MORTGAGE RATE WATCH
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Mortgage Rates Move Slightly Lower

Mortgage rates moved slightly lower today depending on the lender. Those who raised rates yesterday afternoon (most of them) were able to offer slightly better terms this morning. Lenders who held firm yesterday were forced to adjust rates higher this morning. In other words, there was some pain to be distributed due to yesterday's bond market losses. Most took care of that yesterday while a few waited until this morning.

Today's economic data was sparse, but the most relevant report this morning proved **helpful** for rates. The Philadelphia Federal Reserve publishes a monthly business survey that market participants use to gauge the broader domestic economy. It undershot expectations by quite a bit, including those for the level of employment. This suggests the economy won't necessarily stampede back to pre-covid levels. The more doubts about the economic rebound, the better it is for rates, all other things being equal.

Note: **"better"** doesn't necessarily mean rates have a ton of room to fall. A better way to define "better," in this context would be "the ability to remain **lower than many people expected."** How low is low? According to Freddie Mac's weekly survey, conventional 30yr fixed rates are back up to 3.0% as of this week, but due to the lag in their data collection methods, that's really just a measurement of rate spike seen by Monday. Since then, rates are just a little bit higher.

Also worth noting is that Freddie's survey captures the best case scenario, which is currently all about purchase loans due to the ongoing additional fees imposed for most refi transactions. The average refi is in the 3.125-3.25% neighborhood for top tier scenarios (great credit, 20% equity, etc.).

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