

THE FEDERAL SAVINGS BANK



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Mortgage Rates Hold 14-Month Lows

Mortgage rates didn't budge today--a logical result with no signs of life in underlying bond markets. In the current case, this is just fine with us considering the bond market has gone silent while remaining at the best levels in 14 months. Specifically, mortgage-backed-securities (MBS, the most important ingredient in determining mortgage rates) are at 14 month highs. When MBS are higher, rates are lower (14-month lows in this case). 10yr Treasury yields, on the other hand, spent a few hours at stronger levels on January 3rd, 2019.

The **only reason** I bring up the modest discrepancy between Treasuries and MBS is to illustrate a point that we should keep in mind this week. Treasuries are capable of moving much more quickly than mortgage rates. That's why Treasuries made it to lower rates in early 2019 whereas MBS didn't have time to react by comparison.

Something similar could happen on Wednesday afternoon following the Fed Announcement. It **could happen for better or worse**. In the case of a friendly rate reaction, expect mortgage lenders to take some time before being able to adjust rate sheets in your favor, and even then, it may not match the move seen in 10yr Treasuries. In the case of higher rates, you can use Treasuries as a cue for additional upward movement that could show up on Thursday morning in mortgage rates. Either way, we'll be discussing the post-Fed move in much greater detail in 2 days.

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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: 9/17:34PM 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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