

## Mortgage Rates Fall Back to 3 week Lows

**Mortgage rates** drifted lower again today, with the average lender getting back down to the lowest levels since the first week of August. In a general sense, today's friendly rate momentum represented follow-through momentum after Fed Chair Powell soothed the market on Friday morning.

Both stocks and bonds improved as Powell said that he **had been** considering tapering the Fed's asset purchase program this year, but the surge in covid cases due to the delta variant complicated the outlook. The Fed's asset purchases help rates stay lower than they otherwise might be and rates are expected to rise a bit when the Fed finally pulls the trigger on tapering.

All that having been said, the Fed's decisions are ultimately dependent on economic data. Specifically, the labor market needs to show that it can weather the various storm cycles of the pandemic. To that end, there are several upcoming reports that can offer some clarity with this Friday's jobs report being the most important. In other words, even if the Fed doesn't have anything new to say this week, an exceptionally strong jobs report could easily push rates back up.



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