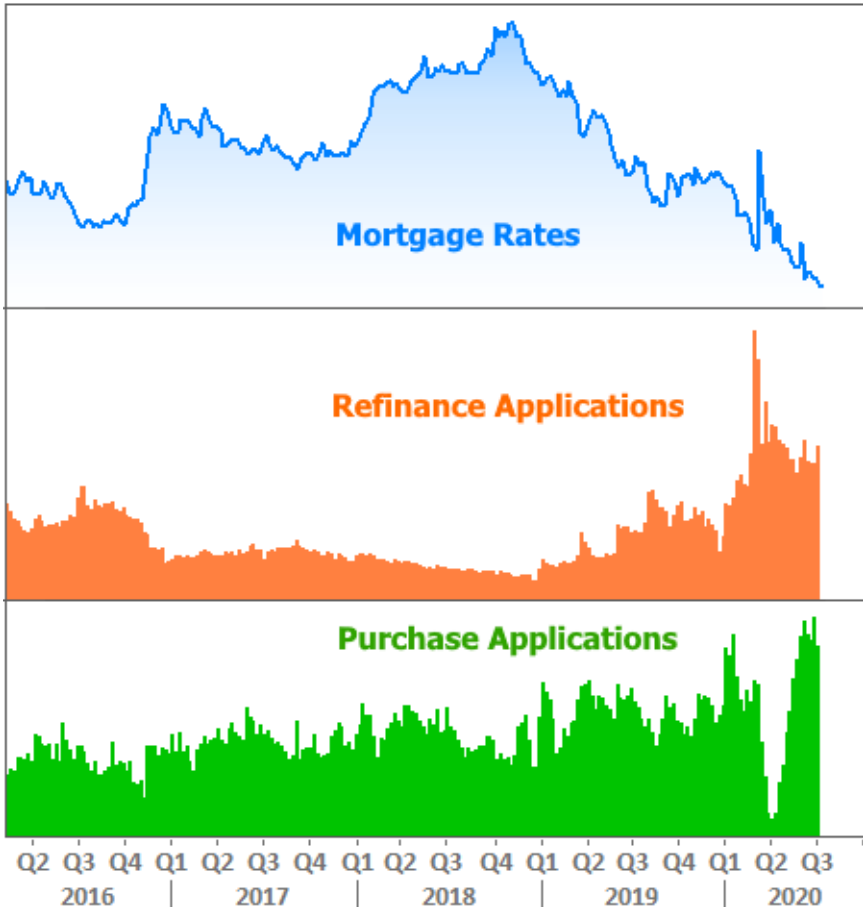
But what if haven't refinanced recently and don't have as many years left on this mortgage.

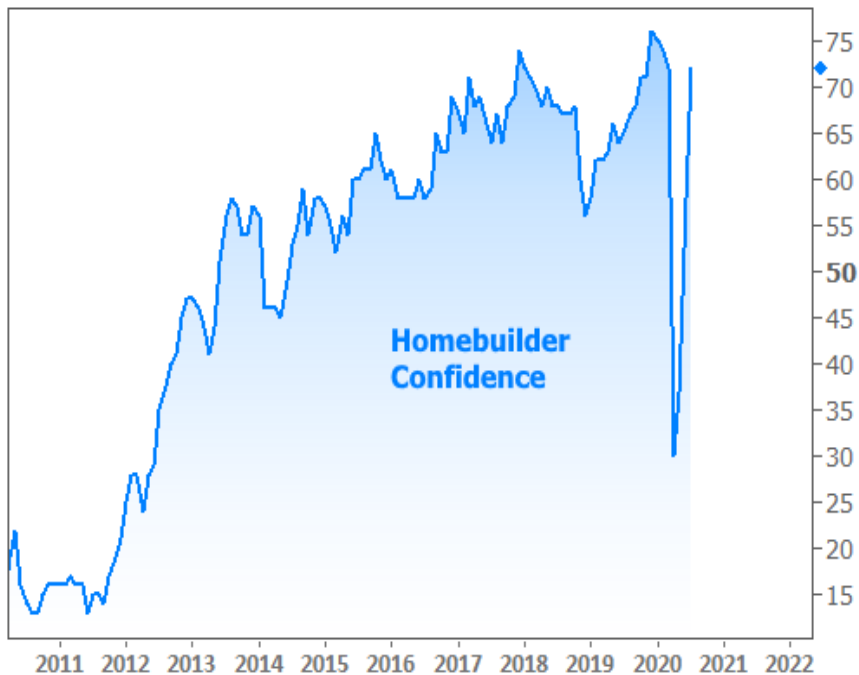
You'll need to do some math here, but generally speaking, if you continue making the same payment but with a new lower interest rate, you might find your home will be paid off sooner with the new loan.

