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Mortgage Rates Highest in More Than a Month

Mortgage rates and the broader bond market are both in the midst of a **correction** after hitting the best levels in more than 3 years last week. This is a correction that many market watchers were worried about on several occasions in August. But every time it looked like rates had bottomed, it only took a few days of indecision before they were again pressing into new long-term lows.

This most recent break from long-term lows has been **far more threatening** with 2 of the past 4 business days bringing the biggest single-day jumps in several months. As a result, the average lender is now back to offering rates last seen in early August.

Notably, a conventional 30yr fixed rate of 3.75% is right in the neighborhood of what many borrowers would be quoted today. That said, for many lenders 3.75% **makes no sense**. The reason has to do with structure of the secondary mortgage market. Long story short, it only costs the average lender a tiny bit more to offer 3.625%.

So **what should you do?** Simply put, if you're being quoted 3.75% on a conventional 30yr fixed, ask your lender what it would cost to buy the rate down to 3.625% and compare the monthly savings against the additional upfront expense. It might be less than you anticipate.

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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	4.3709	+0.0107
30 YR Treasury	4.5430	+0.0133

Pricing as of: 7/4 8:47PM 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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