

## Mortgage Rates Remain Near Recent Lows

Mortgage rates were **little-changed** today, with the average lender only microscopically better than yesterday. That means few loan seekers will notice any difference from yesterday. That leaves us in line with the low rate levels seen immediately following the election earlier this month, and that's as low as rates have been since early August, as long as we're talking about purchase mortgage rates. Refis continue to suffer relative to purchases due to the adverse market fee imposed by Fannie Mae and Freddie Mac (rolled out by lenders at various times over the past 2 months).

Today was somewhat notable due to the fact that the bond market (normally the most important driving force for mortgage rates) told a **different story**. Bonds suggested rates should have moved lower more noticeably. It's no surprise that they didn't, however. Mortgage rates have frequently been disconnected from bonds due to unique impacts from the pandemic.

Here's the **simplest way to understand it**: mortgage rates were unable to keep up with the bond market when rates plummeted earlier in the year. From there, lenders adjusted rates lower in bits and pieces as they were able to handle the influx of new business. Even now, lender capacity has a historically large say in whether or not rates can follow the bond market on any given day. Bottom line: lenders are still slammed, and they don't need to lower rates very aggressively to stay that way.



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