MORTGAGE RATE WATCH
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Mortgage Rates Finally Make a Move (Lower)

The recent absence of volatility in day-to-day mortgage rate movement has been an easy target for light-hearted indignation among market watchers. But to be fair, if rates had been moving swiftly higher/lower/both, most market watchers would wish for some sideways stability.

In fact, for most prospective borrowers as well as mortgage professionals, the only thing better than sideways stability is a healthy drop to lower levels. Now, after a week of utter flatness, we finally have such a drop.

Rates are determined by trading levels in the bond market and bonds can be influenced by many factors. One of the most reliable is the periodic release of various economic reports. Today's key data showed less strength than expected in the services sector. In general, when an important economic metric is weaker than expected, it pushes rates lower, and vice versa.

Today was no exception, but bonds had already improved even before the data came out. Connecting the dots of causality on that additional movement requires a bit more speculation, but some would say it has to do with perceived economic headwinds associated with new fiscal policies. Conversely, others would say it's due to the delayed timeline of implementation for those same policies.

Either way, the net effect is always measurable because we can always take inventory of multiple mortgage lenders' rate offerings. In doing so today, we find the top tier conventional 30yr fixed rate back below 7% for the first time since December 17th, even if only be a mere 0.01%.

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