Mortgage Rates Slightly Higher, But Still Near All-Time Lows

Mortgage rates were **slightly higher** today for the average lender. Additionally, some lenders bumped rates a bit in the middle of the day in response to weakness in the bond market. That weakness is increasingly tied to broad movement playing out across markets as they respond to coronavirus implications.

With several states seeing rising numbers of cases, stocks and rates (via the bond market) moved lower in unison in pre-market trading. This is what allowed mortgage rates to begin the day relatively close to last week's all-time lows. As the day progressed, the **trend shifted** toward modestly higher rates and higher stock prices (i.e. risk tolerance improved after investors began the day cautiously).

The **Federal Reserve** announced a start to its corporate bond buying program. While this has no direct bearing on mortgage bonds or mortgage rates, it fueled the same trading sentiment that had investors moving out of bonds and into stocks as risk tolerance improved.

Although we can see a **clear connection** between coronavirus news (and well as Fed policy changes) and logical outcomes in the market, we can't know how that news will evolve in the near term. In short, there's no way to predict the future for rates, unfortunately! What we CAN say is that when rates have poked around all-time lows for a few days, they haven't tended to improve upon those levels significantly without moving in the other direction for at least a week or two. To be sure, the average lender doesn't have a ton of incentive to drop rates very quickly given that top tier scenarios are increasingly seeing rates under 3%.

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EQUAL HOUSING LENDER


8%
6%
4%
2%
0%
2016
2018
2020
2022
2024
30 Yr. Fixed
15 Yr. Fixed
30 Yr. FHA
30 Yr. Jumbo
5/1 Yr. ARM