

THE FEDERAL SAVINGS BANK



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A Message from Ted Rood:

"Back to "the range" on rates today. Our 2 day post Fed rally evaporated as quickly as it appeared, but at least I was able to get some loans locked while rates were below our prior levels!"

Mortgage Rates Move Higher, Ending 2-Day Winning Streak

Mortgage rates couldn't maintain last week's impressive move lower following the Fed Announcement. At the time, rates were moving lower for ECONOMIC reasons. At the risk of oversimplifying, the Fed essentially conveyed a gloomy longer term outlook on the economy and this tends to put downward pressure on rates.

The economic outlook is only one of the factors that affect rates. Supply and demand in the bond market is also a consideration. Higher supply causes sellers to lower prices to compete. When prices fall, rates rise. This was the case today as bond markets coped with an unexpectedly large glut of supply. Mortgage rates were less affected than other sectors because the bonds that underlie mortgages weren't the subject of the increased supply. That said, they are interconnected with other parts of the bond market, and thus share some of the pain.

Most lenders adjusted rate sheets higher before the end of the day. Even then, today's rates are still much better than those seen on the morning before last week's Fed Announcement. In other words, if you didn't lock on Friday, today's losses are small enough that you'll still be benefiting from much of the post-Fed move.

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<http://mortgageratesupdate.com/tedrood>

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	6.43%	+0.02	0.00
15 Yr. Fixed	5.95%	0.00	0.00
30 Yr. FHA	5.82%	+0.02	0.00
30 Yr. Jumbo	6.62%	0.00	0.00
5/1 ARM	6.28%	-0.01	0.00
Freddie Mac			
30 Yr. Fixed	6.35%	-0.51	0.00
15 Yr. Fixed	5.51%	-0.65	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	6.44%	-0.06	0.54
15 Yr. Fixed	5.88%	-0.16	0.68
30 Yr. FHA	6.36%	-0.06	0.85
30 Yr. Jumbo	6.75%	+0.07	0.39
5/1 ARM	5.98%	-0.27	0.65

Rates as of: 8/30

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.0	99.37	+0.02
MBS GNMA 5.0	99.93	+0.02
10 YR Treasury	3.9068	+0.0029
30 YR Treasury	4.1960	+0.0028

Pricing as of: 9/17:34PM 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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