

THE FEDERAL SAVINGS BANK

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"Rates are moving, and they're not heading down! 4% is still awesome, we'll see how long they stay in this range."

Mortgage Rates Back to 4 Percent After Yellen

Mortgage rates maintained their upward momentum today, rising to the highest levels since late September after Janet Yellen confirmed the Fed's rate hike outlook. Bond markets (which include the mortgage-backed securities that most directly affect mortgage rates) began adjusting for that outlook last week after the Fed announcement. Markets saw a roughly 1 in 3 chance of a December rate hike before that announcement, and better than 50 percent afterward.

The Fed Funds Rate is a short-term lending rate that does not directly dictate longer term rates like most mortgages rates, but it's common to see the entire spectrum of rates move higher in anticipation of a Fed rate hike. Clearly that anticipation increased last week, and only **gathered steam** into the current week. With Yellen scheduled to deliver testimony at the House Financial Services Committee today, market participants reckoned she might make a comment or two that either validated or tempered last week's takeaways. They were right!

In not so many words, Yellen confirmed the shift in tone represented by last week's official announcement. Bottom line: the Fed looks pretty serious about hiking in December. That confirmation was worth a bit of extra pain for bond markets, hence the move higher in mortgage rates. The **average lender is now back to 4.0%** on conventional 30yr fixed quotes, with only the aggressive few offering anything in the high 3's.

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.43%	-0.01	0.00
15 Yr. Fixed	6.85%	0.00	0.00
30 Yr. FHA	6.91%	-0.01	0.00
30 Yr. Jumbo	7.62%	0.00	0.00
5/1 ARM	7.40%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	7.10%	-0.34	0.00
15 Yr. Fixed	6.39%	-0.37	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.13%	+0.12	0.00
15 Yr. Fixed	6.64%	+0.18	0.64
30 Yr. FHA	6.90%	+0.10	0.99
30 Yr. Jumbo	7.40%	+0.27	0.46
5/1 ARM	6.52%	+0.11	0.60

Rates as of: 4/22

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	99.31	-0.16
MBS GNMA 6.0	100.11	-0.19
10 YR Treasury	4.6467	+0.0372
30 YR Treasury	4.7470	+0.0312

Pricing as of: 4/23 8:28AM EST

Responsive service, experienced expertise

I've dedicated my 22 year mortgage career to client education, superior service, and honest answers. The lending landscape has changed dramatically the past few years, and continues to do so. My job is to ensure client partners' loans close quickly, without surprises, and I take that responsibility very seriously. Referrals are a responsibility I appreciate; they're a measure of trust, and that trust must be earned every day, on every referral.

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