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Mortgage Rates Technically Lower, But Risk Rising Tomorrow

Mortgage rates were officially lower today, despite some weakness in the bond market. In general, bond market weakness coincides with rates moving higher. This time around, the weakness was minimal, and mortgage lenders had a bit of catching up to do with respect to yesterday's bond market gains. The changes were very small for the average lender, but they technically result in yet another long-term low (best rates since January 2018).

Clouds began to roll in by the end of the day in response to a glut of news out of the UK. As expected, British politicians voted to avoid exiting the EU **without** some sort of deal. On a somewhat **unexpected** note, there seems to be a quickly growing consensus that a different brexit compromise deal has enough support to pass, or at least to come much closer than the just-defeated compromise deal. This is giving markets hope for a less uncertain outcome.

Interest rates tend to move **lower** when the global economic outlook is **less certain**. Because the late-day news clears up some uncertainty (or because it simply increases the chances of clearing up uncertainty), we've seen some upward pressure on rates at the end of the day. This pressure likely won't make it onto mortgage lenders' rate sheets today. That means tomorrow morning's rates run an **above-average risk** of being slightly higher.

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
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

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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