

No, Mortgage Rates Are Definitely Not Back to All-Time Lows!

It's Thursday and thus time, once again, for the weekly mortgage rate survey from Freddie Mac. News organizations and even some bond market strategists (sadly) rely on Freddie's weekly update for a sense of mortgage rate movement. That's why an **overwhelming majority** of the new mortgage rate articles on any given week come out on Thursdays.

Unfortunately, the unified onslaught of news coverage adds unjustified credibility to what is at best stale information. This creates uncomfortable conversations for loan originators and their clients who ask why their recently quoted rate isn't any lower. After all, today's rates are at all-time lows, right?!

Wrong...

And that's **not** just a halfhearted "wrong" due to some technicality or tricky math. Today's rates are actually and unequivocally **not even close** to those seen on August 4th or thereabouts. Are they low? Sure! Are they under 3% for top tier scenarios? Absolutely. But whereas today's going rate for top tier clients at aggressively priced lenders is under 2.9, it was easily under 2.8 in early August. More importantly--perhaps **MOST** importantly when we're talking about the week-over-week change--the average lender has been quoting **HIGHER** rates compared to last week.

How is Freddie getting it **so wrong**? With respect to this week versus last, the answer is **simple**. Freddie's survey mostly reflects mortgage rates on Monday's and Tuesdays. Last week's best rates didn't hit until Wednesday and Thursday.

As far as the discrepancy between this week's numbers and those seen in early August, that's anyone's guess. **Here's mine**: Freddie's survey goes out to a wide variety of originators. A large enough portion of respondents must be in the cohort of originators who are slow to change rates with the rest of the market. Those originators truly may be quoting lower rates today versus early August, but they are the exception to the rule.

Bottom line, the average lender has slightly higher rates today versus last week, and obviously higher rates versus early August.



Jason Wood

Mortgage Advisor & VA
Loan Specialist, VA Loan
Guy

www.valoanguyusa.com

P: (760) 350-3989

M: (760) 217-0820

2714 Loker Ave. W.
Carlsbad CA 92010____
317293



