



## Rich E. Blanchard

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## Mortgage Rates Lowest in More Than a Year

**Mortgage rates held steady** today, despite moderate weakness in underlying bond markets. This occurred for two reasons. First, yesterday saw bond markets improve, but not by enough for lenders to adjust rates lower in the middle of the day. Second, today's bond market weakness happened gradually throughout the day and was thus not big enough to prompt a mid-day rate change from lenders. The implication is that rates would likely be very slightly higher tomorrow if bond markets were to hold steady overnight.

By remaining in current territory, rates are also remaining at the **lowest levels since January 2018**. The average lender can now offer conventional 30yr fixed rates of 4.375% on top tier scenarios. FHA rates are a quarter point lower (or more, depending on the lender), but they carry mandatory mortgage insurance (so the payment could be higher for the same loan amount).

Without meaningful motivation from economic data or news headlines, rates will have a hard time moving much lower. The first major scheduled event with the power to shake things up is next week's Fed Announcement on Wednesday afternoon.

### Today's Most Prevalent Rates

- 30YR FIXED - 4.375%
- FHA/VA - 4.0-4.125%
- 15 YEAR FIXED - 4.0 - 4.125%
- 5 YEAR ARMS - 4.25 - 4.625% depending on the lender

### Ongoing Lock/Float Considerations

- Headwinds that had plagued rates for most of the past 2 years began to die down in late 2018. A rapid decline in the stock market certainly helped drive investors into bonds (which helps rates) Highest rates in more than 7 years in Oct/Nov. 8-month lows by the end of the year
- This is a bit of a crossroads. The rising rate environment could flare up again. We may look back at Oct/Nov and see a long-term ceiling, or we may look back at early December and see a temporary correction before more pain.
- Either way, late 2018 was a sign that rates are willing to take

## 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

opportunities presented to them. From here, it will be up to economic data, fiscal policies, and the stock market to decide on the next set of opportunities. The rougher the overall outlook, the better interest rates tend to do.

- *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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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**

