



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
[View My Website](#)

Mortgage Rates Trying to Find a Ceiling

Mortgage rates were decidedly higher this morning, with most lenders back above last week's highs. At the time, those were the highest rates in more than a month, although the range has been relatively narrow. Underlying bond markets improved throughout the day, however, resulting in a fair amount of lenders revising rate sheets for the better. After those revisions, rates are pretty close to yesterday's levels.

One thing's for sure: the average lender is still definitively higher compared to last Friday's rates. Keep that in mind if you encounter one of the many news stories citing "unchanged" week-over-week rates from Freddie Mac's Survey (which, as you may have guessed, can run a bit behind more up-to-the-minute changes).

From a strategy standpoint, today's resilience is a welcome sight, but the safest bet is to remain defensive until we see more evidence of a bounce. For now, the trend remains negative and today was an exception.

Today's Most Prevalent Rates

- 30YR FIXED - 3.875-4.0%
- FHA/VA - 3.5%
- 15 YEAR FIXED - 3.25%
- 5 YEAR ARMS - 2.75 - 3.25% depending on the lender

Ongoing Lock/Float Considerations

- 2017 has proven to be a relatively good year for mortgage rates despite widespread expectations for a stronger push higher after the presidential election in late 2016. Most of the rate spike was done by the end of 2016 and we've generally moved sideways to lower since then
- The biggest question is whether or not this counter-intuitive trend has an expiration date. Rates haven't been immune from brief corrections back toward higher levels, and each correction causes concern that the good times are over.
- Despite those concerns, we've seen rates make new lows in April, June, and September. Although rates have been rising since early September, they'd have to move even higher before we'd consider a

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

change in the bigger picture theme.

- All of the above having been said, past precedent suggests we're due for a much bigger dose of volatility some time soon.
- *Rates discussed refer to the most frequently-quoted, conforming, conventional 30yr fixed rate for top tier borrowers among average to well-priced lenders. The rates generally assume little-to-no origination or discount except as noted when applicable. Rates appearing on [this page](#) are "effective rates" that take day-to-day changes in upfront costs into consideration.*

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