

MORTGAGE RATE WATCH

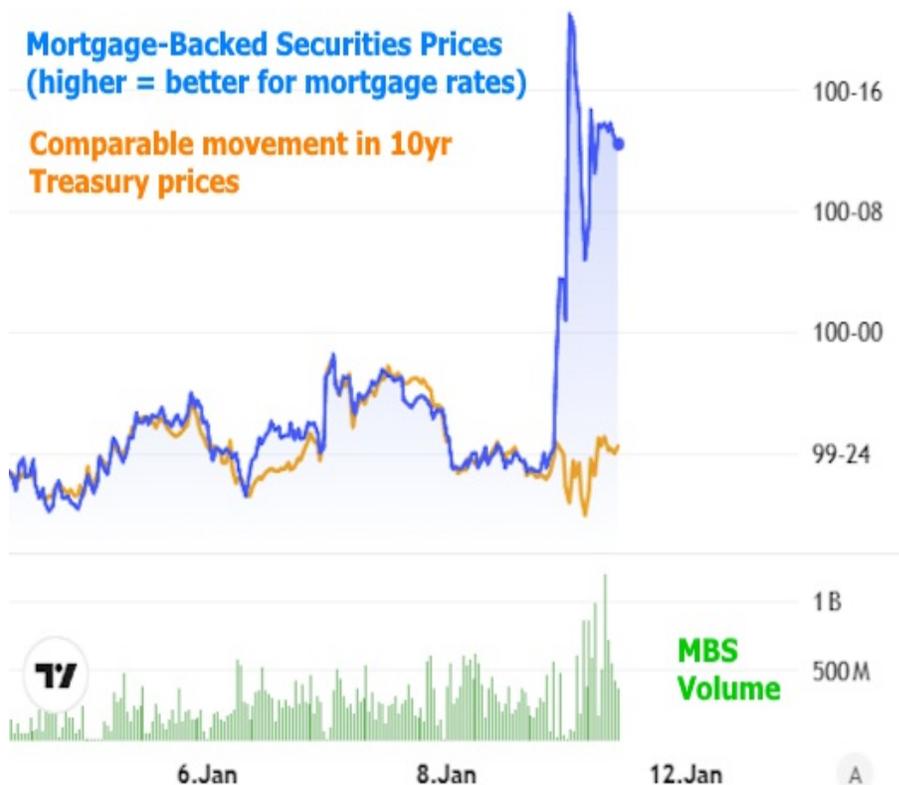
Daily Coverage. Industry Leading Perspective.

Rates Plummet to 3 Year Lows, But There Are Caveats

On a week where the mortgage market was most likely to experience volatility due to Friday's jobs report, Thursday afternoon's surprise announcement of \$200bln in GSE MBS (mortgage-backed securities) buying stole the show. This was already juicing the underlying MBS market yesterday afternoon, but traders took the surge to the next level this morning.

This matters because MBS dictate mortgage rates. When MBS are rising/improving/surging/etc., it implies lower rates.

MBS had improved so much this morning that the average lender released their best rate sheet since Feb 2, 2023--the lowest level since September 2022.



The caveat is that MBS experienced significant volatility throughout the day and that volatility is likely to continue. As of this afternoon, at least one lender has already bumped rates back up a bit. If more lenders follow suit, the end of day average rate could move up, but it would still likely be the lowest in at least a year.

Bottom line: the market didn't have much of a reaction at all to the jobs report. The MBS market continues sorting out a huge reaction to the GSE purchase news. Rates are definitely quite a bit lower. It remains to be seen how much lower they'll be when the initial volatility settles down--something that will probably require more clarity on the specifics of the MBS buying plan.

Ian Overcarsh

Mortgage Banker, First National Bank

www.fnb-online.com/.../overcarshi

M: (704) 650-1922

overcarshi@fnb-corp.com

401 S. Graham Street

Charlotte NC 28202

1065792



First National Bank



Lillian Isaac

NC/SC Broker, Realtor®,
SRES License NC/SC
General Contractor |
Author, Lillian Isacc Realty

LillianIsaacRealty.com

P: (704) 492-8706

lillian@lillianisaacrealty.com

6277 Carolina Commons Dr. #363
Indian Land SC 29707

30yr Fixed Mortgage Rate Indices

--Freddie Mac Weekly Survey
--MND.News Actual Daily Avg.

