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Mortgage Rates Move Modestly Lower Ahead of Holiday

Mortgage rates fell modestly today, with bond market strength both before and after the release of the Fed Minutes (a more detailed account of the Fed meeting that took place 3 weeks ago). Stronger bond markets correlate with lower rates.

Bonds tend to benefit from **weak** economic data, low inflation expectations, and an accommodative monetary policy stance from the Fed. Today's economic data was generally weaker, but of particular importance at the moment were the inflation expectations in the consumer sentiment data, which came in near the lowest levels since the financial crisis. The Fed Minutes also mentioned some concern over intractably low inflation, though they continue to expect a rebound based on a strong labor market.

Bond markets are **already well aware** the Fed is planning on hiking in December, so the smattering of inflation-related doubt was a net-positive for rates. The average lender is still quoting conventional 30yr fixed rates near or just under 4.0% on top tier scenarios. Most borrowers would see today's improvement in the form of slightly lower upfront costs.

Mortgage banks are **closed Tomorrow** for Thanksgiving and lenders won't be issuing rate sheets. Friday is technically a half-day for bond markets, but availability of new rates and the ability to lock them varies widely. Many lenders simply republish the same rate sheets from the Wednesday before Thanksgiving.

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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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