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Mortgage Rates Jump to 2-Week Highs

What a difference 2 days make! Freddie Mac's weekly rate survey was out yesterday prompting multiple news outlets to declare "slightly lower rates" on the week. Given that Freddie's survey only gathers responses through any given Wednesday, the results jived with what we were seeing on lenders' actual rate sheets.

On Wednesday, **mortgage rates** were indeed at their best levels in more than 3 weeks. But after 2 days of relatively abrupt weakness, rates **quickly** find themselves at the **highest** levels in 2 weeks. Adding to the frustration is the absence of any single, obvious motivation for the weakness. In order to account for it, we'd have to discuss several esoteric developments in bond markets (if you're into that sort of thing, I go into more detail in the [MBS Commentary](#) channel).

One simple development is "uncertainty." Oftentimes, uncertainty helps bonds because it raises questions about economic progress. Investors move money into bonds (which pushes rates lower) to avoid the volatility or weakness they might be worried about seeing in stocks. In the case of dueling banjos belting out tax reform tunes (both the House and Senate have drafted bills), the uncertainty is more neutral. It doesn't necessarily imply potential weakness or strength in stocks or bonds, so both have given up some ground over the past 3 days. To reiterate, that's just one of several potential factors at the moment.

Regardless of causality, the movement itself is disconcerting. It places the short-term trend squarely in negative territory (i.e. pointed toward higher rates until further notice).

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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	100.61	+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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