



## 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

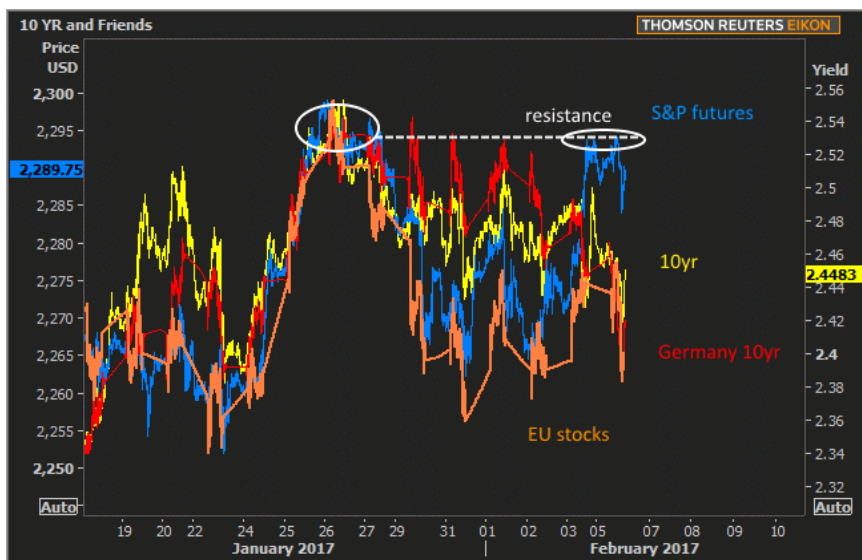
[richblanchard@richhomeloans.com](mailto:richblanchard@richhomeloans.com)

[View My Website](#)

## ALERT: Negative Reprice Risk Already a Consideration For Some Lenders

Bond markets opened in stronger territory, continuing the task of erasing Friday afternoon's weakness (which began in the last few hours of Friday's session). Weakness in European markets played a strong role in the overnight bond market strength, but broader momentum in multiple markets has simply been "risk off" since late January. US equities markets are the only noticeable anomaly there (i.e. they're not falling like bond yields or European equities over the same time frame).

With that in mind, the fact that equities stalled late last week before breaking late January highs is also a consideration for overnight strength. The same ceilings came into play again this morning. See all of the above in the chart below:



The bad news is that the overnight strength looks to have run its course for now and the "risk-off" trade (lower bond yields and stock prices) is undergoing a risk-on bounce. Apart from technicals and trade flow, comments from ECB President Draghi have been motivating some bond selling, specifically.

Fannie 3.5s are now down 6 ticks from some lenders' rate sheet print times. As such, the early/aggressive crowd may already be considering negative reprices.

## MBS & 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

## Average Mortgage Rates

	Rate	Change	Points
<b>Mortgage News Daily</b>			
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



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**

