

Mortgage Rates Flat to Start The Week

Mortgage rates were fairly **flat** to start the new week. This leaves the average lender in the high 2% range for top tier conventional 30yr fixed scenarios (i.e. 20%+ equity, 740+ FICO, owner-occupied, single-family, detached homes). This is just a bit higher than the all-time lows seen at the beginning of the year when rates were in the mid-2% range.

There's **disagreement** about where we go from here. The easy answer--and probably the more common one--is that rates will gradually move higher as we continue to distance ourselves from the worst days of the pandemic. But that answer actually implies its own counterpoint: a lot depends on covid! Specifically, if the delta-driven case count spike doesn't quietly subside, and more importantly, if cases accelerate into the fall months, rates could remain in this all-time low territory. Moreover, if covid ends up translating to new, measurable economic damage, rates could even re-challenge previous lows.

These scenarios would take **months** to play out. In the **shorter term**, there's a lot of focus on next week's Fed announcement. Investors remain hungry for clues about when and how the Fed will begin winding down its rate-friendly bond buying programs.



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