

# MORTGAGE RATE WATCH

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## Highest Mortgage Rates Since June

For the second day in a row, mortgage rates have moved higher at a modest to moderate pace. Unfortunately, that's been a trend so far in 2025 and it's compounded by the fact that rates were already close to their recent highs.

The net effect is a move up to the highest levels since June for the average lender's top tier conventional 30yr fixed rate. That rate has been over 7% more often than not since October 29th, and exclusively since December 19th.

Are rates "headed to 8 percent?" That's a figure that gets thrown around quite a bit in social media, etc., but there's only one average rate today, and it's 7.17%. This means the prevailing top tier rate quote is fairly evenly split between 7.125 and 7.25 (because mortgage rates are typically offered in 0.125% increments).

There's no way to know if rates are headed to 8 percent. If they are, there's certainly no way to know today. It would be just as plausible to claim that rates are headed to 6.5%. Neither is more than a guess, educated or otherwise, and cases could be made for both.

As has been and continues to be the case, economic data does the most to guide the path forward for rates. Specifically, any heroic drop in rates would require downbeat data on the economy and inflation. We didn't have any of that today, so here we are.

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