



The Arizona Loan Baron

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A Message from The Arizona Loan Baron:

"While the headline is accurate and interest rates are indeed higher this week, historically they are still extremely low. For the time being. Be aware - This may very well be the turning point when we say goodbye to the ultra low rates for good. Time will tell."

Yes, Mortgage Rates are MUCH Higher This Week

Volatility has returned to the mortgage market in grand fashion this week with many lenders quoting rates that are as much as a quarter of a point higher than they were last week. That means if you were looking at something in the 2.75% neighborhood on Friday, it could be 3.0% today.

What gives?

The upward pressure is **nothing new**, really. It has existed in the broader bond market since August, but only recently began spilling over to the mortgage market. We've been discussing the increased risks of such a spillover in the event of a sharper bond market move and yesterday brought just such a move. Today was **much more docile** by comparison, but it didn't do anything heroic to push back against yesterday's weakness.

Still, there could be some **promise of stability** in the fact that the bond market was even able to hold steady today. Reason being: economic data and other events clearly suggested another bad day for bonds. Retail Sales surged at one of the best paces on record and inflation rose abruptly at the producer level. Both of those headlines make strong cases for higher rates, but Treasury yields ended the day slightly **LOWER** than yesterday. That sort of resilience may be a clue that bonds have **had enough** weakness for now (bond weakness = higher rates, all other things being equal).

Mortgage lenders are **WIDELY stratified** in terms of rate offerings with the more aggressive crowd averaging 2.875% on top tier 30yr fixed refinances and the less aggressive crowd being closer to 3.125% (conventional 30yr fixed).

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30 Yr. Fixed	7.08%	-0.05	0.00
15 Yr. Fixed	6.45%	-0.02	0.00
30 Yr. FHA	6.55%	-0.05	0.00
30 Yr. Jumbo	7.25%	-0.04	0.00
5/1 ARM	7.07%	-0.03	0.00

Freddie Mac

30 Yr. Fixed	6.86%	-0.01	0.00
15 Yr. Fixed	6.16%	+0.03	0.00

Mortgage Bankers Assoc.

30 Yr. Fixed	7.03%	+0.09	0.62
15 Yr. Fixed	6.56%	+0.09	0.54
30 Yr. FHA	6.90%	+0.11	0.95
30 Yr. Jumbo	7.11%	-0.01	0.50
5/1 ARM	6.38%	+0.11	0.54

Rates as of: 7/3

MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.39	+0.19
MBS GNMA 6.0	100.53	+0.14
10 YR Treasury	4.3602	-0.0724
30 YR Treasury	4.5297	-0.0761

Pricing as of: 7/3 5:59PM EST

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The Arizona Loan Baron

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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