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## ALERT: There is No Organic Reprice Risk At The Moment

- This alert due to "mystery reprices"
- Bonds haven't weakened nearly enough to justify them
- 30yr auction was bumpy but we're still in the game

The 30yr auction didn't necessarily go off without a hitch, but it was by no means "bad." Understand that there are two types of auctions when it comes to 10yr and 30yr issuance: refunding and reopening. Today's was a refunding and it's average stats are weaker. Thus today's "miss" of the yield expectation is actually very close to being in line with the average auction result, as is the bid-to-cover ratio.

Bond markets did most of their weakening before the auction and, if anything, have recovered a bit since then. MBS have fallen a maximum of 3.5 ticks from rate sheet print times and in most cases are trading in stronger territory than they were during rate sheet print times. As such, 2 of today's reported reprices cannot possibly be justified by market movement. If we only had one of them, we could point and laugh (or just assume "pipeline control") but the fact that we have two is a bit more of a cause for concern.

This isn't to say that there's some secret reason that these 2 lenders have repriced that will soon spread to every other lender--just something to keep in mind if floating with a lender who has a history of similar "pipeline control" reprices.



### MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.61	+0.22
MBS GNMA 6.0	100.74	+0.21
10 YR Treasury	4.3145	+0.0327
30 YR Treasury	4.5079	+0.0222

Pricing as of: 7/8 5:47AM EST

### Average Mortgage Rates

	Rate	Change	Points
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#### 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

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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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