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ALERT: FED CUTS RATES 50bps

- FED SAYS TO CUT TARGET FEDERAL FUNDS RATE BY 50 BASIS POINTS TO RANGE OF 1.00 PCT TO 1.25 PCT
- FED SAYS FUNDAMENTALS REMAIN STRONG BUT CORONAVIRUS POSES EVOLVING RISKS TO ECONOMIC ACTIVITY
- FED SAYS FOMC IS CLOSELY MONITORING DEVELOPMENTS AND WILL USE ITS TOOLS AND 'ACT AS APPROPRIATE TO SUPPORT THE ECONOMY'
- FED SAYS VOTE TO LOWER FED FUNDS RATE WAS UNANIMOUS

It was rumored, then expected, and now it's here (arguably a bit earlier than most market participants expected).

10yr yields are slightly HIGHER so far, which might seem paradoxical at first, but consider the Fed is throwing a bone to the overall financial market and to the shorter end of the yield curve. 10yr Treasuries have benefited from panic, uncertainty, and economic concerns. If a Fed rate cut helps ease those things, it's bad for longer-term rates.

MBS haven't reacted much yet, but it could be coming. If you have a jumpy lender, negative reprices are a risk. If you're lender is less jumpy, watch the price feed like a hawk and wait for further alerts.



MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761

Pricing as of: 7/3 5:59PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			

30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	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: 7/3

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