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Rates Much Lower as Lenders Catch Up With Markets

Almost any major media outlet that covers financial news will have a story out today regarding this week's mortgage rates being higher than last week's. Thile this was true earlier in the week, it has easily and **clearly been made untrue** with the past 2 days of improvements in rates. At issue: Freddie Mac's widely-cited weekly mortgage rate data doesn't capture rate movements from the latter half of any given week, and ALL of this week's improvements have arrived in the 2nd half. It's not that the Freddie data is wrong. It just needs a week to get caught up with more timely changes.

Mortgage rates improved at their quickest pace in several weeks today as lenders adjusted rate sheets to reflect some of the market improvement seen after yesterday's Fed Announcement. Mortgage rates are driven primarily by the prices of mortgage-backed-securities (MBS). Yesterday's gains in MBS suggested bigger improvements in rate sheets, but lenders have consistently been cautious about being too quick to match market movements due to recent volatility. As such, it wasn't a surprise to see them wait for the strong move in underlying markets to be confirmed before passing along more of the gains.

Yesterday's market movement was **confirmed** today, and then some. This made it even easier for many lenders to be generous with today's rate sheets. Other lenders are a bit slower to respond, and that's normal. The net effect is a wider-than-normal range of rate quotes today, but with the leaders making it back down to 3.625% on conventional 30yr fixed. The majority are now at 3.75% whereas lenders had been more evenly split between 3.75 and 3.875%.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
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	100.67	+0.05
MBS GNMA 6.0	100.75	+0.01
10 YR Treasury	4.2852	+0.0034
30 YR Treasury	4.4787	-0.0070

Pricing as of: 7/8 9:59AM EST

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