

MORTGAGE RATE WATCH

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Mortgage Rates Lower Today, But Not Necessarily Lower This Week.

Mortgage rates fell again today as the bond market continues to enjoy surprisingly strong levels over the past 2 weeks. That strength was not always a given as rates were actually moving higher from Friday through Tuesday. Since then, however, they've been falling back toward the recent lows seen on Thursday, July 8th. "Toward" is the operative word there as the average lender is definitely not yet any lower than that.

In other words, mortgage rates may be lower today, but they're better described as "**flat to slightly higher**" in week-over-week terms. This is in contrast to Freddie Mac's weekly rate survey released this morning, showing a 0.02% decline on the week, but as always, Freddie's survey methodology means we're not really looking at Thursday vs Thursday. Instead, Freddie's rate tends to capture the change in rates from the first business day of any given week to the first business day of the following week. That lines up well with our more granular daily rate data, where Monday's rates were indeed lower than last Tuesday's (banks were closed on Monday for Independence Day).

As for levels, Freddie has the 30yr fixed at **2.88%**, but that's a bit lower than average for a few reasons. First off, it assumes 0.7 points in origination. It also assumes the best available rate, which means it only applies to flawless purchase scenarios. By the time we adjust for refinances and origination costs, the actual effective rate is still **just over 3%**. Keep in mind, however, that lenders remain much more widely stratified than normal.



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