

## Mortgage Rates Modestly Higher on Average, But Some Lenders Are Lower

One of the key principles of mortgage rate movement has to do with the frequency of mortgage rate changes. Specifically, mortgage lenders prefer to update rates once per day. This is notable because mortgage rates are based on bonds, and bonds are constantly trading. The compromise is that mortgage lenders will indeed change rates more than once a day, in cases where bonds move enough to force their hands.

This concept is relevant today because it explains why rates are both higher and lower, depending on the lender in question.

Yesterday, bonds were moving in such a way that prompted some lenders to raise rates in the afternoon. Other lenders held steady and simply raised rates this morning instead. Lenders who raised rates yesterday were fairly close to the same levels this morning, and many of them were actually slightly lower.

On average, though, this morning's rates were higher than yesterday's.

To make matters just a bit more confusing, we're once again seeing enough market movement for lenders to make mid-day changes today, but this time, it's in a friendly direction. A small handful of lenders have offered modest improvements, but even if every lender followed suit, yesterday morning's rates would still be slightly lower.

To repeat a phrase from yesterday, yes, this is much ado about nothing. Top tier, conventional 30yr fixed rates are still orbiting 6.75% in a calm, narrow range in the bigger picture.



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