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## ALERT: Minimal Reprice Risk as MBS Hang Out Near Lows

MBS price movement has covered much less ground today vs yesterday, but is still heading in an unfriendly direction. Keep in mind though, 103-23 (103.72) is only really unfriendly compared to a handful of days in the history of MBS prices, and the entire handful consists of 3 days (Thu/Fri last week and Fri March 27th). Apart from those days, we're in the promised land in terms of outright levels.

Nonetheless, prices are hovering at their lowest levels of the day and Treasury yields are moving higher with stocks into the afternoon. MBS don't seem to care much about that, but things could change if the move continues. Either way, reprice risk is mixed. Lenders who priced poorly or who typically like to see price stability are at little to no risk of negative reprices. Lenders who priced aggressively are at moderate risk, but that would likely be the case regardless of the afternoon weakness.

If 2.5 UMBS coupons break below 103-21 (103.66), reprice risk would increase slightly. Even then, it's minimal unless it's followed by another several ticks of selling.

10yr yields look slightly more concerned, having moved up roughly 2bps in the past half hour.



### 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
<b>Mortgage News Daily</b>			
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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00
<b>Mortgage Bankers Assoc.</b>			
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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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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