

MORTGAGE RATE WATCH

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Today is October 22nd, 2020, and Mortgage Rates Are Not at All-Time Lows

Thursdays are **special days** for mortgage rate aficionados--or they can be anyway. That's when the weekly mortgage rate survey from Freddie Mac is released.

The survey is a mainstay of the mortgage industry and the news media. It's been around the longest and is really the only mortgage rate benchmark the industry has. That's **TERRIFYING** considering how hopelessly inaccurate it can be at times.

In Freddie's defense, they are upfront about their methodology, which is the **biggest part of the problem**. They send the survey out on Monday and then accept responses until Wednesday. Based on my research comparing actual rates with Freddie's survey over the years, a vast majority of the responses come in on Monday and Tuesday. As such, this weekly rate survey is better described as a "Monday mortgage rate survey."

Unfortunately, the survey is released on Thursday, at which point news outlets do things **like this**: "**Mortgage rates fall to record lows for the 11th time this year.**" Not their fault really. After all, who are they to question the mighty Freddie Mac--a mortgage market authority?!

Even more unfortunate is a day like today where rates are unequivocally higher across the board versus last week--not by much, mind you. For the first time in a long time, I really have no logical way to reconcile rate sheet reality with Freddie's survey. All I can do is convey that reality: rates have been generally flat to slightly higher in recent weeks and as of yesterday, were at the highest levels in nearly a month. Today's rates were actually slightly better for the average lender, but not by enough that any consumer would notice it on a mortgage rate quote (and not by nearly enough to claim that this week's rates are lower than last week's--even then, Thursdays aren't counted in the survey anyway).



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