



## Rich E. Blanchard

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## Mortgage Rates Little-Changed, But Could Improve Tomorrow

**First things first:** the Fed cut its policy rate today, but that doesn't mean they cut **mortgage rates**. Why? Because they can't and they don't--especially not by a whopping 0.25% in a day (an amount that may be seen once or twice per decade when it comes to a single day's change in mortgage rates). Case in point, mortgage rates for almost any lender are almost exactly where they were yesterday.

All that having been said, the Fed does **SAY** things that are important to the bond market that underlies rates. That **verbiage** can always push mortgage rates in either direction regardless of the direction that the Fed moves its own policy rate. In today's case, the Fed's verbiage was a bit friendlier than the market was prepared for. As such, both stocks and bonds improved in the afternoon. The average mortgage lender (as of 1pm ET, anyway) has not yet adjusted its mortgage rate offerings to reflect the bond market improvement.

Keep in mind, that bond market improvement **isn't** anywhere **remotely close** to 0.25% in terms of mortgage rates. It won't even be 0.125%. That means the average borrower isn't likely to see any change in quoted rates tomorrow morning, but in certain scenarios, the upfront costs could be slightly lower. The important thing to understand is that it was not the Fed's rate cut that is affecting the bond market and the bond market hasn't moved enough to earn mortgage rates more than a token improvement. It's also important to understand that if bonds weaken enough overnight, rates could actually be worse in the morning!

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## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
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
<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: 7/3

## 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	4.3704	+0.0102
30 YR Treasury	4.5420	+0.0123

Pricing as of: 7/4 8:46PM 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**

