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Rates Try Again to Recover Steep Losses

This week began with rates on the run in grand fashion. Monday was one of the most jarring and scariest days in recent memory as it served as a **wake-up call** to those expecting to catch a break from recently rising rates. Things got even worse on Tuesday as investors grew increasingly anxious about some of the week's events.

In particular, bond markets coped with 'supply.' This is the same sort of supply from the classic notion of **supply and demand**. In this case, it's a supply of debt that investors can buy. These are things like US Treasuries, mortgage bonds (which ultimately dictate mortgage rates), and US corporate bonds. In all cases, the folks issuing those bonds get cash from investors and pay them back over time.

As you might imagine, the more debt that comes up for sale, the more **prices must fall** to keep investors interested. When it comes to debt, lower prices mean higher rates. Think of it like this: the less an investor pays for a debt security, the higher their rate of return.

This week saw a bit of a **glut** in terms of this type of debt. Some of it was scheduled in advance, but other offerings came from companies eager to secure funding (again, they're getting cash today and paying it back over time) before rates went any higher. Ironically, the very act of securing funding is increasing supply and pushing rates higher still.

This supply situation **collided** with an already rather **panicked** global interest rate market to ill effect. Mortgage rates set **new highs** on the first three days of the week. The 4th day was the last of the major "supply concern" days, and it's no surprise that rates improved as a result. They continued that improvement on Friday, but for now, it's too soon to tell if they're merely consolidating ahead of next week's Fed Minutes or if this will be the start of the bounce back we'd hoped to see at the end of last week.

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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

Rates as of: 8/30

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

Recent Housing Data

		Value	Change
Mortgage Apps	Aug 28	226.9	+0.49%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%
Builder Confidence	Mar	51	+6.25%

Service oriented, responsive, competitive rates and an in depth knowledge of todays mortgage market

After completing my degree in finance at the University of Connecticut, I started in the mortgage business right out of college in 2004. With 15+ years of experience and a primary objective of thoroughly explaining all available loan options to my clients with what is typically the largest investment in their lives, I strive to always make myself available. I constantly educate myself with respect to the mortgage industry and underwriting guidelines for FHA, VA, conventional and jumbo financing. I deliver on the expectations discussed up front and provide the service level my clients deserve from day one. I will remain in touch throughout the process and continue to follow up with you after closing. My goal is to wow you and turn you into clients for life. I want you to be so impressed that throughout and after the process you share my information with your friends, family, neighbors and co-workers who may value from my services.

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