MORTGAGE RATE WATCH

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Mortgage Rates Inch Down to 2-Week Lows

Last week, we got a sneak preview of how the market would react to Fed Chair Powell ending his term early. In a nutshell, only the shortest-term rates would improve while most consumer rates would move higher--including mortgages. This isn't conjecture, but rather the actual response in the bond market (bonds dictate interest rates). Thankfully, the response reversed after Trump said he wasn't planning on firing Powell.

Nonetheless, doubt remains as to whether Powell is susceptible to other efforts. With that in mind, the rate market reacted positively this morning when additional details emerged regarding Treasury Secretary Bessent's thoughts on the matter. In not so many words, Bessent told trump not to fire Powell and this morning's coverage just expanded on that sentiment.

The Bessent news helped the bond market begin the day in stronger territory. Other factors made for modest additional improvement. Mortgage lenders didn't react to the market movement in a major way, but the average lender lowered their 30yr fixed rate offering by 0.01%. That brings our rate index in line with levels last seen on July 9th--and that's the lowest we've seen in nearly 3 weeks.

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