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Mortgage Rates at 3-Week Lows

Mortgage rates moved lower today, despite slightly weaker underlying bond markets. This has been an ongoing phenomenon in recent days. Bonds improve, implying lower mortgage rates, but lenders wait to drop rates until bond market improvement is vetted. In the current case, yesterday's market gains remained relatively intact despite today's market losses, thus giving lenders the green light to pass the gains through to mortgage rate sheets.

Although today's rates aren't appreciably lower than yesterday's, they're technically the best we've seen since June 28th. More lenders are quoting top tier conventional 30yr fixed rates of 4.0% instead of 4.125%, and some of the aggressive lenders are back down to 3.875%.

If there's been an underlying reason for the hesitation on the part of lenders, the elephant in the room is tomorrow morning's announcement from the European Central Bank (ECB). Granted, domestic events and monetary policy have a more direct effect on rates in the US, but global bond markets are interconnected. Any major shock in the EU will be felt in US bond markets, and consequently, mortgage rates. Some investors are concerned the ECB will allude to plans to taper its bond purchases. While no official plans are likely to be announced tomorrow, the "clues" offered by ECB President Mario Draghi could cause **volatility** in rates, for better or worse.

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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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