

MORTGAGE RATE WATCH

Daily Coverage. Industry Leading Perspective.



Mortgage Rates Oh So Close to 3 Year Lows

When the administration announced that Fannie and Freddie would be buying mortgage-backed securities in early January, rates fell sharply to the lowest levels in more than 3 years. After a moderate rebound the following week, we've been holding mostly steady in a range that was 0.1-0.2 above those long-term lows.

The past two days have brought enough improvement that the average lender is once again at levels that are close enough to the long-term lows seen on January 9th and 12th.

What accounts for the strength? In today's case, incremental gains were driven by a tame reading in January's Consumer Price Index (CPI), a key inflation report. In general, lower inflation coincides with lower rates, and today's reading was slightly lower than expected.



Adam Fuller

Senior Loan Officer,
Mortgage 1 Inc.

www.m1gr.com/af
P: (616) 552-4663 x2
afuller@mortgageone.com
3243 East Paris Ave. SE
Grand Rapids MI 49512
1317422

