

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:**

"Low rates are great, right? Yes, but would be better if "low" wasn't virtually the same as it has been....."

Lowest Rates Since May, But There's a Catch

Mortgage rates fell by an observable amount today--**one of the few times** they've done so in recent weeks. Technically, today's average lender is offering the best we've seen since May 31st. That sounds pretty great, right?! Unfortunately, there's a fairly big catch.

While today's rates are indeed the best in a month and a half, the range during that time has been so **excruciatingly narrow** that most prospective mortgage borrowers will find the distinction fairly meaningless. In almost all cases, the actual NOTE rate at the top of your loan quote will be the same as it has been for weeks. The only change in lenders' rate sheets is in the upfront cost associated with that rate.

In other words, if you'd seen a quote of 4.75% with 0 points yesterday, today's quote would be more like 4.75% with a lender credit of 0.15 points. More simply put, if your mortgage amount is \$300,000, that'd save you **450 bucks** in closing costs. Granted, \$450 is \$450, but it doesn't pack quite the same punch as "lowest rates since May!"

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National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00

Freddie Mac

30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	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: 5/3

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.31
MBS GNMA 6.0	101.03	+0.29
10 YR Treasury	4.5138	-0.0657
30 YR Treasury	4.6711	-0.0579

Pricing as of: 5/3 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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