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Rates Hold 2017 Lows Despite Market Weakness

Mortgage rates managed to hold in line with 2017's lowest levels for a 2nd day, even though underlying bond markets suggested a move **higher**. That means the prices of mortgage-backed-securities (MBS--the bonds that dictate mortgage rates) were lower. When MBS prices are lower, it means investors are paying lenders less to buy mortgages. Lenders then raise rates to entice investor demand.

If the nuts and bolts underlying the mortgage rate market suggested a move higher, why were rates able to hold their ground? The first part of this answer is that we're not talking about **huge** amounts of movement in bond markets. US Treasuries did experience a fair amount of weakness, but MBS held their ground better by comparison.

Beyond that, lenders were holding something back yesterday, which is entirely **common** when bond markets make a big move to the best levels of the year with high-risk events less than 48 hours away. Not only do lenders want to be sure the gains are maintained, but they're also generally more cautious about making big adjustments ahead of **high-risk** events.

The events in question will start hitting first thing in the morning, so if you're reading this on Wednesday afternoon and still have the ability to lock, you would be doing so at the lowest rates in nearly 8 months. Tomorrow's high-risk events certainly **could** push rates even lower, but there's an **equal** chance that rates will be heading higher. In either case, the moves are likely to be bigger than average over the next 2 days.

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National 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

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

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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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