Are Rates Bouncing After Best Month in a Decade?

By: Matthew Graham | Fri, Mar 29 2019, 3:18 PM

Mortgage rates were higher again today, making this the first confirmed bounce since beginning their stellar run last week. To be clear, rates have been in a broader stellar run since November 2018, but had definitely settled into a sideways pattern in the first part of 2019. Last week's big move served as the great escape from that pattern.

In the trivia department, with today in the books, this has become the best month for mortgage rates since late 2008 (in terms of overall movement, not outright levels... rates were definitely lower many times). The bigger question is whether or not the good times keep rolling in April. If these past 2 days of weakness are a cue, there's a **risk** that a **bigger pull-back** will take shape. Either way, next week's economic data could play a key role as there are important reports almost every day, including Friday with the big jobs report.

See Rates from Lenders in Your Area

In outright terms, rates are still very close to the **lowest** levels in more than a year. Combine that with the threat of a bounce and the strategy decision with respect to locking and floating is more clear-cut. The counterpoint is addressed in Victor's perspective below (not a bad way to look at it either, but only for more the more risk-tolerant crowd).

Loan Originator Perspective

Bond markets retreated slightly today, as rates rose from Wednesday's lows. Pullbacks are inevitable after strong rallies, the hope is they're orderly and brief. Looks like we're on that path now, which bodes well for future rates. For now, I'm locking April closings. -**Ted Rood, Senior Originator**

I thought yesterday and the day before were better days for locking. Bonds opened weaker and rate sheets do reflect that. With this being month, quarter end and a Friday, i think it is worth the risk to float over the weekend and see what Monday brings. -**Victor Burek, Churchill Mortgage**

Today's Most Prevalent Rates

- 30YR FIXED - 4.00-4.125%
- FHA/VA - 3.75-3.875%
- 15 YEAR FIXED - 3.75-3.875%
- 5 YEAR ARMS - 3.875-4.25% depending on the lender

Ongoing Lock/Float Considerations

- Early 2019 saw a rapid reevaluation of big-picture trends in rates and in markets in general
- The Federal Reserve has been a key player, and while they aren't the ones pulling the global economic strings, their response to the economy has helped rates fall more quickly than they otherwise might.
- Based on the Fed's laundry list of concerns, their current outlook for rate hikes and economic growth, and their bond-buying policy shifts, we've all but certainly seen the highest rates of this economic cycle in late 2018.
- *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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