

# MORTGAGE RATE WATCH

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## Mortgage Rates Back to 7.5%

The bad times keep rolling for mortgage rates with the average conventional 30yr fixed rate back up to 7.5% according to our daily index. This is quite a bit higher than the major weekly indices for a few reasons. First, the weekly indices haven't been updated for the current week yet. When that changes, because they are averages, they'll also include several days in the past where rates were a lot lower than they are today. Slightly less important but still relevant is the fact that our index accounts for points by adjusting the rate itself.

There are also reasons that our index could be lower than what any given borrower is seeing in the marketplace. Chief among these would be that the scenario in question is not truly "top tier" (780+ FICO, 25% equity, etc.). Finally, there are competitive differences between lenders even when all other variables are controlled.

All that having been said, the rate itself is only important in relation to this particular index. In fact, any mortgage rate index is best used as a measure of how much things have moved as opposed to an outright rate target.

On that note, things have moved quite a bit! From longer term lows of 6.62 late last year, the jump to 7.5% takes us well over halfway back to the decades-long highs of 8.03 from October. It's too soon to know if that's going to be a round trip journey, but we should know a lot more about that by the first week of May.



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