



**Rich E. Blanchard**

Managing Director, RICH Home Loans LLC  
 NMLS: 492461  
 1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900  
 Mobile: 303.328.7047  
 Fax: 214.975.2874  
[richblanchard@richhomeloans.com](mailto:richblanchard@richhomeloans.com)  
[View My Website](#)

## UPDATE: First Move is Positive After FOMC Announcement

Bond markets are reacting positively to the FOMC Announcement, as well as the update in Fed economic projections that show the Fed board now sees the Funds Rate at 0.875 at the end of 2016 vs 1.375 previously. This implies 2 hikes during the year versus 4 previously--exactly in line with our consensus.

Fannie 3.0s are now up 6 ticks on the day at 101-17 and 10yr yields are down 1.2 (but down roughly 5bps from 2pm) at 1.952.

Here are the newswires from the announcement.

- FED LEAVES TARGET INTEREST RATE UNCHANGED AT 0.25-0.50 PCT, POLICYMAKERS SEE TWO RATE HIKES IN 2016
- FED SAYS GLOBAL ECONOMIC AND FINANCIAL DEVELOPMENTS CONTINUE TO POSE RISKS; DOES NOT ASSESS BALANCE OF RISKS IN STATEMENT
- FED SAYS CONTINUES TO MONITOR INFLATION CLOSELY; REPEATS STILL SEES INFLATION RISING TO 2 PCT TARGET OVER MEDIUM TERM AS TRANSITORY EFFECTS FADE
- FED SAYS RECENT INDICATORS POINT TO ADDITIONAL STRENGTHENING OF LABOR MARKET, BUT BUSINESS FIXED INVESTMENT AND EXPORTS SOFT
- FED SAYS MARKET-BASED MEASURES OF INFLATION COMPENSATION REMAIN LOW, SURVEY-BASED MEASURES ARE LITTLE CHANGED
- FED REPEATS WITH GRADUAL ADJUSTMENTS TO MONETARY POLICY, ECONOMIC ACTIVITY WILL EXPAND AT MODERATE PACE, LABOR MARKET WILL STRENGTHEN
- FED REPEATS EXPECTS ECONOMIC CONDITIONS WILL EVOLVE IN WAY THAT WARRANTS "ONLY GRADUAL INCREASES" IN FED FUNDS RATE
- FED REPEATS ANTICIPATES KEEPING EXISTING POLICY OF REINVESTING PRINCIPAL PAYMENTS UNTIL NORMALIZATION OF RATES IS "WELL UNDER WAY"
- FED REPEATS WHEN DETERMINING TIMING, SIZE OF FUTURE CHANGES IN RATES IT WILL ASSESS REALIZED AND EXPECTED CONDITIONS RELATIVE TO EMPLOYMENT, INFLATION OBJECTIVES
- FED VOTE IN FAVOR OF POLICY WAS 9 TO 1, GEORGE DISSENTED, PREFERRING TO SEE A RISE IN THE TARGET RATE TO 0.5-0.75 PCT

## MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.60	-0.01
MBS GNMA 6.0	100.80	+0.06
10 YR Treasury	4.2871	+0.0053
30 YR Treasury	4.4763	-0.0094

Pricing as of: 7/8 11:53AM EST

## Average Mortgage Rates

	Rate	Change	Points
--	------	--------	--------

### 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



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

## Expert Advice | Exceptional Service | Flawless Execution

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.

Rich E. Blanchard

