



## Rich E. Blanchard

Managing Director, RICH Home Loans LLC

NMLS: 492461

1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900

Mobile: 303.328.7047

Fax: 214.975.2874

[richblanchard@richhomeloans.com](mailto:richblanchard@richhomeloans.com)

[View My Website](#)

## Mortgage Rates Sideways to Slightly Higher

**Mortgage rates** began the day in **decent shape** after more trade war drama courtesy of a Reuters story overnight. In general, trade war drama pushes stock prices and bond yields (aka "rates") lower. But as we discussed yesterday, mortgage rates hadn't been able to benefit from that drama nearly as much as US Treasuries (the benchmark/yard-stick against which all other US interest rates are compared). In fact, they were very close to **unchanged** even though Treasuries were making a case for a nice move lower.

It **looked like that might change** this morning as Treasury yields continued lower and the bonds underlying mortgages managed to improve modestly. Indeed, a few lenders did offer rates that were **just slightly better** than yesterday, but they were counterbalanced by just as many lenders on the other side of the fence. Insult was soon added to injury when the overall bond market began to weaken. The losses (which equate to higher rates) were steady at first, but kicked into higher gear after a lackluster 10yr Treasury auction (a scheduled sale of bonds that speaks to investor demand, thus causing some volatility on occasion).

In the event of a move higher in rates, we didn't expect mortgage-backed bonds to move as much as Treasuries. That was thankfully true today, but they were nonetheless **dragged into weaker territory**. This resulted in several lenders issuing mid-day reprices. Lenders who kept the same rate sheets all day will be under some pressure to raise rates slightly tomorrow morning, unless overnight bond market movement is very friendly.

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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
<b>Freddie Mac</b>			
30 Yr. Fixed	6.95%	+0.09	0.00
15 Yr. Fixed	6.25%	+0.09	0.00
<b>Mortgage Bankers Assoc.</b>			
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

## 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**

