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Mortgage Rates Still Moving Lower After Last Week's Stellar Drop

Mortgage rates continued deeper into long-term lows today as the underlying bond market experiences its most impressive rally of the year. In a rally, bond prices are moving higher and rates are moving lower. This particular rally is bifurcated on several levels.

On one level, different maturities of US Treasuries are moving at **very different paces**. For instance, the 2yr Treasury dropped by .07% today while the 30yr Treasury fell by less than 0.01%. This has to do with investors betting on central banks keeping short-term interest rates low (or cutting them to even lower levels) among other things.

On another level, US Treasuries are moving at a very different pace compared to the bonds that underlie mortgages (mortgage-backed-securities or MBS). Part of last week's big news from the Fed spoke to the way it would be buying bonds in the future. In an oversimplified nutshell, that news greatly favored Treasuries. On top of that, when the overall bond market is moving as quickly as it is right now, Treasuries simply tend to do better than mortgages. The tradeoff is that mortgages will be a bit **more insulated** in the event rates bounce higher.

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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 5:55PM 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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