



## Rich E. Blanchard

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## Mortgage Rates Surge Lower

**Mortgage rates surged** lower today, falling at the fastest single-day pace in more than a year. In order to see the average lender offer lower rates, you'd need to go back to October 2nd at least. For many lenders, it would be a few weeks before that. Granted, this merely restores rates to what had been 7-year highs at the time, but you know what they say about journeys of 1000 steps and what not...

Much of the improvement was driven by an ongoing reaction to a speech by Fed Chair Powell from yesterday. Markets perceived Powell as softening his stance on rate hikes. US markets reacted to that yesterday, but European and Asian markets took their turn overnight. The opening levels in US markets (which have a bearing on mortgage rates) are **heavily influenced** by overseas trading during the night. The bigger the overseas movement is, the bigger the domestic effects can be.

With all of the above in mind, bond markets began the day in the strongest territory since mid-September. Given that US markets had already undergone their reaction to Powell, bonds began to erase some of the overnight gains. Most lenders **didn't** end up raising mortgage rates to account for that market weakness, so it will be passed along with tomorrow morning's rate sheets unless there's another big market move overnight.

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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

### 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	4.3675	+0.0073
30 YR Treasury	4.5401	+0.0104

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**

