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Mortgage Rates Erase Last Week's Modest Gains

Mortgage rates moved higher today, bringing them back into the range that's dominated the second half of the month. That means the average lender is fairly close to the highest rates in more than 2 years, officially seen on December 15th. There hasn't been much movement since then, which is not uncommon during the winter holiday season.

As for the contract rates, themselves, 4.375% remains the most prevalent conventional 30yr fixed quote for top tier scenarios. Several lenders still up at 4.5% and a few are down at 4.25%. Barring the unforeseen, lenders will have **little incentive** to make meaningful adjustments to rates between now and the end of the year, thus decreasing the risk and reward associated with a "lock vs float" decision.

Today's Best-Execution Rates

- 30YR FIXED - 4.375-4.5%
- FHA/VA - 4.0%
- 15 YEAR FIXED - 3.375-3.5%
- 5 YEAR ARMS - 3.0 - 3.5% depending on the lender

Ongoing Lock/Float Considerations

- Rates had been trending higher since hitting all-time lows in early July, and exploded higher following the presidential election
- Some investors are increasingly worried/convinced that the decades-long trend toward lower rates has been permanently reversed, but such a conclusion would require YEARS to truly confirm
- With the incoming administration's policies driving a large portion of upward rate momentum, mortgage rates will be hard-pressed to make significant improvements until after Trump takes office. Rates can move for other reasons, but it would take something **big and unexpected** for rates to move appreciably lower.
- We'd need to see a sustained push back toward lower rates (something that lasts more than 3 days) before anything less than a cautious, lock-biased approach makes sense for all but the most risk-tolerant

National Average Mortgage Rates



	Rate	Change	Points
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Mortgage News Daily

30 Yr. Fixed	7.03%	-0.05	0.00
15 Yr. Fixed	6.44%	-0.01	0.00
30 Yr. FHA	6.50%	-0.05	0.00
30 Yr. Jumbo	7.24%	-0.01	0.00
5/1 ARM	7.05%	-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: 7/5

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

Pricing as of: 7/5 5:59PM EST

borrowers.

- *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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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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