

MORTGAGE RATE WATCH

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Rates Rising at Fastest Pace in Months

Mortgage rates are coming off a rough week--**the roughest**, in fact, since June 2020 by some measures. That's the last time rates rose this quickly for market-driven reasons. There were a few instances of bigger moves in Aug/Sept as the new refinance fee was announced, delayed, and ultimately implemented. Either way, things aren't great right now, relatively speaking.

The "relative" qualification is important considering this abrupt move higher has yet to threaten to take the average top tier 30yr fixed quote above 3%--far from it, in fact. Most lenders can still offer **2.875% or better** on refis and 2.625% or better on purchases. This assumes an ideal scenario with 20%+ equity, strong credit, etc.

If this drama were to conclude right now, it **wouldn't** be that big of a deal in the bigger picture. **The concern**, however, is that it coincides with a potentially legitimate inflection point for rates. Those concerns were fueled first and foremost by changing of the guard in Washington with strong supporting roles being played by vaccine optimism, deceleration in new covid cases, and slightly tougher talk from the Federal Reserve. Qualitatively, it feels a bit early for "the big turn" in mortgage rate momentum for a variety of reasons, but it's a threat that should be taken seriously until we see clear signs of a correction.



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