

Here are 4 simple questions that your mortgage professional absolutely MUST be able to answer correctly. If they do not know the answer...don't walk...RUN...to a mortgage professional that does!

1. What are mortgage interest rates based on?

The only correct answer is Mortgage Backed Securities or Mortgage Bonds, not the 10-year Treasury Note. While the 10-year Treasury Note sometimes trends in the same direction as Mortgage Bonds, it is not unusual to see them move in completely opposite directions. Don't work with a mortgage professional who has their eye on the wrong economic indicators.

2. What is the next Economic Report or event that could cause interest rate movement?

A true mortgage professional will have this at their fingertips. Please contact us if you would like a list of upcoming Economic Indicators.

3. When the Fed "changes rates", what does this mean...and what impact does this have on mortgage interest rates?

The answer may surprise you. When the Fed makes a move, they can change a rate called the "Fed Funds Rate" or "Discount Rate". These are both very short-term interest rates that impact Credit Cards, Home Equity Credit Lines, Auto loans and the like. On the day of the Fed move, Mortgage rates most often move in the opposite direction as the Fed change. This is due to the dynamics within the financial markets in response to inflation. For more information and explanation, just give us a call.

4. Do you have access to live, real time, mortgage bond quotes?

If a mortgage professional cannot explain how Mortgage Bonds and Interest Rates are moving in real time and warn you in advance of a costly intra-day price change, you are talking with someone who is still reading yesterday's news, and probably not a professional with whom to entrust your home mortgage financing.

Be smart...Ask Questions...Get Answers! More than likely, this is one of the largest and most important financial transactions you will ever make. You might do this only four or five times in your entire life...but we do this every single day. It's your home and your future. It's our profession and passion. Choose Blue Stripe Mortgage for all your residential mortgage needs, we are here to serve you.