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Mortgage Rates Just Barely Lower Ahead of Key Inflation Data

Mortgage rates spent the entirety of last week at the **same levels** based on end-of-day rates sheets from the average lender. That was a tremendously uncommon length of time for rates to remain unchanged and it was especially notable against the backdrop of recent volatility. Today's rate sheet offerings came fairly close to extending the "unchanged" streak, but by the end of the day, lenders had improved just enough for the average to move 0.01% lower.

When we talk about 0.01% changes in mortgage rates, it's important to know that most lenders only offer rates in **increments of 0.125%**. That's a much bigger move than we see on the average day, so lenders need a way to make adjustments beyond the rate itself. They accomplish this with upfront costs and/or credits. For instance, lower the upfront cost (or increasing the upfront credit) by a couple hundred dollars could easily reduce the effective rate by 0.01% even though the payment rate (or "NOTE rate") remains unchanged.

Whereas today was fairly calm for markets and rates, tomorrow brings **bigger risks**. This is primarily due to the release of an important report on inflation in the morning. Inflation is one of the key threats to bonds, and bonds underlie interest rates. If inflation comes in higher than expected, it could easily push rates higher.

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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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