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Mortgage Rates Modestly Higher Ahead of Fed Minutes

Mortgage rates didn't move much today. Some lenders were perfectly unchanged, but the average lender was just slightly higher. That's at odds with underlying bond market movement (which directly impacts rates)--at least at first glance. Specifically, the bonds underlying mortgages were slightly stronger today. That would imply slightly lower mortgage rates. So why did rates rise?

As is often the case, today's seemingly paradoxical movement is due to **timing**. Bonds were weakening ever-so-slightly yesterday--something that's consistent with lenders raising rates. But the bond market didn't weaken enough for lenders to make those changes in the middle of the business day. Additionally, today's bond market improvement didn't really stick until the afternoon. Like yesterday, it wasn't quite enough to compel lenders to make mid-day rate changes.

All of the above is splitting hairs. In the bigger picture, rates have been flat since last Thursday, and are generally holding just slightly under their highest levels since early 2011. The next potential flashpoint is tomorrow's release of the Minutes from the most recent Fed meeting. These don't offer any new policy updates, but they do give investors a chance to examine the Fed's conversation leading up to the rate hike 3 weeks ago. Occasionally, there are clues about future policy decisions in the Minutes. In those cases, there can be a volatile reaction in rates.

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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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