

## Mortgage Rates Have Already Risen From All-Time Lows (But Only Slightly)

It's Thursday, and thus time once again for Freddie Mac's weekly mortgage rate survey. This is the longest-running and most widely-cited snapshot of **mortgage rates** in the US, but it frequently results in **misinformation for mortgage shoppers**. The survey does an accurate job of capturing the rates available early in any given week, but it doesn't take the entire week into consideration. As such, actual rates can be very different by the time the survey is published (and news organizations are citing it as a breaking story).

This is most noticeable when rates make huge moves late in any given week or simply when rates are **near all-time lows**. In the current case, the average lender **was** at all-time lows late last week when Freddie's survey wasn't accepting any responses. It's no surprise to see Freddie's survey showing all-time lows today, even as rates have clearly moved up a bit from those all-time lows. After all, a good amount of that movement occurred after Tuesday when the majority of Freddie's survey responses have already come in.

All that to say, please don't expect your mortgage lender to be able to offer all-time low rates today... not without a time machine anyway.

### Loan Originator Perspective

Pricing is still in a tight range, perhaps off a tad from earlier in the week. For the most part, I am locking when loans are submitted to UW, our short term lock pricing is vastly superior to longer terms. Ask your lender how his lock length pricing varies, he should be able to advise you on best course of action for your scenario. -**Ted Rood, Senior Originator, Bayshore Mortgage**

### Ongoing Reminder on Forbearance

Coronavirus has created unprecedented challenges for people and industries. For homeowners facing a big reduction in income due to coronavirus-related hardship, a forbearance can make excellent sense. But for those who have the capacity to continue making mortgage payments, there are downsides to consider. Forbearance itself does not hurt your credit score, but it does show up on your credit report. This will affect your ability to qualify for a loan in the present and near future. It can also result in your other creditors decreasing your available credit balances. This has the unintended effect of increasing your ratio of debt to available credit which is a key component of credit scoring models. Thus, even though forbearance itself is not hurting your credit, it can indirectly lower your credit score and it will absolutely impact your mortgage creditworthiness in the short term.



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