

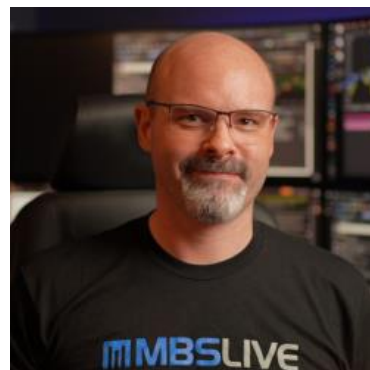
## Rates at All-Time Lows Ahead of Important Jobs Data

**Mortgage rates** were generally **unchanged** today, thus leaving the average lender at **all-time lows** for conventional 30yr fixed scenarios. It continues to be the case that loan scenarios with additional risk factors have NOT seen nearly as much improvement as those in the top tier. In general, however, things are starting to improve.

When coronavirus rocked the financial markets in March, mortgage rates were particularly hard hit. This had a lot to do with the anticipated inability of millions of homeowners to make their mortgage payments. While the government and the mortgage industry rushed to put programs in place to help those homeowners, there were/are **unavoidable consequences** for mortgages in the eyes of investors. Simply put, each additional risk factor that makes forbearance (a temporary non-payment agreement) more likely from a statistical standpoint also made the available rates incrementally higher.

That **pain will continue to heal** slowly. For now it means that many borrowers may not be seeing rates any lower than they did in mid 2019, mid 2016, or late 2012. In fact, many more will be surprised to learn rates are actually higher today, despite the average 30yr fixed being at all time lows for borrowers with no additional risk factors.

Rates (and markets in general) continue paying **most** of their attention to **coronavirus headlines**. Investors want to know if the economy can heal without unacceptably high impacts on public health. The measurements of economic health come in the form of various economic reports. Tomorrow brings the most important economic report of any given month in the form of the Employment Situation (the big jobs report that conveys new job creation and the unemployment rate). If it suggests more people are getting back to work than expected, the normal implication would be for upward pressure on interest rates. That said, any troubling developments in terms of covid case counts could easily offset a strong jobs number.



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