

## Low Rates Forever? Not Exactly, But The Word "Indefinitely" Sounds Better All The Time

Mortgage rates were **mixed today**, depending on the lender. The underlying bond market (which dictates day to day changes in rates) has been more volatile in the past 48 hours compared to the past 4 weeks. Mortgage lenders respond to this volatility in different ways. It's those differences that account for higher rates for some lenders and lower rates for others.

But those differences are only in day-over-day terms. In other words, one lender might be higher in rate compared to yesterday only because they **didn't** respond to **yesterday's** market volatility in a timely way. Specifically, lenders have a choice as to whether or not they will adjust their mortgage rate offerings based on market conditions. Some are jumpier than others.

Quite a few lenders increased rates in the middle of the day (yesterday) and consequently were able to offer slightly **lower** rates by the end of the day **today**. Lenders who held firm in the face of weaker market conditions yesterday were forced to offer **higher** rates today.

In the grand scheme of things, we're **not** talking about any **extreme** movement. In fact, rates have **rarely** been this calm for so many months on end. That will eventually change, but if it's going to change in a major way in the next few weeks, you'd be hard pressed to find anyone claiming to know why. In other words, rates are seen remaining in a historically low, narrow range for the foreseeable future. Many experts are thinking about that time frame in terms of **months and years** as opposed to days and weeks.

The nearest flashpoint on the horizon is the presidential election, which always has the potential to cause market volatility. Apart from that, all eyes are on the course of the pandemic and the economy's slow battle to restore as much of its pre-covid glory as possible. **The longer that takes** and the slower it goes, the longer experts will be right about the low, narrow range for rates.



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