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## ALERT: Weak Enough For This Alert, But Not as Weak as it Seems

MBS were down a quarter point on the day according to bid prices. That was moments ago. I was going to explain why they weren't really down a quarter of a point, but markets just did that for me as MBS instantly gained an eighth of a point. Such things are possible through the miracle of illiquidity ([read more on that](#)). The prices we see are those entered by prospective buyers as "bids." There's nothing to stop them from entering prices that are much lower than the most recent asking price. That can lead to situations where MBS seemingly drop off a cliff even though that's not where the market is trading ([more on that here](#)).

That phenomenon is behind the quarter point drop. But the general weakness following the ADP data is still a problem. The eighth of a point of weakness is very real, and it could be alarming enough to the early/aggressive lenders that they begin to consider negative reprices. This would only be an issue for one or two of the jumpiest lenders at this point, but if the trend continues, that could change (obviously). Point being, it's a good morning to tune in to MBS prices and MBS Live alerts a bit more closely than normal given our nearness to technical ceilings in yields and the generally negative tone created by the data.

2.0 coupons are currently down an eighth of a point on the day, but only 3 ticks (0.09) from the highs.



### 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	4.4296	-0.0030
30 YR Treasury	4.5981	-0.0077

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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