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Yes, Mortgage Rates are Lower and 10yr Yields are Higher Today

Two days ago, I wrote an article entitled "[No, Mortgage Rates Aren't Based on 10yr Treasury Yields.](#)" It's worth a read if you're not already up to speed on why that's a true statement. It also paves the way to understand why today's headline can be true (and in fact, it is). **Mortgage rates** moved **LOWER** today. Granted, it wasn't a huge move lower, but it's notable against the backdrop of 10yr Treasury yields that were more than 0.06% higher at one point.

Much of the discussion regarding mortgages vs Treasuries centers on MBS (the mortgage-backed securities that serve as the base ingredient for mortgage rates) and the fact that they don't always move in the same direction as Treasuries. But that's **only part of today's divergence**. We often talk about **TIMING** being responsible for smaller examples of such discrepancies and it's a factor again today. Simply put, MBS improved yesterday. The gains were eventually enough for lenders to bring rates a bit lower, but not quite enough for lenders to go to the trouble of making a mid-day rate sheet adjustment. In those cases, we cross our fingers and hope the market opens in similar territory the following day (as it did today!) so lenders can pass along the expected improvement.

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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	4.3675	+0.0073
30 YR Treasury	4.5420	+0.0123

Pricing as of: 7/4 10:52PM 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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