



## Rich E. Blanchard

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## Mortgage Rates Quickly Down to 2 Week Lows

As of yesterday, it looked like [mortgage rates](#) would be more interested in staying in a narrow, sideways range for the holiday-shortened Spring Break/Good Friday trading week. Today, financial markets gave us a reminder about how much reality can differ from apparently probable outcomes. Fortunately, the surprises work **in the favor of the mortgage market** today as rates are **sharply lower** (at least in the context of the recent range, which has been extremely narrow).

Bonds (which underlie rates) drew motivation from a **combination of factors** today. These included compulsory trades that had to be made by the end of the month, automatic trades made in response to certain lines in the sand, and safe-haven trades resulting from the massive losses in the stock market. The net effect for the average mortgage borrower is a noticeable improvement in upfront costs at the very least (for instance, a quoted rate may be the same as yesterday, but the associated closing costs would be lower).

In other cases, the rate itself could be an **eighth of a percentage point** lower, although in those cases, the drop in rate would likely be offset, in part, by a slight increase in upfront costs. If we derive an "effective rate" from the combination of the two, today's drop is equivalent to 0.04% for the average lender.

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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

<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00

<b>Mortgage Bankers Assoc.</b>			
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

## Expert Advice | Exceptional Service | Flawless Execution

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.

**Rich E. Blanchard**

