MORTGAGE RATE WATCH

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Mortgage Rates Move Back Under 7%

The 30yr fixed mortgage rate index spent 3 consecutive days over 7% last week--the first time that's happened since February. Rates have generally been in a more volatile, more elevated range for the past 7 weeks compared to the narrow range seen in March.

To put that in perspective, the difference between these two ranges is only 0.125%--not the biggest deal. Another perspective is that any given mortgage borrower may have seen their rate quote jump by 0.50% if they had unlucky timing.

Today's improvement was partially driven by overnight bond market movement with investors reversing some of the defensive trades seen last Friday. Later in the morning, the Consumer Confidence Index was stronger than expected, but one of its components raised concern over the labor market. Weaker labor conditions tend to push rates lower, all else equal. The underlying bond market improved after that and several mortgage lenders issued revised rates in response.

Jeff Statz

Mortgage Banker

P: (608) 572-7811
M: (608) 301-5112
jeff@statz.us
My NMLS: 36442

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