Steve Chizmadia

Mortgage Advisor - MLO-244902, Home Loans With Steve

NMLS ID: 1845124- CA BRE: 01524985 -

141 Providence Road Charlotte, NC 28207

Office: (760) 715-9688

Mobile: (760) 715-9688

steve@homeloanswithsteve.com

View My Website

Mortgage Rates Are Anything But Lower This Week!

If you don't happen to make it past this first sentence, just know that anyone telling you rates are **much higher** today is **NOT lying** to you. Anyone telling you the opposite is wrong, even though they may not understand why they're wrong. Coming to such an understanding is no harder than reading the next few paragraphs.

Mortgage rates can be **tricky** to follow, at first glance. They're not quite like other rates that move frequently throughout the day and that are published in a standardized format in multiple obvious locations. I'm thinking of something like the 10yr Treasury yield for the sake of comparison. In fairly short order, it would be easy to find multiple sources on the web that are telling you the same story on 10yr yields. But when it comes to mortgage rates, you're likely to get several different stories. Worse still are the days where multiple media outlets actually AGREE on what's happening with rates.

Why is agreement bad?

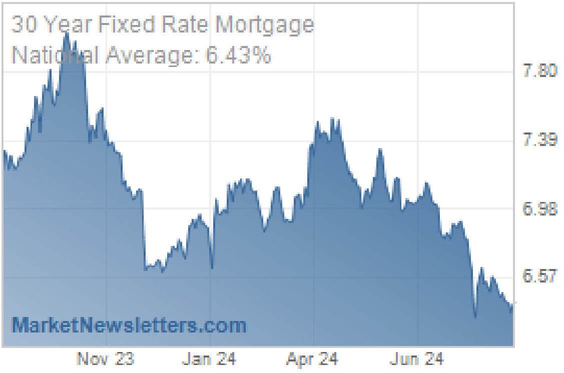
When multiple media outlets agree that mortgage rates have moved by a certain amount to a certain level, and when you see several news stories to that effect, chances are it's Thursday and all of the reporters are citing Freddie Mac's weekly rate survey data. For better or worse, that's the long-standing mortgage rate benchmark both inside and outside the industry. For those who only need a general idea of how rates are moving over long time horizons, that's just fine! Freddie does a **decent enough job** of that.

For those who are actually in the industry, in the loan process, or considering starting the loan process, it creates **big problems**. The issue is that Freddie's survey is **heavily** weighted toward Monday and Tuesday responses. Thursday and Friday aren't even counted. That means rates can jump significantly on Wednesday--to much higher levels than the previous week--and news outlets can still be reporting "lower mortgage rates this week!"

That's **exactly** what has happened this week. Yesterday's rate surge took us to the highest levels in more than 7 years. Today's aftershock only added to the pain. But because Freddie's survey is primarily comparing Monday and Tuesday to last Monday and Tuesday, they're showing a small improvement in rates.

Is there **any gray area here?** Is there a chance I'm being overly sensational

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

about this whole thing?

NO! Any notion of this week's rates being lower than last week's was out the window yesterday. It's **not even a close call** anymore. As I've said so many times, next week's Freddie survey will definitely reflect what I'm telling you today, unless bond markets manage to undergo a truly spectacular reversal tomorrow.

So is it possible for bonds to see such a reversal? Yes, but it's **equally possible** that the pain continues. Either way, it will likely be up to the market's reaction to the big jobs report in the morning. Traders aren't necessarily as interested in the payroll count and unemployment rate as they are in the average hourly earnings data--the ingredient that lit the match on September's rising rate powder keg.

Subscribe to my newsletter online at: http://mortgagenewsletter.net/homeloansbysteve

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.

Steve Chizmadia