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Mortgage Rates Slightly Lower

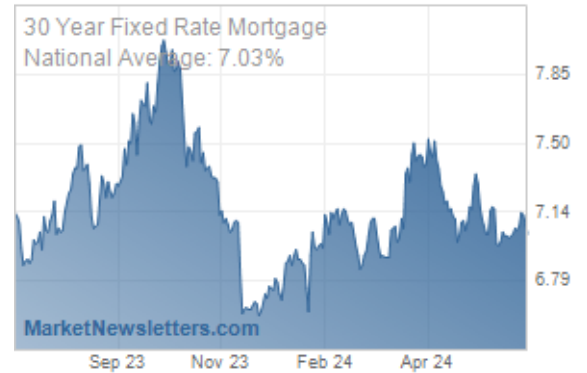
Mortgage rates fell modestly today, following a weaker-than-expected report on inflation. The Consumer Price Index (CPI) measures the change in prices that consumers pay for various goods. The widely followed "core" reading (which ignores more volatile food and energy prices) fell to an annual pace of 2.2%. Economists were expecting that number to remain at 2.4%.

Lower inflation is good for rates because rates are based on the bond market. Bond investors are paying a lump sum today in exchange for a fixed schedule of payments in the future. Higher inflation means the money they receive in the future may have less buying power. When inflation is expected to rise, bond investors therefore demand higher premiums--another way of saying they're **charging higher interest rates** to borrowers.

In the grand scheme of things, today's improvement was fairly **negligible**. Most prospective borrowers will only see the gains in the form of slightly lower upfront costs (a couple hundred dollars, depending on loan size). The broader outlook for rates remains fairly gloomy. We're near the highest levels since 2011, and it's easier to count reasons rates might move higher as opposed to lower.

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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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