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Under the California Residential Mortgage Lending Act

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UPDATE: Quick Thoughts on Changes in Fed Statement (and DOTS recap)

The bullet points below list the key changes in the statement. They're followed by my quick reaction.

- Economic activity now described as rising at a "moderate" rate as opposed to "solid"
 - Nothing too scandalous, but adds to the sense of a shift in stance/tone
- Household spending now described as growing as opposed to slowing, but business investment now described as "soft" as opposed to "slowing."
 - mixed bag here with nod to increased consumer spending and decreased business spending.
- market based inflation now described as declining as opposed to "remaining low"
 - no surprise here, and the inflation narrative is one of the cornerstones of the calls for Fed rate cuts
- In the sentence where the Fed said sustained expansion is the most likely outcome, they added the phrase "but uncertainties about this outlook have increased."
 - In my view, this is the most important piece of today's statement. Granted, it's not black and white, but it could definitely be the first step in a policy shift that comes to fruition in July.
- Fed now says "closely monitoring" implications of incoming information as opposed to "being patient" in determining where to set rates

With respect to the Fed's rate outlook, it's very easy to look at the fact that the median value for the end of 2019 is unchanged and become indignant. After all, how in the world could the market be talking about 2-3 new rate cuts since the last meeting while the Fed hasn't changed their stance at all?!?!?!?!?

As it turns out, the Fed DEFINITELY changed their stance. Take a look at where this meeting's numbers fell (in black) relative to the March meeting (in red). There's a clear migration lower.

MBS & Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.0	99.35	-0.16
MBS GNMA 5.0	99.91	-0.04
10 YR Treasury	3.9039	+0.0424
30 YR Treasury	4.1932	+0.0468

Pricing as of: 8/30 5:59PM EST

Average Mortgage Rates

	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

Number of participants with projected midpoint of target range or target level

MARCH VALUES IN RED

Make Full Screen 

Midpoint of target range or target level (Percent)	2019	2020	2021	Longer run		
3.375		1				
3.250				2		
3.125		2	1	1		
3.000				2		
2.875	2	3	1			
2.750				3		
2.625	4	1	4	2	3	
2.500				8		
2.375	11	8	7	5	5	1
2.250						
2.125		1	2	2		
2.000						
1.875		7	7	5		
1.750						



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