

THE FEDERAL SAVINGS BANK

**Ted Rood**

Mortgage Banker, Homesite Mortgage LLC

NMLS #543290

2299 Technology Drive, Suite 2A5 O Fallon, Missouri

Office: 3147400004

Mobile: 314-740-0004

ted_rood@yahoo.com**A Message from Ted Rood:***"Borrowers catch a break as rates drop back down.....but for how long?"***Mortgage Rates Holding Mid 3's Ahead of Jobs Report**

Mortgage rates were moderately lower today, keeping them well-within the dominant range of the past 2-3 weeks. Compared to yesterday, lenders would be just slightly more likely to quote 3.375% on top tier conventional 30yr fixed scenarios compared to 3.5%, but both rates have equally prevalent in general.

Today's improvement came courtesy of a policy announcement from the Bank of England (BOE). Naturally, the BOE is not in charge of mortgage rates in the US. Even the Federal Reserve can't quite make that claim. But... The actions of the world's biggest central banks are the most important factors when it comes to **general momentum** in interest rates around the world. Simply put, the BOE said it will be buying more bonds than expected. More bond buying results in lower rates--all other things being equal.

The actions of the Federal Reserve are much more important to domestic interest rates, including mortgages. The Fed (and the rest of the world, for that matter) will get an important piece of economic data tomorrow morning in the form of the Employment Situation (aka the "jobs report," NFP, or "nonfarm payrolls"). If it's super strong, expectations could increase for a Fed rate hike at the September meeting. Increasing rate hike expectations typically push mortgage rates higher. Things could go the other way if the jobs data is weaker. It's also possible that the data comes out like a warm bowl of porridge and we see very little movement, but it's good to remember that **volatile reactions**--for better or worse--are more likely following the big jobs report.

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	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.16%	+0.01	0.00
15 Yr. Fixed	6.64%	+0.01	0.00
30 Yr. FHA	6.62%	+0.01	0.00
30 Yr. Jumbo	7.40%	+0.01	0.00
5/1 ARM	7.33%	-0.01	0.00

Freddie Mac

30 Yr. Fixed	7.09%	-0.35	0.00
15 Yr. Fixed	6.38%	-0.38	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/10

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.08	-0.20
MBS GNMA 6.0	101.02	-0.13
10 YR Treasury	4.4978	+0.0417
30 YR Treasury	4.6405	+0.0320

Pricing as of: 5/10 5:04PM 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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