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Mortgage Rates Sideways But Market Says They Shouldn't Be

Mortgage rates were sideways to slightly higher today, and that's actually a strong showing considering what transpired in underlying bond markets. In fact, I'd wager tomorrow morning's rate sheets will be noticeably weaker if bonds are anywhere near their current levels.

This flow of logic raises a **valid question**: if bonds drive rates and if bonds say rates should be higher, then why aren't they higher already?

The answer is fairly simple: mortgage lenders put out one rate sheet per day unless market conditions force them to change. Friday's rate sheets were arguably a bit worse than they should have been, based on bond levels. This allowed this morning's rate sheets to be a bit better than they otherwise might have been. Finally, bonds' deterioration throughout the day has been gradual enough so as to not force most lenders to consider adjusting their first rate sheet of the day. In these cases, lenders almost always just wait for the following morning and adjust accordingly.

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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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