

THE FEDERAL SAVINGS BANK



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A Message from Ted Rood:

"Great news for borrowers!"

Mortgage Rates Drop to New 14-Month Lows

Mortgage rates dropped convincingly today, bringing them to new long-term lows. The average lender hasn't offered anything lower for more than a year (January 2018). The improvement came on a combination of news headlines, economic data, and the scheduled sale of US 10yr Treasury debt.

The news headlines in question pertain to Brexit. To oversimplify a complicated topic, there had been some hope for a compromise Brexit deal overnight. Such a deal would ease some concerns about uncertain market outcomes. That uncertainty has helped keep rates **lower**, so clearing it up meant **upward** pressure on rates. As the day progressed, however, the compromise deal fell apart, and rates moved lower accordingly.

Economic data also has an impact on rates. In this case, it was the Consumer Price Index (an inflation gauge) that was lower than expected. Low inflation is good for rates!

Finally, the 10yr Treasury auction is a good gauge of demand for bonds. Higher demand for bonds means lower rates. The results of the auction were **strong**, which led to bond market **improvement** in the afternoon. After a certain amount of bond gains, mortgage lenders will typically reissue their rates for the day (with better terms, as was the case this afternoon).

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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: 9/1 7:34PM 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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