Mortgage Rates Mixed, Depending on Lender

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Mortgage rates did something over the past 3 days that they **haven't done since early June**. They moved sideways to slightly **higher**! At the same time, interest rates in the broader bond market have been flashing a warning that the past 6 weeks of improvement might be meeting some resistance. While that still may turn out to be the case, today was ultimately a victory, but there's a catch.

Today was a victory in the sense that the underlying bond market improved enough for most mortgage lenders to offer slight improvements. The catch is that those bond market gains happened gradually throughout the day and we didn't hit the levels that would motivate most lenders until later in the afternoon. By that time, a few of the slower-moving lenders were already past their typical window to make changes to the day's mortgage rate offerings.

This is no big deal **as long as** the bond market doesn't move too much overnight. If that's the case, the lenders who didn't offer mid-day improvements today will simply be able to set rates lower tomorrow morning. But if bonds happen to slide backwards overnight, today's bond rally will be more or less lost in the void as far as its impact on mortgage rates is concerned.

Beyond that, the average mortgage lender **isn't necessarily eager** to push rates too much lower--or at least not very quickly. Capacity is an ongoing problem as the longest-running stint at the lowest-ever rates is doing exactly what you'd expect it to do to demand. In other words, lenders are as busy as they've ever been by the time we consider ongoing operational hurdles associated with coronavirus.