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Think The Fed Cut Mortgage Rates? Think Again

Here is exactly what yesterday's Fed rate cut did to mortgage rates: **ABSOLUTELY NOTHING!** No Fed rate cut (or hike) will EVER do ANYTHING directly to mortgage rates because the Fed doesn't set mortgage rates.

Don't let the caps-lock fool you into thinking I'm some angry guy with a keyboard who's simply ranting for some self-serving purpose. Of all the people you'll talk to today and of all the articles you'll read on this topic, **you should trust me** the most. I don't say that lightly or very comfortably, for that matter. It sounds terribly cocky, but in this case, it's also terribly honest.

For more than a decade, if markets are open and mortgage companies are quoting rates, I've religiously been tracking trends, patterns and plain old boring statistics. I use actual wholesale rate sheets from multiple lenders every day to synthesize an average mortgage rate that consistently outperforms survey-based mortgage rate data. In short, if you could only talk to one person to get a highly authoritative take on mortgage rate movement, **I'm your guy.**

There's no catch. I won't do your loan for you and I have nothing to gain from you believing me. I don't care if you tweet this or share it or print it up and use it to build a fire. This is purely a public service announcement for what I see as one of the most misunderstood events in the rates market. That said, you **SHOULD** share it profusely unless you want your friends to continue sounding dumb and wasting time when they try to talk about day-to-day mortgage rate movement. **You're about to be a lot smarter** than that...

If you're comfortable simply believing one simple thesis without a bunch of boring explanation, here you go: "While mortgage rates are influenced by the Fed's policy changes in the bigger picture and over longer time-frames, they are absolutely not tied to the Fed's decision to cut rates. When the Fed hikes or cuts its policy rate, mortgage rates can and frequently **DO** move in the opposite direction (or not at all)."

If you need more info underlying that thesis, take a look at one or both of the articles I wrote over the past 2 days:

[No, The Fed Rate Cut Won't Affect Mortgage Rates HIGHER Mortgage Rates Despite Fed Rate CUT. Here's Why](#)

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	4.3734	+0.0132
30 YR Treasury	4.5444	+0.0147

Pricing as of: 7/4 8:54PM EST

For those who don't click the link and who conclude I'm missing a very important connection between the Fed and mortgage rates, you should really visit one of the links! Long story short, I'm aware of the connections, and I've spent a great deal of time and energy educating readers on them. I intentionally avoided doing that in this article in order to add emphasis and decrease the potential sedative effects associated with reading financial market jargon.

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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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