

Mortgage Rates Struggling to Set New Records

Mortgage rates improved almost imperceptibly this morning compared to yesterday afternoon. With that, the average lender was just a hair below the previous all-time lows, but by an amount that's so small as to not really matter to the average mortgage borrower.

Perhaps **more importantly**, after a string of convincingly lower all-time lows, mortgage rates have been struggling to make additional improvements. This mirrors recent improvements in the Treasury market--the benchmark for fixed interest rates in the US. 10yr yields have moved progressively lower since mid-June, but have also struggled to break certain levels. In 10yr Treasuries, for example, 0.58% has been a key point of resistance. That was challenged today, but not convincingly broken (.579% currently).

All this is in line with the gentle reminders I've handed out periodically in the recent weeks about there being a limit to current low rate trend. I'm **not** saying we've seen the absolute limit to how low rates can go, but we **are** seeing the first instance where that trend has clearly leveled off.

This makes sense from the **mortgage industry's standpoint** as well. If rates move much lower from here, lenders would see refinances among those who just got new loans a few months ago, and that's a costly turn of events for mortgage investors (who rely on borrowers keeping their loans for a certain number of months in order for those loans to be profitable).

Loan Originator Perspective

Rate sheets are looking pretty decent today. Most of my clients are deciding to lock in the recent gains. I would say if within 30 days or closing, go ahead and lock. -**Victor Burek**

Stability in mortgage rates builds the case for getting comfortable with the current mortgage rates available....DO NOT BE FOOLED! We have seen rates changes course aggressively overnight. I strongly recommend locking in as soon as possible. - **Gus Floropoulos**



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