

## Mortgage Rates Fall Back to Lowest Levels in Nearly 2 Weeks

**Mortgage rates** are in **recovery mode** so far this week. Today brought the best improvements so far with the average lender's rates falling back to the lowest levels in nearly 2 weeks.

As always, it's **important to remember** that there are two components to the effective mortgage rate: the actual interest rate applied to the principal balance of a loan and the upfront costs required to obtain that loan. Due to the structure of the mortgage and bond markets, mortgage rates tend to be offered in 0.125% increments. Financial markets usually don't move enough in a single day for rates to change by that much, so the **upfront costs** allow for smaller, fine-tuning adjustments.

All that to say that the current week has been good enough for rates that some borrowers will be seeing an entire eighth of a percent (0.125%) of improvement when comparing this afternoon's offerings to those seen at the end of last week. Any time rates improve by an eighth of a percent in a single week--let alone in just a few days--it's a big **victory**.

The **counterpoint** is that it took a lot of upward momentum in recent weeks for the market to experience this sort of rebound. Moreover, the past few days may not necessarily predict the trends in the coming days!



**Gregory Pavlich**

President, Resource  
Mortgage Corp

[www.rmcboulder.com](http://www.rmcboulder.com)

**P:** (303) 444-1200

**M:** (303) 717-1359

1221 Pearl St  
Boulder CO 80302

