

Hi All,

Please see the commentary below – this is from Bankrate.com date 3/16/2020. I am simply sending this email to all of our potential refinance customers to provide an update of the current market conditions. The FED cut yesterday will take time to have an impact, current rates are significantly higher than they were a week ago and the outlook in the near future is questionable. The virus uncertainty and the market volatility will keep the rates from dropping until we have stability and a sense of direction. Feel free to contact me if you have any questions. Thank you.

What are today's mortgage rates?

On March 16, 2020, according to Bankrate.com the latest survey of the nation's largest mortgage lenders, the benchmark 30-year fixed mortgage rate is 4.120 percent with an APR of 4.180 percent. The average 15-year fixed mortgage rate is 3.350 percent with an APR of 3.480 percent. The 5/1 adjustable-rate mortgage (ARM) rate is 3.510 percent with an APR of 3.980 percent.

The Federal Reserve and mortgage rates

The Federal Reserve's interest rate decisions don't directly impact mortgage rates. Long-term rates, such as 30-year fixed-rate mortgages, are more closely tied to the 10-year Treasury yield.

There's little correlation between the Fed's rate decisions and mortgage rates. For example, when the Fed raised rates four times in 2018, mortgage rates decreased in the latter part of the year.

However, the Fed and Treasury yields are loosely influenced by similar market forces. "While not directly related to a Fed cut, the two are sort of a reflection of the same concern: the expectation that the economy is going to slow," says Greg McBride, CFA, Bankrate chief financial analyst."

If you're concerned mortgage rates will rise in the future, considering locking in your rate.

How are mortgage interest rates determined?

Mortgage interest rates are largely influenced by economic factors, such as inflation, economic growth indicators, Federal Reserve policies, the housing market and the bond market. Consumers, in many ways, have little to do with the average interest rates lenders offer.

However, borrowers can improve their chances of getting the best mortgage rate available by working toward an excellent credit score, making sure income is well-documented and keeping debt-to-income ratios low.

Sincerely,



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