MORTGAGE RATE WATCH
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Mortgage Rates Moderately Higher

It's been hard to find an interesting new angle on mortgage rates over the past 2+ weeks. They've been remarkably flat during that time after falling precipitously in response to the November 10th inflation data.

Because rates are based on the bond market and because the bond market tends to muddle through the Thanksgiving holiday week without much fanfare, it wasn't too much of a surprise to see the lack of excitement last week. In fact, because bonds care more about inflation than anything right now and because we're waiting on the December 13th CPI report for the next big update on inflation, it wouldn't be a surprise to see broadly sideways trends continue.

All that having been said, remaining as flat as we have been for another 2 weeks is probably a tall order. We saw some hints of that today behind the scenes. The effects on lender rate sheets weren't quite as noticeable because lenders were playing things relatively safe last week and were thus able to absorb some of the losses seen so far this week (bond market losses imply higher rates, all other things being equal).

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The average lender is still quoting conventional conforming 30yr fixed rates in the mid 6's. The average borrower will see today's increases in the form of higher upfront costs. It takes bigger market movement for rates themselves to change.

Speaking of "conforming" rates, one of the key requirements for such loans is that they fall at or under the conforming loan limit (go figure!). That's relevant today because a new loan limit was announced for 2023, but lenders will be phasing it in starting now. Read our detailed coverage on the changes here: $726,200 is The New Loan Limit for 2023; High Cost Counties Now Over $1m