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## 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	7.16%	+0.01	0.00
15 Yr. Fixed	6.64%	+0.01	0.00
30 Yr. FHA	6.62%	+0.01	0.00
30 Yr. Jumbo	7.40%	+0.01	0.00
5/1 ARM	7.33%	-0.01	0.00

Freddie Mac			
30 Yr. Fixed	7.09%	-0.35	0.00
15 Yr. Fixed	6.38%	-0.38	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: 5/10

## MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 6.0	100.07	-0.22
MBS GNMA 6.0	100.91	-0.23
10 YR Treasury	4.5032	+0.0471
30 YR Treasury	4.6459	+0.0374

Pricing as of: 5/10 3:29PM EST

# Mortgage Rate Update

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.

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## About Michael

If you are thinking about buying or refinancing a home in the Kansas City area, you've probably faced the dilemma of hiring the right Loan Officer to handle your mortgage. You may be concerned about working with someone that doesn't know the area, or who doesn't listen to you. Maybe you're worried about a loan officer who is more concerned with a commission than making sure you're properly taken care of.

Great news - I can help!

IF YOU ARE THINKING OF BUYING A HOME... I would love to share with you the mortgage loan products that are available to you, and also talk about what homes might be coming onto the market very soon. As a Kansas City resident who also went to college just down the street in Lawrence, I'm not just your loan officer but also your neighbor. I'd love to talk to you about my knowledge not only about the Kansas City market, and what neighborhoods would be perfect to you but also help you truly understand the landscape of the mortgage industry today, and introduce you to great Real Estate Agents that are ready to go to work for you and find you the perfect home. I'll help guide you through appraisals, inspections, title searches, and finally closing.

IF YOU ARE A REALTOR LOOKING FOR A REFERRAL PARTNER... I would love to sit down with you over a cup of coffee and show you ways to generate leads for your business and help you grow your clientele through some easy processes that NO other Real Estate Agents are doing. I am a growing Social Media guru that can show you my tips and tricks on how I've doubled my Twitter base in just a month!

If it sounds like I can help you, please contact me directly through Linked In, email me at [mbaker@affinityhomeloan.com](mailto:mbaker@affinityhomeloan.com) or call/text me at 913-735-5363. If you're not yet ready for a conversation, but you'd like to learn more about me and how I can help you or about the mortgage process in general, including great blog posts to send out to your clients, check out my website at <http://www.michaelbakerhomeloans.com>.

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