

## Sideways Streak Continues For Rates

If you're shopping for a purchase mortgage and if you'd previously received quotes from one of the slower moving lenders back in late July or early August, you may be looking at mortgage rates that are very close to **all-time lows**. If you're in the market for a refinance, you're **nowhere near** all-time lows--especially if you count jumpier lenders (those who change their rates with minimal provocation from the bond market or their operational capacity) and shorter time horizons. In fact, the average lender was quoting refi rates roughly a quarter of a percent lower in early August before the new refi fee was announced.

For what it's worth, the rates on MND are weighted in favor of the market profile when it comes to purchases vs refis. As such, the comparatively higher rates for refis have pulled the average higher (refis comprise more of the market). Given my lust for accuracy and precision, we may break out purchases and refis into separate indices until and unless the adverse market fee goes away, and that **could take years**.

All of the above having been said, whether you're looking at purchase rates close to all-time lows or refi rates that are nowhere close, they haven't changed much at all over the past few weeks. That's been the case even though the underlying bond market suggests a bit more volatility. Mortgage rates have been able to defy that volatility due to extra wide margins. That's another way of saying lenders are keeping rates **higher** than they otherwise would be in order to slow down the pace of new business. They're overloaded as it is.

The **downside** is that it could take months for margins to shrink, but the **upside** is that when the bond market says rates should be going higher, lenders don't have to pay as much attention (within reason). A huge move would still have an effect, but the sort of movement seen over the past two weeks has been taken fairly well in stride.



**Jason Wood**

Mortgage Advisor & VA  
Loan Specialist, VA Loan  
Guy - American Mortgage  
Network

[www.valoanguy.us](http://www.valoanguy.us)

**P:** (760) 350-3989

**M:** (760) 217-0820

1185 LINDA VISTA DR  
SAN MARCOS CA 92078  
317293

