

# MORTGAGE RATE WATCH

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## Mortgage Rates Are Actually HIGHER This Week

Today's release of Freddie Mac's Primary Mortgage Market Survey took at bad problem and made it worse. Freddie's survey methodology means that today's reported rate is an average of the 5 days leading up to yesterday. The first few days in that time frame indeed saw the lowest rates in more than a year and a half, but they've definitely been moving higher over the past 2 days.

Yes, mortgage rates moved higher yesterday and today. Strikingly, the Fed's announcement of a 0.50% rate cut had no positive impact on longer term rates like mortgages. As we expected and advised repeatedly, it was never about the rate cut itself, but rather the guidance offered by the Fed's rate outlook and Fed Chair Powell's press conference. Bonds/rates/mortgages knew there would be a rate cut, and bonds/rates/mortgages are under no obligation to wait to make their move if they know what's coming (so they did... and that's why rates were so low heading into Fed Day).

It's bad enough that far too many people are repeating the false notion that the Fed rate cut was supposed to help mortgage rates. This issue will likely only be aggravated by the juxtaposition of Freddie's widely redistributed survey number less than a day later.

**BUT AGAIN, BEFORE** you conclude or listen to someone else who has concluded that the Fed's rate cut is responsible for the drop in mortgage rates, please understand that mortgage rates had bottomed out before the Fed rate cut and have moved slightly higher over the past 2 days.

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