

# MORTGAGE RATE WATCH

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## Mortgage Rates Only Modestly Higher After Fed Announcement

**Mortgage rates** were fairly flat heading into today's important Fed announcement. Despite arguably receiving bad news, they didn't move too much higher by the end of the day.

### What was the bad news?

In short, the Fed is **doubling** the pace of "tapering." That means it will be reducing the amount of bonds it has been buying twice as quickly. Those bond purchases are generally associated with lower rates although the financial market tends to move well in advance of this type of policy change because the Fed tends to telegraph it quite well. Indeed, if there's one reason that rates didn't freak out today, that would be it. The writing has been on the wall for more than 2 weeks now.

The movement in rates was small enough that the average borrower will still be seeing the **same rate quotes** as yesterday in terms of the "note rate." The only difference would be slightly higher upfront costs. The average lender remains in 3.125-3.25% territory for top tier conventional 30yr fixed scenarios.



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