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ALERT: Approaching Negative Reprice Risk for Some Lenders

- Fannie 3.0s down 7 ticks on the day with 4 ticks (.125) from some rate sheet print times
- Lenders who priced before the highs (near 10-1015am) are at relatively no risk
- Still, the trend is not our friend at the moment

It's been a volatile morning for bonds, but inside a fairly narrow range. The timing of the volatility may catch a lender or two off guard as some of the later lenders put out rate sheets near the highest prices. Fannie 3.0s are down 4 ticks from the time that those rate sheets came out (10am-1015am).

On a more qualitative note, bonds simply look like they're under pressure here--bouncing in line with yesterday's high yields and moving higher with stocks and oil. The afternoon's 10yr auction doesn't advocate any speculative buying either. Bottom line: negative reprices couldn't be ruled out completely for a few lenders. Risks would be more pronounced if we lose another few ticks (Fannie 3.0s in the 101-28 area).



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MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	0.00
MBS GNMA 6.0	100.75	+0.01
10 YR Treasury	4.2891	+0.0073
30 YR Treasury	4.4782	-0.0075

Pricing as of: 7/8 11:50AM EST

Average Mortgage Rates

	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	7.01%	-0.02	0.00
15 Yr. Fixed	6.41%	-0.03	0.00
30 Yr. FHA	6.48%	-0.02	0.00
30 Yr. Jumbo	7.22%	-0.02	0.00
5/1 ARM	7.03%	-0.02	0.00

Freddie Mac

30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/8

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With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

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