

# MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.

A message from Nickolas Inhelder:

## We Make Home Happen.™

Our goal is simple:

To help every family we serve get to "Yes."

**Yes** to the loan that unlocks the joy of home ownership.

**Yes** to the lending solution that meets every client's unique needs and wants.

That's why we dedicate our every resource to serve as your personal guide through the lending process, solving problems, building confidence. Aslan has access to every lending option leading to the purchase or refinance of a residential home loan.

This is more than work for us. It is our unique joy in this life to share our collective skill, creativity, and care to bring you and your family right to where you belong.

Let's make home happen.

**CONTACT ME TODAY**



**Nickolas Inhelder**

Mortgage Broker, In Clear To Close - InCTC LLC

[www.AslanHLC.com](http://www.AslanHLC.com)

**P:** (720) 446-8778

**M:** (858) 229-9533

[nick@inclearclose.com](mailto:nick@inclearclose.com)

1777 S. Harrison St.

Denver CO 80210

2037157 - CO, FL

2656899 - AL, CO, FL, SD



## Lowest Rates in Over a Month Despite Small Move Today

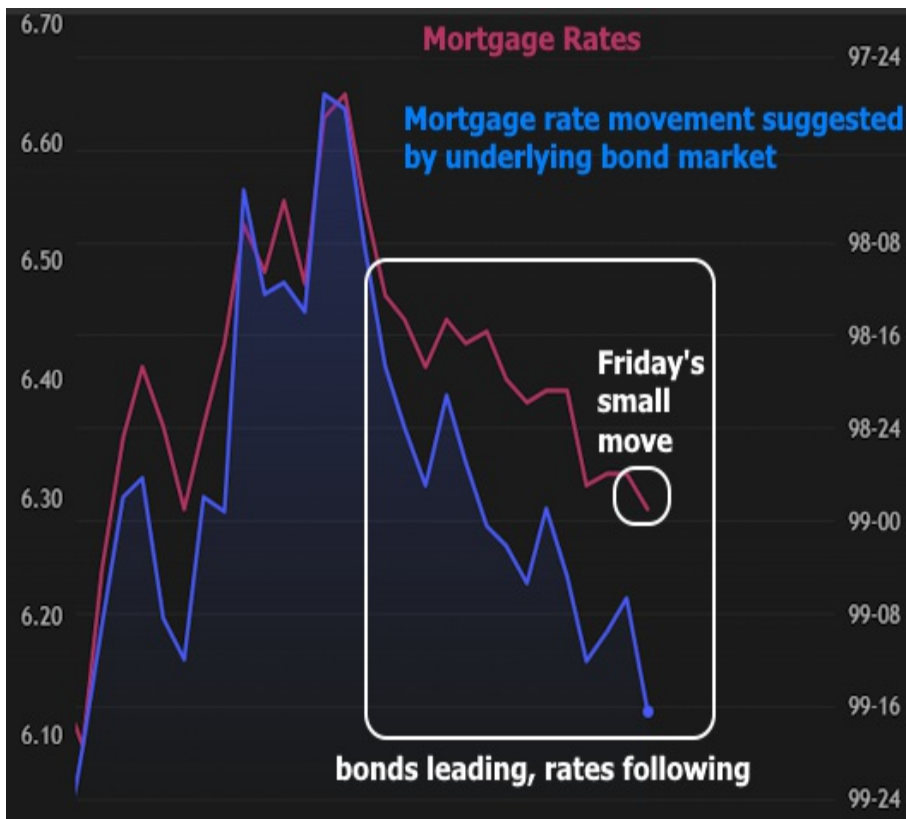
Today was a victory for mortgage rates, but not nearly as much of a victory as the underlying bond market would suggest. The good news is that the end result is the lowest average 30yr fixed rate in just over a month.

The other news isn't bad, per se, but it is a bit confusing.

As we often discuss, mortgage rates are based on bonds because mortgages "turn into" bonds in order to be traded on the secondary market. You don't need to understand that process in detail to accept that it's true. Case in point, here's a chart\* that overlays our average 30yr fixed rate and the most prevalent mortgage-backed security (a bond comprised of a pool of multiple mortgages).



Zooming in on Friday, we see bonds breaking lower at a faster pace than mortgage rates.



This is actually very normal behavior for mortgage rates--especially when they're falling into the lowest territory of the past few weeks. If the bond market gains are maintained next week, rates should increasingly be willing to close the gap. Conversely, if bonds bounce in the other direction, rates likely will as well, but they'll have some cushion and may not need to bounce as quickly.

*\* in both of today's charts, the right axis shows mortgage-backed securities PRICES. In the bond market, price varies inversely with yield (i.e. higher prices = lower rates). As such, the right axis is inverted (higher values at the bottom) in order to highlight the correlation with rates on the left axis. Otherwise, the chart would look like a Rorschach test and it would be impossible to detect these subtle changes.*