Mortgage Rates Casually Drift Back to 2 Month Lows

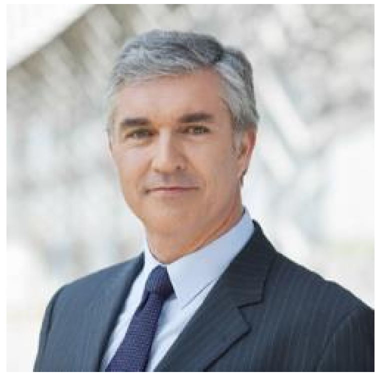
It was a fairly decent day for mortgage rates with the average lender returning to the lowest levels in just over 2 months. The improvement followed early morning comments from Treasury Secretary Scott Bessent regarding the probable mix of future Treasury debt.

What's that got to do with mortgage rates?

So much... Mortgage rates are based on mortgage-specific bonds that are in the same extended family as US Treasuries. If Treasuries are like oranges, mortgages are like orange juice--i.e. they're sort of a substitute for some people, but either way, heavily dependent on the price and availability of the former.

All that to say that anything that impacts Treasuries in an obvious way also tends to impact mortgage rates.

Today's impacts were minimal, but mortgage rates weren't too far from those 2 month lows to begin with. Bigger victories would require a decisive shift toward lower inflation in key economic reports, or toward a markedly weaker economic data in general.



Matthew M. Loan
Senior Loan Officer,
Mortgage Company, LLC.
mbslive.net
P: (704) 867-5309
M: (980) 867-5309
1050 W. Main St.
Charlotte NC 28031
NMLS: #987654321