

MORTGAGE RATE WATCH

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Mortgage Rates Started Flat, But Moved Higher in The Afternoon

Mortgage rates have been in a very **narrow**, sideways range since October. During that time, the average 30yr fixed rate hasn't moved by more than an eighth of a percent in either direction. Today was no exception.

Despite the narrow range, the underlying bond market continues to move every day and mortgage lenders continue making small adjustments. Lenders prefer to make those adjustments once each day, by announcing rates in the morning and then adjusting based on market conditions 24 hours later. But **if markets move enough** during the course of a single business day, lenders will recall the initially announced rates and send out a new announcement.

These so-called mid-day reprices can happen in either direction. It didn't look like we would see any today based on market movement in the first 90 minutes. After that, bond began to deteriorate, ultimately forcing lenders to issue **negative reprices**. Keep in mind that we're dealing with very small adjustments in the bigger picture. The point is that rates are now slightly **higher** than they were on Friday afternoon.



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