

THE FEDERAL SAVINGS BANK



Co. NMLS# 411500



Ted Rood

Mortgage Banker, Homesite Mortgage LLC

NMLS #543290

2299 Technology Drive, Suite 2A5 O Fallon, Missouri

Office: 3147400004

Mobile: 314-740-0004

ted_rood@yahoo.com

Mortgage Rates Are Higher (Not Lower) Versus Last Week

Mortgage rates walked back a decent chunk of their recent improvements today. This claim **runs counter** to almost any other coverage you'll see, but I'm right and they're wrong. Actually to be fair, I'm right in a timely way and they're right in a not-so-timely way.

At issue is the weekly release of Freddie Mac's mortgage rate survey, which only captures responses from the first half of any given week. Big market movement from Wednesday afternoon through Thursday morning is **never represented** in the Thursday release. Despite that, media outlets rely heavily on Freddie's data to craft their customary once-a-week mortgage rate pieces. Today's examples include multiple iterations of "the lowest rates in 3 years," etc.

It's true that rates were at their lowest levels in 3 years, but it was **only true yesterday**. Today's rates are sharply higher after a slew of stronger economic reports and an update on US/China trade talks. You'd have to go back to last Wednesday to see the average lender offering anything higher.

While rates may be the highest in just over a week, **"high" is a relative term**. Taking the last 4 trading days out of the equation, today would be the best day for rates in 3 years with most lenders still able to offer 30yr fixed rates in the mid-3% range. Tomorrow brings significant risk in the form of the big jobs report--one of the most important pieces of economic data month in and month out.

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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	99.35	-0.16
MBS GNMA 5.0	99.91	-0.04
10 YR Treasury	3.9039	+0.0424
30 YR Treasury	4.1932	+0.0468

Pricing as of: 8/30 5:59PM 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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