

Mortgage Rates Highest in Nearly a Month

Up until just the past few weeks, the go-to headline to quantify the pace of recent mortgage rate movement tended to reference rates being the lowest in several months. Now at the end of December, the average lender is up to levels not seen since the end of November. Granted, we have a few days to go before officially declaring the highest rates in a month, but being at the highest rates in 28 days still isn't the greatest news.

Today's changes added only modestly to yesterday's larger rate increases. Even then, we really haven't seen any truly traumatic spikes in the past 2 weeks. It's been more of a steady march serving as a correction to what were perhaps overly optimistic levels in mid December.

As has been and continues to be the case, we won't get a clean reading on the market's sentiment toward rates until the end of the first week of January. This has to do with the fact that rates are based on the bond market and bond market trading conditions are in the throes of their abnormal "holiday mode." The last two weeks of December are often a roll of the dice.

The results may or may not look anything like the 2nd week in January. Fortunately, we can be fairly confident that day-to-day rate movement will be much more willing to respond to economic data at that time. So even if rates do remain under upward pressure, it would at least be much easier and more logical to reconcile while that's happening.

In nuts and bolts terms, the average lender is moving up into the mid-to-high 6% range now, meaning 6.5 to 6.625% for an average top tier conventional 30yr fixed scenario.



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