

# Mortgage Rates Improve Slightly

By: Matthew Graham | Thu, Jun 7 2018, 4:24 PM

**Mortgage rates** were **steady to slightly lower** today, depending on the lender and the time of day. Rates were higher earlier this morning as bond markets began the day in weaker territory (bonds drive rates). Bonds have been in a weakening trend since the middle of last week when European political risks began to subside.

The early afternoon brought a wild and generally inexplicable move for bond markets. Much in the same way that we've seen "flash crashes" in the stock market from time to time, bonds underwent their own sort of flash crash. Actually, "crash" **isn't** the ideal word because the phenomenon involves a rapid improvement for bond prices and a rapid decline in bond yields.

Although yields move in the same direction as rates, mortgage lenders only update their rate sheets as needed (and never more than a few times a day). Most lenders made **friendly adjustments** to their rate sheets after the "flashy" movement, but it was barely enough to make today's rates better than yesterday's.

 [See Rates from Lenders in Your Area](#)

## Loan Originator Perspective

Bonds posted a mystery rally today, apparently due to an inadvertent trade that boosted demand. Many lenders improved their pricing, making today a great locking opportunity for anyone floating. As welcome as this move is, it's likely it will wane as quickly as it arose. Get it while the getting's good, strong lock recommendation here. - **Ted Rood, Senior Originator**

## Today's Most Prevalent Rates

- 30YR FIXED - 4.625-4.75%
- FHAVA - 4.375%
- 15 YEAR FIXED - 4.00%
- 5 YEAR ARMS - 3.75-4.25% depending on the lender

## Ongoing Lock/Float Considerations

- Rates have been moving higher in a serious way due to headwinds that cannot be quickly defeated. These include the Fed's increasingly restrictive monetary policy outlook, the increased amount of Treasury issuance to pay for the tax bill (higher bond issuance = higher rates), and the possibility that fiscal stimulus results in higher growth/inflation.
- While we may see periodic corrections to the broader trend toward higher rates, it's safer to assume that broader trend can and will continue. Until that changes, it makes much more sense to remain heavily-biased toward locking as opposed to floating.
- *Rates discussed refer to the most frequently-quoted, conforming, conventional 30yr fixed rate for top tier borrowers among average to well-priced lenders. The rates generally assume little-to-no origination or discount except as noted when applicable. Rates appearing on [this page](#) are "effective rates" that take day-to-day changes in upfront costs into consideration.*

View this Article: <https://www.mortgagenewsdaily.com/markets/mortgage-rates-06072018>