

MORTGAGE RATE WATCH

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Mortgage Rates in Drift Mode

Mortgage rates didn't do much today. The average lender was effectively unchanged from yesterday. The same could be said yesterday, and the day before that, and so on and so on... The only major adjustment to rates in recent weeks has been the **abrupt spike** of roughly 0.15% that occurred for some lenders when they re-implemented the new adverse market fee. Not sure what that is? Get caught up [HERE](#).

The adverse fee will **continue** working its way through the industry in the coming weeks. No lender is immune. This presents a great opportunity to lock refinance loans if you have one in process with a lender who has yet to bring the fee back.

Once the fee is back in play for every lender, we **could see rates relax** just a little--at least enough to notice. The rationale is that there's currently a certain level of uncertainty regarding the number of loans that will meet the cut off date for the fee. Uncertainty costs money. It forces lenders to widen their margins--even if only slightly. Once that uncertainty leaves the building, it could be worth a small token.

Apart from those mortgage-specific fluctuations, the broader bond market (which typically dictates mortgage rate momentum) is locked in one of the narrowest, smallest sideways ranges we've **ever** seen. Some analysts think it could last until the election. While that is a possibility, it's not necessarily something I'd plan on when it comes to locking vs floating.



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