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Mortgage Rates Start Higher, But Improve in The Afternoon

Mortgage rates are only adjusted once per day by default. From there, the underlying bond market would need to improve or deteriorate by a certain amount for the average lender to go to the trouble of a mid-day reprice. A small handful of lenders did that last Friday (bonds were deteriorating), but the losses were small enough to **avoid** forcing most lenders' hands.

By **abstaining** on Friday, the average lender was forced to adjust today's rates slightly **higher** to account for the bond market weakness. In other words, this morning's rates were higher than Friday morning's.

As the day progressed, mortgage bonds improved enough for a **friendly** mid-day reprice. A majority of lenders pulled the trigger, thus helping rates close the gap with Friday's rates. Simply put, rates started the day moderately higher versus Friday morning, but are now only marginally higher (assuming the lender in question offered a mid-day price improvement).

Lenders who abstained today will likely be able to offer better rates tomorrow morning, assuming the bond market doesn't lose too much ground overnight.

National Average Mortgage Rates



| | Rate | Change | Points |
|----------------------------|-------|--------------|--------|
| Mortgage News Daily | | | |
| 30 Yr. Fixed | 7.10% | +0.01 | 0.00 |
| 15 Yr. Fixed | 6.57% | +0.01 | 0.00 |
| 30 Yr. FHA | 6.64% | +0.02 | 0.00 |
| 30 Yr. Jumbo | 7.35% | 0.00 | 0.00 |
| 5/1 ARM | 7.30% | 0.00 | 0.00 |

Freddie Mac

| | | | |
|--------------|-------|--------------|------|
| 30 Yr. Fixed | 7.02% | -0.42 | 0.00 |
| 15 Yr. Fixed | 6.28% | -0.48 | 0.00 |

Mortgage Bankers Assoc.

| | | | |
|--------------|-------|--------------|------|
| 30 Yr. Fixed | 7.08% | -0.10 | 0.63 |
| 15 Yr. Fixed | 6.61% | +0.01 | 0.65 |
| 30 Yr. FHA | 6.89% | -0.03 | 0.94 |
| 30 Yr. Jumbo | 7.22% | -0.09 | 0.58 |
| 5/1 ARM | 6.56% | -0.04 | 0.66 |

Rates as of: 5/20

MBS and Treasury Market Data

| | Price / Yield | Change |
|----------------|---------------|----------------|
| MBS UMBS 6.0 | 100.35 | -0.05 |
| MBS GNMA 6.0 | 100.73 | -0.04 |
| 10 YR Treasury | 4.4247 | -0.0211 |
| 30 YR Treasury | 4.5653 | -0.0187 |

Pricing as of: 5/21 7:49AM EST

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