



## 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](#)

## Mortgage Rates on Edge Ahead of Fed

**Mortgage rates held steady** today, on average, despite moderate improvements in underlying bond markets. Typically, bond market improvement results in comparable improvement for mortgage rates. The groundholding is the latest evidence of massive anxiety on the part of lenders ahead of tomorrow's big Fed announcement. Lenders don't want to be on the hook for low rates if the Fed happens to send rates **screaming higher** tomorrow.

To reiterate yesterday's point, we **already know** the Fed will hike. Markets are also expecting the Fed to accelerate its forecasts for future rate hikes (this is what pushed rates higher in December, by the way--not the rate hike itself). Unfortunately, we can't pinpoint exactly how well-prepared markets are for such an acceleration.

We **won't know** if the Fed's actual forecasts are faster or slower than expected until we see how markets react tomorrow at 2pm ET. If the Fed accelerates less than expected, there is still a chance for mortgage rates to hold the line at the current ceiling (4.375% for top tier 30yr fixed scenarios for the average lender). If forecasts outpace expectations, rates could move higher quickly.

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## National 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

## 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

## 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**

