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Mortgage Rates Hold 3-Week Lows After Central Bank Announcements

Mortgage rates held relatively steady today, keeping them in line with the lowest levels in more than 3 weeks. There was relatively little market movement in response to the policy announcement from the European Central Bank (ECB). That's a good thing considering much of the recent gains in rates can be attributed to traders growing more optimistic about the ECB's stance.

To put all this in **plain English**, the ECB buys bonds. This puts downward pressure on rates around the world (more so in Europe than in the US, but we still get some indirect benefit). There was some concern at the end of June that the ECB was getting closer to announcing it would buy fewer bonds. While that day will likely come eventually, today's announcement assures markets that it hasn't been discussed yet.

The relatively calm reaction in bond markets (and the absence of changes in lender rate sheets) suggests traders were already in position for this event and may be increasingly tuned out until next week. For now, the **short-term trend is positive**, but we haven't been able to improve much past current levels. Risk-averse borrowers should increasingly consider locking while risk-tolerant borrowers should simply remain on-guard for a reversal next week.

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National 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

MBS and 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	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

Pricing as of: 7/5 5:59PM EST

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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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