



**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](#)

## ALERT: Bonds Turn For Worse; Reprices Already a Possibility

After a weak overnight session, bond rallied in the first hour of domestic trading. That's proven to be short-lived as it's been all selling since 9am. There were no new events or headlines during that time. The move is being driven by asset allocation trades, block trades, and tactical selling of this morning's temporary strength.

Fannie 3.5 MBS are down an eighth of a point from some lenders' rate sheet print times. As such, a few of the lenders who priced closer to 9am may already be considering a negative reprice. Lenders who haven't priced yet are obviously at no risk, and lenders who priced earlier this morning (before the rally) are logically at less risk as they haven't seen as much of a drop.

So far, 10yr yields are holding under the overnight highs of 2.6425. If they break over, watch closely to see if weakness accelerates. We'll alert you too, of course, but in any event, if that happens, that's when negative reprices would become more likely--just an outside risk for a few lenders at the moment.



### 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
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#### 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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