



Rich E. Blanchard

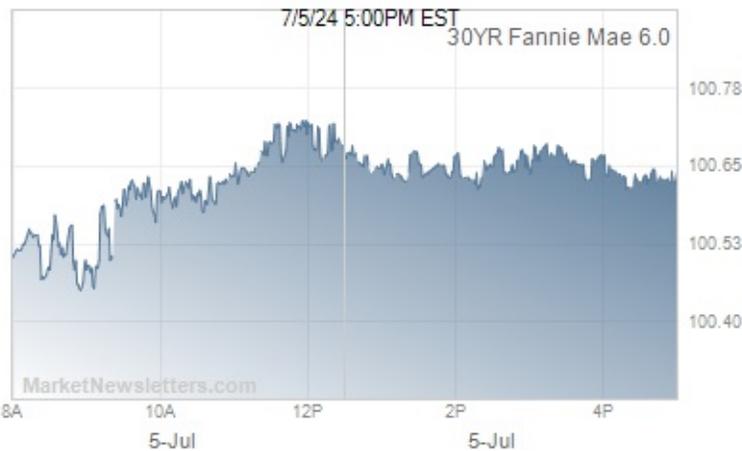
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ALERT: Negative Reprice Risk Already Increasing

10yr yields just moved up to the highest levels of the day (up 2.8bps at 2.256), and Fannie 3.5s are down 6/32nds at 102-29. This as much as an eighth of a point lower than some rate sheet print times and thus puts some of the early/aggressive lenders in a position to consider negative reprices.

NOTE: there is illiquidity between MBS bid and ask prices again this morning (read [this primer](#) to understand the phenomenon). As such, not every big drop in MBS prices will be truly indicative of the pace of weakness. If it looks like MBS fell off a small cliff, confirm the drama by looking at Treasuries. If there's no concurrent spike in Treasuries, you're likely witnessing bid/ask illiquidity in MBS.



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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
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

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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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