

Mortgage Rates Drift Up From Recent Lows

Mortgage rates were **unchanged to slightly higher** today, depending on the lender. The differences in pricing strategies stem from the timing of changes in the bond market.

Mortgage lenders set their rates based on the prices of mortgage-backed securities (MBS), which change constantly throughout the day. Despite those changes, there's often enough stability for lenders to "set it and forget it." On days where MBS move more than normal, lenders can **change** their mortgage rate offerings in the middle of the day.

In today's case, those changes were just getting to be too big to overlook right at the end of the trading day. As such, **only a handful** of lenders opted to make any changes and even then, those changes were fairly small.

The implication is that rates should be **slightly higher** tomorrow morning (for lenders who didn't make any changes today), all other things being equal. Beyond that, all lenders will face **increased volatility** in the coming days due to the release of several important economic reports culminating in Friday's big jobs report.



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