

## Another Winning Day For Mortgage Rates

The bonds that underly mortgage rates were only slightly stronger today, but that's never a bad thing when they closed near the best levels in a year the previous day. Additionally, those bonds improved by the end of the day yesterday, meaning that mortgage lenders were going into today with a bit of a cushion.

When lenders set rates, they are basically looking at a constantly-moving bond market and locking in rates that will be in effect for the rest of the day. Mid-day changes only happen if bonds make a big enough move and yesterday's wasn't big enough for most lenders.

Yesterday's cushion combined with today's modest additional improvement for fairly decent drop in the average top tier 30yr fixed rate. We're also now in the zone of rates where movement happens more quickly due to the underlying architecture of the mortgage bond market. In not so many words, this causes rates to accelerate toward levels that end in 0.125 or .625 for reasons that are too esoteric to dig into today (if you want to nerd out, here you go: [Why Mortgage Rates Move in Jumps Instead of Straight Lines](#)).

Some lenders are offering their lowest rates in over a year, and some in over 3 years. The average lender is right in line with 1-year lows and close enough to 3-year lows.

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