

MORTGAGE RATE WATCH

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Mortgage Rates Edge Higher From Long-Term Lows

Mortgage rates hit another all-time low on Friday for most lenders. Other lenders had slightly lower rates yesterday morning. Since then however, almost every lender has **moved up** from those lows, even if only by microscopically small amounts in the bigger picture.

Purchases and refinances continue to be offered at **vastly different** rates. The gap is as wide as half a percent for some lenders, and no smaller than 0.125% in the best cases. This assumes the loan in question is conventional, conforming, over \$125k, and not part of the HomeReady or HomePossible programs offered by Fannie and Freddie (those programs are exempt from the recently phased-in fee that applies to all conventional conforming refinances over \$125k).

Prospects for additional improvement are **limited from here on out**. Lenders tend to play it safer than normal in the 2nd half of winter holiday weeks. Given that the bond market (which underlies rate movement) is fully closed on Friday and closing early on Thursday, that makes tomorrow the last business day before an extended weekend. The following week sees the exact same pattern as far as markets are concerned. Lenders need markets to be open and for trading to be active if they're going to offer the lowest possible rates (all other things being equal).



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