

## How Much Lower Are Today's "All-Time Low" Mortgage Rates?

2020 has safely secured its place in the record books as the year of all-time lows in **mortgage rates**--one of them anyway. Several other years have recently boasted as many new instances of record lows, but none have **done** so with the average 30yr fixed rate **under 3%**. When it comes to the "top tier" rates that are typically used as benchmarks, sub-3% is actually very **old news** now. As of this week, even the broad averages (which include loans that are far from "top tier") have fallen under 3%. Top tier rates are closer to 2% in some cases.

But **how much progress** is being made each time the old record is broken? That depends on the day or week in question, to some extent, but as a general rule, the improvements are best described as modest. Compared to the 3-4 previous records, this week's rates are not much better. In many cases, the only improvement is to the upfront cost or lender credit. That side of the mortgage rate equation allows for fine tuning of costs. The "note rate" itself is typically offered in 0.125% increments, and we haven't seen that kind of a movement in months.

If there's a **takeaway** here, it's that it doesn't really make a ton of sense to wait for rates to move lower. At some point, the record run will be over, and the **turning point is getting closer** all the time. **Here's why.**



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