

THE FEDERAL SAVINGS BANK



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## NO, You Can't Get That New 0% Mortgage Rate You Heard About

Lots of words recently and lots to do for all of us, so let's make this simple.

No, you can't get a that new 0% mortgage rate you heard about! It doesn't exist. That's the Fed Funds Rate. It applies to overnight loans between the biggest financial institutions in the US. If you are one of those institutions and you need money for less than 1 day, then have at it.

If you're a homeowner or buyer looking for a mortgage, you are looking at MORTGAGE RATES, which are different than the Fed Funds Rate.

Could mortgage rates go lower? Yes. They probably will, but not by 0.5%, and not in a day. They could also go higher. One place they're not going is 0%.

If you're scratching your head or disagreeing with the words on your screen, read this

twice: [http://www.mortgagenewsdaily.com/consumer\\_rates/938844.aspx](http://www.mortgagenewsdaily.com/consumer_rates/938844.aspx)

If you are a realtor or financial services professional who has asked your mortgage person about getting that nice new 0% rate today (and there are stunningly high amount of you out there if you're being honest), read it 3 times. As a point of contact for people getting ready to make financial decisions, you have a responsibility to avoid spreading misinformation. It engenders animosity between borrowers and lenders, and it further bogs down an already bogged down system with questions that wouldn't exist with just a modicum of effort to elevate our understanding of the rate world. Ask me your questions if this isn't crystal clear based on the above and I'll keep finding new ways to answer them.

## National Average Mortgage Rates



	Rate	Change	Points
<b>Mortgage News Daily</b>			
30 Yr. Fixed	6.43%	<b>+0.02</b>	0.00
15 Yr. Fixed	5.95%	<b>0.00</b>	0.00
30 Yr. FHA	5.82%	<b>+0.02</b>	0.00
30 Yr. Jumbo	6.62%	<b>0.00</b>	0.00
5/1 ARM	6.28%	<b>-0.01</b>	0.00

### Freddie Mac

30 Yr. Fixed	6.35%	<b>-0.51</b>	0.00
15 Yr. Fixed	5.51%	<b>-0.65</b>	0.00

### Mortgage Bankers Assoc.

30 Yr. Fixed	6.44%	<b>-0.06</b>	0.54
15 Yr. Fixed	5.88%	<b>-0.16</b>	0.68
30 Yr. FHA	6.36%	<b>-0.06</b>	0.85
30 Yr. Jumbo	6.75%	<b>+0.07</b>	0.39
5/1 ARM	5.98%	<b>-0.27</b>	0.65

Rates as of: 8/30

## MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 5.0	99.35	<b>-0.16</b>
MBS GNMA 5.0	99.91	<b>-0.04</b>
10 YR Treasury	3.9039	<b>+0.0424</b>
30 YR Treasury	4.1932	<b>+0.0468</b>

Pricing as of: 8/30 5:59PM EST

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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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