The bottom line:

The current low rate environment is like nothing we've ever seen before. It's easy to tune out the constant advertisements and news stories about "all-time low rates," but this time around, the refinance process is very much worth investigating right now.

Housing-related economic reports from the past week:





Subscribe to my newsletter online at: <http://housingnewsletters.com/rateshopkc>

Recent Economic Data

Date	Event	Actual	Forecast	Prior
Tuesday, Jul 14				
8:30AM	Jun Core CPI (Annual) (%)	1.2	1.1	1.2
Wednesday, Jul 15				
7:00AM	w/e MBA Purchase Index	305.4		325.2
7:00AM	w/e Mortgage Refinance Index	3774.3		3373.9
8:30AM	Jul NY Fed Manufacturing	17.20	10.00	-0.20
9:15AM	Jun Industrial Production (%)	5.4	4.3	1.4
Thursday, Jul 16				
8:30AM	Jun Retail Sales (%)	7.5	5.0	17.7
8:30AM	Jul Philly Fed Business Index	24.1	20.0	27.5
8:30AM	w/e Jobless Claims (k)	1300	1250	1314
10:00AM	Jul NAHB housing market indx	72	60	58
Friday, Jul 17				
8:30AM	Jun House starts mm: change (%)	17.3		4.3
8:30AM	Jun Building permits: number (ml)	1.241	1.290	1.216
8:30AM	Jun Housing starts number mm (ml)	1.186	1.169	0.974
8:30AM	Jun Build permits: change mm (%)	2.1		14.1
10:00AM	Jul Consumer Sentiment	73.2	79.0	78.1
Wednesday, Jul 22				

Event Importance:

No Stars = Insignificant

☆ Low

★ Moderate

★★ Important

★★★ Very Important

Date	Event	Actual	Forecast	Prior
7:00AM	w/e MBA Purchase Index	310.9		305.4
7:00AM	w/e Mortgage Refinance Index	3973.3		3774.3
9:00AM	May Monthly Home Price yy (%)	4.9		5.5
10:00AM	Jun Existing home sales (ml)	4.72	4.78	3.91
10:00AM	Jun Exist. home sales % chg (%)	+20.7	24.5	-9.7
Thursday, Jul 23				
10:00AM	Jun Leading index chg mm (%)	+2.0	2.1	2.8
Friday, Jul 24				
9:45AM	Jul PMI-Composite (source:Markit)	50.0		47.9
10:00AM	Jun New home sales chg mm (%)	13.8	4.0	16.6
10:00AM	Jun New home sales-units mm (ml)	0.776	0.700	0.676

Real Talk

At The Rate Shop, we're not your average mortgage banker. We specialize in bringing you ridiculously low interest rates that will make you wonder what the other guys are doing. In fact the ONLY objection we ever hear is "your rates sound too good to be true". Well they're not, and here is why...

After 15 years in the retail banking world I was frustrated with the high interest rates that came from that business model. As I looked around at all the bloated layers of management and their expensive salaries and the overhead of running a larger company (think rent costs, employee health and benefit costs, payroll taxes, and on and on) it dawned on me that I was a part of the problem, and the solution, for me at least, was so easy to see.

Start my own mortgage brokerage shop. No expensive executive salaries, no expensive building to pay rent at, no unnecessary employees and all the costs that are associated with that. What happens when you cut out all the fat? You can provide lower rates and lower closing costs. It's simple. Now here is the best part, you still get great service from a local Kansas City Lender. My mission is to let everyone know that low rates and great customer service are NOT mutually exclusive.

Thanks for coming along on this journey where Low Rates meet Great Service. The two do NOT have to be mutually exclusive. It's just a lie that the big box mortgage companies have been telling you for years. Don't believe me? Give me a call or shoot me a text on my personal cell phone today and compare my rates and costs up against any other lender in the country, and be prepared to be blown away.

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