Mortgage Rates Are Actually Lower This Week

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On any given Thursday, there's a decent enough chance that the average mortgage rate headline will be unintentionally misleading. At issue is media reliance on the longstanding weekly mortgage rate surveys. If news stories are going to cite this data, that's fine, but it's critical to understand the methodology.

Whether it's MBA (reported yesterday) or Freddie Mac (reported today), the weekly surveys have an inherent reporting lag--that is, they are published at least a day after data collection ends. In addition, they represent an average of 5 business days. This means that the weekly mortgage rate would be reported as 6.2% if the first 4 days were 6.0% and the 5th day jumped to 7%.

This is most frustrating for consumers when the present moment's rates are higher than the weekly average. Thankfully, today's case is the opposite. The most recent long-term rate high occurred on March 27th, and we've moved noticeably lower since then. Today didn't add much to that move, but it nonetheless brought the average lender to the lowest levels since March 18th.

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