



## Rich E. Blanchard

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## Mortgage Rates Start Week Near Long-Term Lows

**Mortgage rates** were roughly unchanged to begin the week. That means they are staying in line with the lowest levels in more than a year. Only 2 or 3 days have been any better, depending on the lender, and the differences are minimal.

It's **refreshing** to see rates near long-term lows after somewhat of a scare 2 weeks ago. Heading into March 1st, rates rose at their quickest pace in more than a month. In so doing, they were also potentially breaking out of a sideways range that had dominated most of 2019. When rates break such ranges, it's not uncommon for them to keep moving in the direction of the break. In other words, we may have been looking at the beginning of a bigger move toward higher rates.

Thankfully, last week saw a complete reversal of the negative momentum. This restored the previous range and it leaves us to wait for the next breakout. Such a breakout could be caused by a combination of various economic reports or any major surprises in next week's Federal Reserve policy announcement. In general, when we're near the lowest part of the range, there has been **more risk** that rates will move higher in the following days. That said, if the economic data is weak, rates could hold their ground or even improve.

### Today's Most Prevalent Rates

- 30YR FIXED - 4.375 - 4.5%
- FHA/VA - 4.125 - 4.25%
- 15 YEAR FIXED - 4.0 - 4.125%
- 5 YEAR ARMS - 4.25 - 4.625% depending on the lender

### Ongoing Lock/Float Considerations

- Headwinds that had plagued rates for most of the past 2 years began to die down in late 2018. A rapid decline in the stock market certainly helped drive investors into bonds (which helps rates) Highest rates in more than 7 years in Oct/Nov. 8-month lows by the end of the year
- This is a bit of a crossroads. The rising rate environment could flare up again. We may look back at Oct/Nov and see a long-term ceiling, or we may look back at early December and see a temporary correction

## 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	4.2818	-0.0784
30 YR Treasury	4.4857	-0.0440

Pricing as of: 7/5 5:59PM EST

before more pain.

- Either way, late 2018 was a sign that rates are willing to take opportunities presented to them. From here, it will be up to economic data, fiscal policies, and the stock market to decide on the next set of opportunities. The rougher the overall outlook, the better interest rates tend to do.
- *Rates discussed refer to the most frequently-quoted, conforming, conventional 30yr fixed rate for top tier borrowers among average to well-priced lenders. The rates generally assume little-to-no origination or discount except as noted when applicable. Rates appearing on [this page](#) are "effective rates" that take day-to-day changes in upfront costs into consideration.*

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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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