

Highest Rates Since 2008 Are Officially Boring

Since last week's inflation data, mortgage rates have pushed up to new 14 year highs every single day--not even "almost" every day, but every last one. So we're declaring the highest rates since 2008 to be boring! Old news! Try something else, why don't ya?!

The caveat there is that we'd prefer not to see rates dig any deeper into their past repertoire to find and even longer-term high. Even then, it's not really up to our preferences, pleas, or hopes. It's up to economic data, the Fed, and the ability of the economy to endure what has already been the most aggressive removal of policy accommodation in decades.

The Fed will be along tomorrow with one of its 8 announcements for the year. The September announcement is one of 4 that are released in conjunction with updated rate hike forecasts from each Fed member. While Fed Chair Powell has repeatedly reminded the market not to read too much into those forecasts, no one has listened.

In other words, the forecasts will amplify whatever volatility we already may have seen with tomorrow's rate hike decision. Additionally, Powell's press conference (which begins 30 minutes after the announcement and forecasts) always has the potential to add additional volatility. The festivities kick off at 2pm Eastern time.

As for today's specifics, the average lender (everything that follows refers to averages. Individual offerings can vary widely for a variety of reasons) is quoting top tier conventional conforming rates in the mid 6s. The actual level of the quote depends heavily on the inclusion of upfront costs and/or "points." Rates of 6.125% can still be had with enough upfront costs paid by the borrower. With a minimal upfront cost contribution, it's more like 6.625%. This assumes a fairly flawless scenario.



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