

Lowest Mortgage Rates in More Than a Month, For Some Anyway

Mortgage rates moved down again today, bringing the average lender to their best levels since the 2nd week of March. Some lenders are quoting their lowest rates ever, but early March 2020 averages are still decidedly lower.

You may have seen other articles today claiming "all-time lows." Some of those articles may even be quoting me (although they don't quote me in support of the "all-time low" headline). Who's right? In terms of the average rate on any given day, we're **absolutely not** yet back to early March levels. That's a fact. Other sources are in apparent disagreement if they're relying on Freddie Mac's weekly survey-based rate index, which is indeed at an all-time low this week.

When it comes to Freddie's survey, keep in mind that it **doesn't** account for any movement on Thursdays and Fridays, by its own admission. And in my experience, it really doesn't capture much of the movement seen on Wednesdays either. That means March 4th-6th weren't counted and those were 3 of the best days in history. By the following Tuesday, rates were already rising quickly. Point being, Freddie's methodology missed out on truly capturing the all-time lows in early March. **In Freddie's defense**, they missed out on this week's best rates too, since today is definitely better than yesterday (the last possible day that could have made it into the survey).

What's the point here? Simply put, Freddie's survey does a fine job at capturing the broad movement in mortgage rates, but it doesn't capture all the volatility, nor does it do a good job of pinpointing long-term lows. The average lender still needs another day or two of solid improvement before getting back to early March levels. Even then, this only applies to the most ideal conventional 30yr fixed scenarios. Costs have increased for additional risk factors. In other words, you might have a hard time finding a lender for a cash-out loan right now. If you do, you might find the cost adjustment is bigger than it normally is.

Loan Originator Perspective

Pricing continued to improve marginally today. Clients with some risk tolerance may want to wait until they're within 15-30 days of closing to lock. As always, if you're happy with your pricing, pull the lock trigger and don't look back. -**Ted Rood**, Senior Loan Originator, Bayshore Mortgage

My advice to clients is remaining unchanged. Lock at the first opportunity! -**Victor Burek**, Churchill Mortgage



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