Big Day For Mortgage Rates

By: Matthew Graham | Thu, Feb 7 2019, 5:37 PM

Thursday plays host to vastly more **mortgage rate** articles than any other day of the week. This has to do with the regular weekly release of Freddie Mac's mortgage rate survey (which many news organizations use as source material for one article per week on the topic. Freddie's data is great when it comes to tracking long term trends, but it **doesn't** account for day to day movements. For example, today's Freddie survey suggests rates are lower this week, but if we look at this Thursday afternoon vs last, we're not quite back down to those levels for the average lender. The good news is that last Thursday's rates were the lowest in nearly a year.

That brings us to today's **important distinction**. Today is officially the first day in a long time where we can say the average lender is quoting the same rates, year over year. In other words, today's rates are equal to those seen on Feb 7, 2018. Unless rates move quickly higher tomorrow, we should officially be LOWER year-over-year for the first time since Nov 2016.

See Rates from Lenders in Your Area

Loan Originator Perspective

Rates trickled slightly lower today, marking our 3rd straight day of gains. Treasury yields are nearing late January's low yield. I'm locking loans closing within 30 days, floating some closing further out. -**Ted Rood, Senior Originator**

Today's Most Prevalent Rates

- 30YR FIXED - 4.375 - 4.5%
- FHA/VA - 4.125 - 4.25%
- 15 YEAR FIXED - 4.0 - 4.125%
- 5 YEAR ARMS - 4.25 - 4.625% depending on the lender

Ongoing Lock/Float Considerations

- Headwinds that had plagued rates for most of the past 2 years began to die down in late 2018. A rapid decline in the stock market certainly helped drive investors into bonds (which helps rates) Highest rates in more than 7 years in Oct/Nov. 8-month lows by the end of the year
- This is a bit of a crossroads. The rising rate environment could flare up again. We may look back at Oct/Nov and see a long-term ceiling, or we may look back at early December and see a temporary correction before more pain.
- Either way, late 2018 was a sign that rates are willing to take opportunities presented to them. From here, it will be up to economic data, fiscal policies, and the stock market to decide on the next set of opportunities. The rougher the overall outlook, the better interest rates tend to do.
- *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.*

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