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Differences Between Current and Previous FOMC Statements

(Additions underlined, deletions struck through)

Information received since the Federal Open Market Committee met in December ~~suggests~~indicates that the labor market ~~conditions improved further even as~~has continued to strengthen and that economic ~~growth~~slowed late last year. activity has continued to expand at a moderate pace. Job gains remained solid and the unemployment rate stayed near its recent low. Household spending andhas continued to rise moderately while business fixed investment has remained soft. Measures of consumer and business sentiment have been increasing at moderate rates in recent months, and the housing sector has improved further; however, net exports have been soft and inventory investment slowed. A range of late. Inflation increased in recent labor market indicators, including strong job gains, points to some additional decline in underutilization of labor resources. Inflation has continued to run quarters but is still below the Committee's 2 percent longer-run ~~objective, partly reflecting declines in energy prices and in prices of non-energy imports.~~objective. Market-based measures of inflation compensation declined further; remain low; most survey-based measures of longer-term inflation expectations are little changed, on ~~balance, in recent months.~~balance.

Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee ~~currently~~ expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate ~~pace and~~pace, labor market indicatorsconditions will strengthen somewhat further, and inflation will continue to strengthen. Inflation is expected to remain low in the near term, in part because of the further declines in energy prices, but to rise to 2 percent over the medium term as term. Near-term risks to the transitory effects of declines in energy and import prices dissipate and the labor market strengthens further. economic outlook appear roughly balanced. The Committee iscontinues to closely ~~monitoring~~monitor inflation indicators and global economic and financial developments and is assessing their implications for the labor market and inflation, and for the balance of risks to the ~~outlook.~~developments.

Given the economic outlook, in view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at ~~1/4 to~~ 1/2 to 3/4 percent. The stance of monetary

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.98	-0.19
MBS GNMA 6.0	100.20	-0.13
10 YR Treasury	4.4737	+0.0757
30 YR Treasury	4.6393	+0.0753

Pricing as of: 7/1 10:46AM EST



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
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.02%	-0.05	0.65
15 Yr. Fixed	6.60%	-0.15	0.55
30 Yr. FHA	6.87%	0.00	0.92
30 Yr. Jumbo	7.18%	-0.03	0.54
5/1 ARM	6.45%	+0.08	0.81

Rates as of: 6/28

Mortgage Market Commentary

policy remains accommodative, thereby supporting some further improvements strengthening in labor market conditions and a return to 2 percent inflation.

In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments. In light of the current shortfall of inflation from 2 percent, the Committee will carefully monitor actual and expected progress toward its inflation goal. The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data.

The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction, and it anticipates doing so until normalization of the level of the federal funds rate is well under way. This policy, by keeping the Committee's holdings of longer-term securities at sizable levels, should help maintain accommodative financial conditions.

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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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