

# LOAN CENTRAL

Market Update  
November 20, 2009

## Average Rates as of November 20th

(Owner-occupied transactions)	Rate	APR	Points
30 Year Fixed Conforming	4.750%	4.885%	1
30 Year Fixed FHA	4.750%	5.357%	1
15 Year Fixed Conforming	4.125%	4.374%	1
30 Year Fixed "Conf. Jumbo" Max loan amount \$567,500	4.875%	5.001%	1
30 Year Fixed Jumbo Max loan amount \$1,000,000	6.000%	6.135%	1
5/1 ARM Max loan amount \$417,000	3.500%	4.035%	1
5/1 ARM Jumbo Max loan amount \$1,500,000	3.875%	4.193%	1

Note: Rates based on purchase transactions, credit scores over 740, vary by lender, loan size, loan-to-value ratio, loan type, loan purpose, buyer's method of income/asset documentation, credit history, length of lock term and other factors. The rates above should therefore be considered as estimates and are subject to change without notice.



### Rates Are Going To Go UP!

For one of the first times in history we have the clarity to see that right now likely marks the bottom of mortgage interest rates. We typically never know we have hit the bottom until rates have gone back up. Why the clarity now?

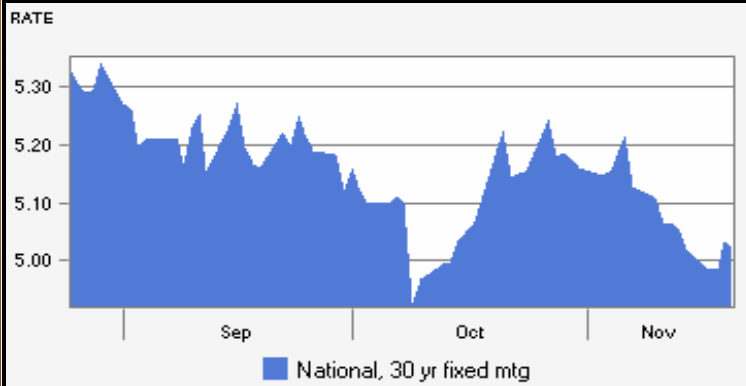
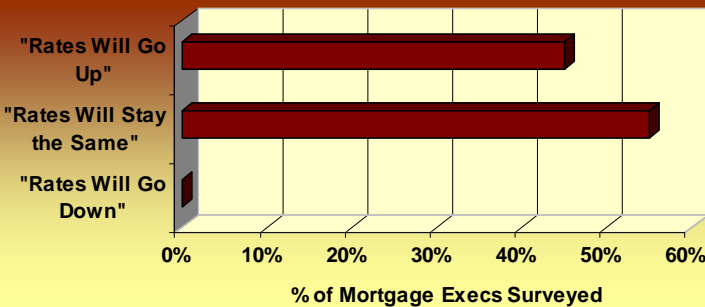
Mortgage rates were hovering in the 6% - 6.5% range a year ago. When the Fed launched its program of purchasing mortgage-backed securities in the first quarter of 2009 we saw mortgage rates suddenly dip to around 5%.

The Fed is now in the process of backing out of buying additional mortgage-backed securities. They have begun to lessen the quantities purchased, and will be completely finished purchasing by the end of first quarter 2010. Most experts believe we will start to see a gradual increase in rates between now and March, with rates ultimately settling back in the 6% - 6.5% range they were in before the Fed stimulus program.

What does this mean in terms of buying power? For a client who can afford a payment of \$2,150 per month based on a rate of 5% this would provide them a loan amount of \$400,000. At 6.5% this same payment would get them a loan of \$340,000...a \$60k difference!

We may never see rates this low again in our lifetimes! Now is the time to act before rates go UP!

### Weekly Rate Change Index



3 Month Trend for the National Average Rate for 30 Year Fixed Loans Priced With 1 Discount Point

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