

# Empty Econ Calendar Helps Mortgage Rates Hold Steady. Auctions Biggest Reprice Threat

By: Victor Burek | Tue, Mar 9 2010, 11:05 AM

After last week's rates roller coaster ride that forced multiple reprices for the better and the worse, yesterday was quite boring. Mortgage rates held steady as prices of mortgage backed securities never moved too far in either direction. With very little price volatility, lenders left rate sheets unchanged on the day near the best rates of 2010.

There are no major economic reports scheduled for release today.

With no economic data hitting the news wires this morning, today's trading action, like yesterday, has been slow. AQ recapped some events that happened overnight which have affected the flow of money in markets today. [HERE](#) it is if you are interested. The only event on the calendar with the ability to move mortgage rates is the first of three treasury auctions for the week.

Today at 1pm eastern, the Department of Treasury will release the results of the \$40 billion 3 year note auction. When our government lacks the cash needed to fund public spending, they borrow the funds from investors by selling debt, called Treasuries. Despite record amounts of borrowing, demand for our nation's debt has remained quite strong which is one of several factors that have contributed to mortgage rates holding near the best levels on record. Strong demand at today's auction should help mortgage rates hold at current levels; however, if demand is weak mortgage rates will come under pressure to move higher. AQ will cover the results of the auction on the MBS Commentary blog.

## [See Rates from Lenders in Your Area](#)

Reports from fellow mortgage professionals indicate lender rate sheets to have regained yesterday's marginal losses. The par 30 year conventional rate mortgage remains in the 4.75% to 5.00% range for well qualified consumers. To secure a par interest rate on a conventional mortgage you must have a middle FICO credit score of 740 or higher, a loan to value at 80% or less and pay all closing costs including an estimated one point loan origination/discount/broker fee. If you are seeking a 15 year term, you should expect par in the 4.25% to 4.50% range with similar costs but lower FICO score requirements.

If you plan on staying in your present home for less than 3 years, you should elect to pay less in costs but you will have to accept a higher interest rate. Your mortgage professional should be able to help you determine the most optimal cost vs interest rate scenario for you and your family. Sometimes it makes sense to pay less in fees and take a higher rate while other times it makes more sense to pay more in fees and secure a lower interest rate.

My lock advice is on hold with rates holding near what we believe will be the best levels of the year. Most lenders offer 15 day, 30 day, 45 day, 60 day locks and 90 day locks. The shorter the lock term the better the pricing. The only loans I would recommend you float are ones that are a day away from a shorter lock term. If you are 16 days away from closing and funding, I would float and lock tomorrow. If you are 31 days out from closing, I would also float and lock tomorrow, etc...

Again. Today's 3 year note auction is the biggest threat to move mortgage rates. Results to be released at 1pm.

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