Mortgage Rates Officially Hit 2 Month Lows... For Some

As long as we're talking about the best case scenario conforming 30yr fixed mortgage rate, the average lender officially hit 2-month lows today, just barely edging out the March 24th average. But as soon as we start adding "yeah buts," things change.

The first "yeah but" is that many borrowers may find higher rates simply due to the changes in upfront costs imposed by regulators (LLPAs or "loan-level price adjustments"). These are highly dependent on the scenario (credit score, primary vs investment property, loan-to-value, etc).

The second "yeah but" is that lenders, in general, are significantly more stratified than normal. In other words, the "going rate" for any given lender can be quite different than another--especially at face value. Some of this phenomenon is due to the way different lenders use upfront costs in their quoting process. This has a big impact currently because upfront "points" can buy down a rate much more than normal. For example, at some lenders, it would only cost one tenth of 1% of the loan balance to drop a rate by 0.25%.

All that to say you may not see lower rates today than you did on March 24th, but the average lender is just a hair lower. The improvement came in response to clues about a shift in the labor market in this morning's Job Openings and Labor Turnover Survey (JOLTS). This report has rapidly gained popularity as a market mover, but the most important jobs report (so important that it's typically referred to only as "the jobs report") will be out on Friday.

Jason Wood
Mortgage Advisor & VA Loan Specialist, VA Loan Guy
www.valoanguyusa.com
P: (760) 350-3989
M: (760) 217-0820
2714 Loker Ave. W.
Carlsbad CA 92010___
317293