

MORTGAGE RATE WATCH

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Mortgage Rates Are Basically Back to 9-Month Highs

For all intents and purposes, the average 30yr fixed rate at the average lender is as high as it's been since November 2022. The number itself as far as we see it is 7.10 which means most lenders are quoting 7.125% after adjusting for discount points (or just "points" for short).

For example, a borrower could opt to pay just over 1% of the loan balance upfront in order to drop the rate to 6.625%. Some lenders are quoting 6.625% with that extra upfront cost. Others are quoting 7.125% without the extra cost.

The upward momentum in rates didn't draw on any specific news or developments today. Rather, markets are bracing for impact from upcoming economic data as well as tomorrow's announcement of the latest borrowing amounts from the US Treasury.

Treasury issuance matters because Treasuries are one of the most important determining factors for interest rates in the U.S. The more that are issued, the lower the price and the higher the yield/rate. Analysts know the amounts will be going up and markets are nervous and uncertain about the amount of the increase.

Once that's resolved, and if the week's remaining economic data paints a cooler picture for the economy, rates could easily recover. On the other hand, if the data is upbeat and if Treasury issuance rises more than expected, the upward momentum will continue.



Gregory Pavlich

President, Resource
Mortgage Corp

www.rmcboulder.com

P: (303) 444-1200

M: (303) 717-1359

1221 Pearl St
Boulder CO 80302