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## Mortgage Rates Edge Lower, But Don't Get Used to It

**Mortgage rates** were slightly lower today. Unfortunately, that may not be the case by tomorrow morning. Underlying bond markets (which dictate rates) lost ground throughout the day. If trading levels don't change by tomorrow morning, the average lender will be back up at the highest rates in 7+ years. Many are close enough as it is.

The key feature of the past 24 hours was the midterm elections. Bonds improved when democrats won control of the house. This was in line with the average prediction for how elections might impact rates. That said, the fact that bonds have already fully erased that overnight move should let you know **just how little** the elections mattered in the bigger picture. The longer-term headwinds for interest rates remain entrenched, and it will take a long time or a massive amount of drama for that trend to change. Drama can come in the form of a shift in the economy or a much bigger stock sell-off than we saw in October.

Tomorrow brings a policy announcement from the Federal Reserve (the Fed), but there's essentially no chance of a policy change. The Fed has stuck to a fairly regular schedule of hiking rates at every other meeting. Markets currently expect the next Fed rate hike in December, although the verbiage they use in tomorrow's announcement could nonetheless cause some smaller-scale **volatility** for mortgage rates.

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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

## Expert Advice | Exceptional Service | Flawless Execution

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.

**Rich E. Blanchard**

