

THE FEDERAL SAVINGS BANK



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UPDATE: Solid 7-Year Auction Helps Bonds Retrench

- 7yr treasury auction
 - 2.281 vs 2.292 forecast (when-issued yield at 1pm)
 - 2.54 bid-to-cover vs 2.50 average
 - 64.5% indirect bid vs 60.7% average

These are great stats considering bonds still haven't been keen to sell-off too aggressively in the hours leading up to auctions this week. On the other hand, this is just a measly 7yr auction--probably the least meaningful apart from 3yr Treasuries or shorter-term bill auctions.

Still, it's been enough to fuel slightly better buying after 1pm, which is helping bonds hold near 'unchanged' levels as opposed to hovering in modestly weaker territory.

Negative reprice risk is gone now, with MBS close to the highs of the day.



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MBS & 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	0.0000
30 YR Treasury	4.6711	0.0000

Pricing as of: 5/5 7:51PM EST

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

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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