



The Arizona Loan Baron

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A Message from The Arizona Loan Baron:

"I consider this a Public Service Announcement. :)"

Think The Fed Cut Mortgage Rates? Think Again

Here is exactly what yesterday's Fed rate cut did to mortgage rates: **ABSOLUTELY NOTHING!** No Fed rate cut (or hike) will EVER do ANYTHING directly to mortgage rates because the Fed doesn't set mortgage rates.

Don't let the caps-lock fool you into thinking I'm some angry guy with a keyboard who's simply ranting for some self-serving purpose. Of all the people you'll talk to today and of all the articles you'll read on this topic, **you should trust me** the most. I don't say that lightly or very comfortably, for that matter. It sounds terribly cocky, but in this case, it's also terribly honest.

For more than a decade, if markets are open and mortgage companies are quoting rates, I've religiously been tracking trends, patterns and plain old boring statistics. I use actual wholesale rate sheets from multiple lenders every day to synthesize an average mortgage rate that consistently outperforms survey-based mortgage rate data. In short, if you could only talk to one person to get a highly authoritative take on mortgage rate movement, **I'm your guy.**

There's no catch. I won't do your loan for you and I have nothing to gain from you believing me. I don't care if you tweet this or share it or print it up and use it to build a fire. This is purely a public service announcement for what I see as one of the most misunderstood events in the rates market. That said, you **SHOULD** share it profusely unless you want your friends to continue sounding dumb and wasting time when they try to talk about day-to-day mortgage rate movement. **You're about to be a lot smarter** than that...

If you're comfortable simply believing one simple thesis without a bunch of boring explanation, here you go: "While mortgage rates are influenced by the Fed's policy changes in the bigger picture and over longer time-frames, they are absolutely not tied to the Fed's decision to cut rates. When the Fed hikes or cuts its policy rate, mortgage rates can and frequently **DO** move in the opposite direction (or not at all)."

If you need more info underlying that thesis, take a look at one or both of the

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.28%	-0.09	0.00
15 Yr. Fixed	6.75%	-0.07	0.00
30 Yr. FHA	6.70%	-0.12	0.00
30 Yr. Jumbo	7.48%	-0.07	0.00
5/1 ARM	7.35%	-0.07	0.00
Freddie Mac			
30 Yr. Fixed	7.22%	-0.22	0.00
15 Yr. Fixed	6.47%	-0.29	0.00
Mortgage Bankers Assoc.			
30 Yr. Fixed	7.24%	+0.11	0.66
15 Yr. Fixed	6.75%	+0.11	0.64
30 Yr. FHA	7.01%	+0.11	0.94
30 Yr. Jumbo	7.45%	+0.05	0.56
5/1 ARM	6.64%	+0.12	0.87

Rates as of: 5/3

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.09	+0.31
MBS GNMA 6.0	101.03	+0.29
10 YR Treasury	4.5138	0.0000
30 YR Treasury	4.6711	0.0000

Pricing as of: 5/5 7:51PM EST

articles I wrote over the past 2 days:

No, The Fed Rate Cut Won't Affect Mortgage Rates HIGHER Mortgage Rates Despite Fed Rate CUT. Here's Why

For those who don't click the link and who conclude I'm missing a very important connection between the Fed and mortgage rates, you should really visit one of the links! Long story short, I'm aware of the connections, and I've spent a great deal of time and energy educating readers on them. I intentionally avoided doing that in this article in order to add emphasis and decrease the potential sedative effects associated with reading financial market jargon.

Subscribe to my newsletter online at: <http://mortgagenewsletter.net/timothybaron>

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The Arizona Loan Baron is at your service!

I would appreciate the opportunity to share with you my extensive mortgage lending experience. My client focused approach has allowed me to build long lasting relationships and partnerships throughout Arizona. I know this market. I live here and work here. Please allow me the opportunity to be your mortgage lending partner.

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