

Mortgage Rates Moving Higher

It began last week. It was subtle--so subtle as to pass largely unnoticed. But the gentle drift toward slightly higher rates has taken bigger steps so far this week. As of this afternoon, the average lender is quoting the **highest** rates since late September! That's quite a realization when juxtaposed with last week's (misleading) headlines about "all-time lows."

If the highest rates in nearly a month sound scary, **don't freak out** just yet. During that time, rates have held inside one of their narrowest ranges ever. By the time we consider how low rates are in the bigger picture there's actually never been a comparable example of "this low for this long."

The lift-off hasn't proven to be too alarming just yet either. Many lenders are still quoting the same note rates today versus their recent lows. We're only talking about "higher rates" in terms of the **EFFECTIVE** rates (which take upfront costs into consideration). It's actually not uncommon for **NOTE** rates to remain unchanged for days at a time while **EFFECTIVE** rates are rarely unchanged from one day to the next.

All of the above having been said, the absence of high drama in the mortgage rate world DOESN'T mean you should necessarily expect rates to stampede lower in the near future or that you should have any less of a sense of urgency about locking. In general, we'll be hard-pressed to see any major improvement until traders see what the **election** and the **new stimulus bill** do to the market.



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