MORTGAGE RATE WATCH
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Mortgage Rates Steady At Recent Lows Ahead of Election

Mortgage rates move higher and lower all the time, but **truly massive** moves tend to arrive with many months (if not years) in between. The trade war in 2019 and the pandemic in 2020 both served to push rates significantly lower, but how about rate spikes? If we're talking about the really big stuff, there are only 4 obvious candidates in the past 20 years. Two of these had more to do with volatility following the financial crisis in 2009 and 2010.

The two more recent rate spikes occurred in **2013** after the Fed signaled a shift in its bond buying plans and in **Nov 2016** after the presidential election. The implication is obvious. The last election caused one of only a few huge rate spikes and the next election is tomorrow night.

This is **NOT** to say that we should **EXPECT** a similar move. After all, if markets knew for sure that the election would push rates higher, they'd already be there. Rather, it's just a heads up about volatility. Combine the election with this week's Fed announcement and other economic data, and we could finally see mortgage rates make some more noticeable movements.

Unless volatility shows up in a big way, however, rates may not feel the need to move very much at all. They certainly haven't been experiencing their normal amount of ups and downs recently. This has most to do with the fact that bond markets actually allow for lenders to offer lower rates than they're already offering. Lenders are simply too busy to drop rates any faster. While lower rates would be great, the current consolation prize is that rates haven't been forced to move much higher even when the bond market says they should be. Keep in mind, this situation WILL change with a big enough dose of **one of two things:** time and market volatility.

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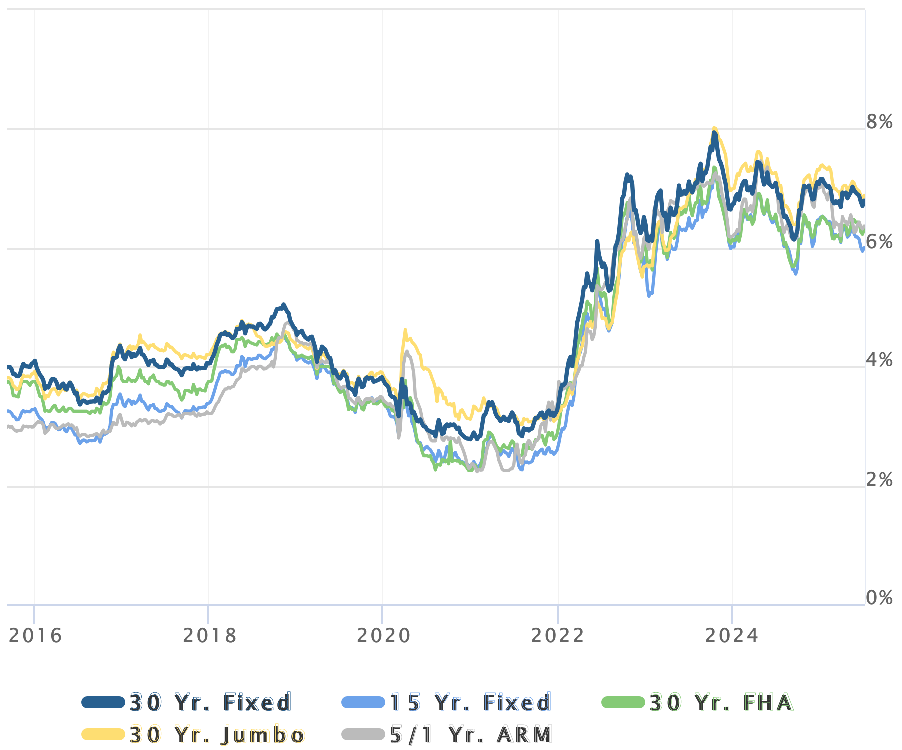
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2018
2020
2022
2024
30 Yr. Fixed
15 Yr. Fixed
30 Yr. FHA
30 Yr. Jumbo
5/1 Yr. ARM