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Mortgage Rates Drop Well Into the High 3's

Mortgage rates were **decisively lower** today, following a massive market movement on news of new tariffs to be imposed on Mexico. In general, trade wars are economically negative. They hurt stocks and help bonds. When bonds are improving, it means bond prices are rising and yields (another word for "rates") are falling. Long-story short, investors are pricing-in a new reality where trade tensions do measurable damage to the global economy. This not only forces money out of stocks and into bonds, but it also implies lower inflation and increased odds of Fed rate cuts.

The specific implication for mortgage rates was quite good today. Mortgages have been lagging the moves seen in Treasury yields, for the most part. That was NOT the case today--at least for the lower portion of the rate spectrum. The average lender improved by the biggest amount of the past several weeks with top tier scenarios now **easily seeing quotes of 3.875%**. That said, different lenders have responded to the market movement at drastically different paces. Volatility tends to have that effect. If the bond market stabilizes at the beginning of next week, we'll see some more cohesive pricing between lenders.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	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: 7/3

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3586	-0.0016
30 YR Treasury	4.5339	+0.0042

Pricing as of: 7/5 12:51AM 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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