

THE FEDERAL SAVINGS BANK



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A Message from Ted Rood:

"Friday's dismal jobs report seems to have vanished into a distant memory. Rates will get better, sometime, but probably not today!"

ALERT: Heads-Up: Probably Time To Get Ready For Reprice Risk

Fannie 3.0s and 3.5s (and anything else for that matter) just haven't lost enough ground to cause any serious concern about negative reprices. They've been handily outperforming Treasuries as well, but therein lies the problem.

Treasuries have been consistently weaker, and there's only so much of that that MBS will be willing to tolerate before acquiescing to the weaker bias and ultimately losing enough ground for lenders to be considering reprices.

As such, now's a good time to get ready to pull the trigger if it's something you might have done in the event of a more forceful reprice alert. If your lender has a history of giving any weight to Treasury movements (very few do, but it does happen from time to time), we've already seen enough weakness for some exceptionally small level of concern. In general though, it will take a bit more weakness--especially in MBS--to raise the chances of actual reprices.



MBS & 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: 9/1 7:34PM EST

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

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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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