

# **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

View My Website

## ALERT: MBS At Lows; Reprice Risk is Minimal, But Not Nonexistent

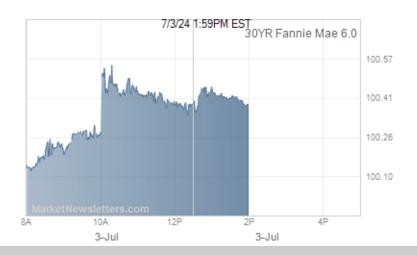
Mortgage market liquidity dried up after the Fed's 10:40-11:00am buying operation and prices have moved lower as a result. Treasury yields and stock prices have also been advancing during that time, so there could be a modicum of 'risk-on' motivation as well.

Granted, that correlation hasn't been very relevant to MBS recently, but as I said earlier this morning, our ability to outperform will eventually hit a wall. That means MBS can only stay flat for so long while Treasury yields move higher. I'm NOT saying you've officially witnessed a changing of the guard there--simply that we shouldn't be surprised to see the MBS shield of invincibility start to wear off every now and then on any given day.

If the last paragraph didn't make great sense, don't worry about it. It's not a major theme right now--just a possibility to entertain when it comes to having realistic expectations about MBS resilience.

What's important at the moment is that 2.5 coupons were briefly down 6 ticks (19 bps) from some lenders' rate sheet print times. Had those losses persisted (or if they come back), a few lenders could consider that to be enough of a threat for negative reprices. It has typically taken quite a bit more drama for such things, recently, however.

Reprice risk is still better predicted based on trends in individual lenders' rate sheet offerings. A consistent trend of weakness is one risk. Or a huge shift toward much stronger rate sheet offerings is also a risk, but for different reasons.



#### 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
Driging as of: 7/3 5:50DM 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 Banke	rs 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
Datas as of 7/2			

Rates as of: 7/3

© 2024 MBS Live, LLC. - This mortgage market alert is a service of MarketNewsletters.com and MBS Live.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

Subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

### **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



© 2024 MBS Live, LLC. - This mortgage market alert is a service of MarketNewsletters.com and MBS Live.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.