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Mortgage Rates Still at 2017 Lows

Mortgage rates held steady today, as the news cycle was dominated by Hurricane Harvey. That's not to say that natural disasters prevent movement in mortgage rates, but in today's case, there simply wasn't much else to talk about. An auction of 5yr Treasury notes helped bond markets improve slightly in the afternoon. When bonds improve, rates tend to move lower, but only a few lenders adjusted mortgage rates lower in the afternoon.

The lack of movement continues to be **just fine** for the average borrower, considering rates are at their lowest levels since November 2016. The most prevalent conventional 30yr fixed rate for to tier scenarios remains 3.875%. The lock/float outlook has been similarly calm, with minimal consequences for poorly-timed floating or premature locking. This will change at some point, but it's been the case for nearly 2 months now, and especially true of the past 2 weeks.

Today's Most Prevalent Rates

- 30YR FIXED - 3.875-4.00%
- FHA/VA - 3.5-3.75%
- 15 YEAR FIXED - 3.25%
- 5 YEAR ARMS - 2.75 - 3.25% depending on the lender

Ongoing Lock/Float Considerations

- Investors were relatively convinced that the decades-long trend toward lower rates had been permanently reversed after Trump became president, but such a conclusion would require YEARS to truly confirm
- Instead of continuing higher in 2017, rates instead formed a narrow, sideways range, and held inside until April. Investor perceptions are shifting such that fiscal reforms and other policy developments will need to live up to expectations in order to push rates higher. Geopolitical risks would also need to avoid flaring up (more than they already have)
- For the first time since the election, we're in a rate environment where you wouldn't be crazy not to lock at every little opportunity/improvement. Until/unless it's broken, the highest rates of early-2017 mark the ceiling, and we're now waiting to see how much

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

lower we can go from here.

- *Rates discussed refer to the most frequently-quoted, conforming, conventional 30yr fixed rate for top tier borrowers among average to well-priced lenders. The rates generally assume little-to-no origination or discount except as noted when applicable. Rates appearing on [this page](#) are "effective rates" that take day-to-day changes in upfront costs into consideration.*

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