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Mortgage Rates Hit 4.0% For First Time Since May 2019

There are many different ways to track [mortgage rates](#) and several different sources quoted in the news. For decades, the most prevalently-quoted source has been Freddie Mac's weekly primary mortgage market survey. It consists of a questionnaire sent out to loan officers at the beginning of every week. They can respond as late as Wednesday, but the responses are heavily front-loaded (most respondents simply fire right back when they see the email).

As such, Freddie's weekly rate survey, which is reported every **Thursday**, is best thought of as measuring the change in top tier [mortgage rates](#) from one **Monday** to the next, perhaps with some **Tuesday** influence sprinkled in. That's fine on weeks where there isn't much volatility, but it can end up sending very mixed messages otherwise. Much of 2022 has been "otherwise" and today is not only no exception, it's probably the starkest example.

Freddie's survey showed an increase from **3.55 last week to 3.69** this week. This assumes a best case scenario 30yr fixed with 0.8 points paid upfront. I don't love the idea of building points into rate indices if points can change over time. I'd rather just adjust the rates to reflect the points since there's reliable math for that purpose.

For example, at most lenders right now, you'd pay 1 point to drop the rate by 0.25%. If Freddie made that adjustment, their **3.69 would rise to 3.89**. But remember, that would have applied to Monday/Tuesday based on Freddie's methodology. **Lo and behold**, the rates I calculate every day were at 3.87% and 3.89% on Mon/Tue respectively.

All that to say that our daily rate is reliably in line with the industry standard, but on an up-to-the-hour basis (I adjust mid-day if rates change) as opposed to once a week. I never go to lengths to explain this reliability because it's one of those "is what it is" sort of things in my mind. I only do it today because our daily rate is **quite the departure** from Freddie in addition to being just a hair above a significant psychological ceiling.

In case it wasn't already clear based on the headline, the average is currently up to **4.02%**. Keep in mind that is is an average among top tier scenarios. It means that some lenders are quoting 3.625% and others are up to 4.375%. Adding any complexity to the scenario would mean a different rate. Also keep in mind that lenders are **MUCH more widely stratified** than normal, which is often the case when we've seen as much volatility as we have so far

National Average Mortgage Rates



| | Rate | Change | Points |
|--------------------------------|-------|--------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 6.89% | 0.00 | 0.00 |
| 15 Yr. Fixed | 6.33% | +0.01 | 0.00 |
| 30 Yr. FHA | 6.33% | +0.01 | 0.00 |
| 30 Yr. Jumbo | 7.05% | 0.00 | 0.00 |
| 5/1 ARM | 6.58% | 0.00 | 0.00 |
| Freddie Mac | | | |
| 30 Yr. Fixed | 6.77% | -0.09 | 0.00 |
| 15 Yr. Fixed | 6.05% | -0.11 | 0.00 |
| Mortgage Bankers Assoc. | | | |
| 30 Yr. Fixed | 7.00% | -0.03 | 0.60 |
| 15 Yr. Fixed | 6.63% | +0.07 | 0.61 |
| 30 Yr. FHA | 6.87% | -0.03 | 0.92 |
| 30 Yr. Jumbo | 7.13% | +0.02 | 0.38 |
| 5/1 ARM | 6.22% | -0.16 | 0.60 |

Rates as of: 7/22

MBS and Treasury Market Data

| | Price / Yield | Change |
|----------------|---------------|---------|
| MBS UMBS 5.5 | 99.39 | -0.01 |
| MBS GNMA 5.5 | 99.78 | +0.00 |
| 10 YR Treasury | 4.2452 | -0.0073 |
| 30 YR Treasury | 4.4328 | -0.0140 |

Pricing as of: 7/22 9:05PM EST

Mortgage Rate Update

in 2022.

[thirtyyearmortgagerates]

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Update: Buyer Broker Agreement

After requests from real estate companies, a nonprofit consumer watchdog group the Consumer Federation of America has developed a list of factors to consider when creating a buyer contract in preparation for upcoming practice changes in the industry.

CFA released its “Proposed Criteria for Evaluating Home Buyer Contract Forms” on Tuesday. The 15 criteria focus on the contracts’ form – whether the documents are readable and understandable – and content – whether they are fair to homebuyers.

- the document’s expiration date (CFA recommends buyers asks for a three-month contract and never sign one longer than six months)
- the right to terminate the contract
- the disclosure that compensation is negotiable
- the broker’s compensation clearly stated and that the buyer broker can’t receive additional compensation for facilitating a sale
- that any additional fees, such as for showing a home, will be deducted from the broker’s commission if there is a successful sale
- that the commission is due only if there is a successful closing
- that buyers have an obligation – for no longer than 60 days, CFA recommends – to pay a broker who earlier showed them a home they purchased after the contract ended
- seller concessions paid directly to buyers
- dual agency not pre-approved by the contract
- an explanation of how a broker treats different buyer clients interested in the same property
- that buyers should not be required to first go through mediation or arbitration if they have a complaint

Contact me for more information. 702-303-0243 or TPayne@loandepot.com

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