Mortgage Rates Relatively Flat Today, But Tomorrow Brings Challenges

By: Matthew Graham | Mon, Apr 8 2019, 6:05 PM

Mortgage rates **were flat-to-slightly-higher** today, depending on the lender and the time of day. Why would the time of day matter? Mortgage rates are based on prices and yields in the bond market. Bonds move throughout the day, but mortgage lenders only change their rates if bonds move by a certain amount. By the end of the day, bonds had moved just enough for a few lenders to increase rates, even if only by a modest amount.

When this happens, it can often present an **opportunity** for those faced with a short-term decision on locking their rate because lenders who held rates steady today will likely have to account for the bond market weakness with tomorrow morning's mortgage rate offerings. This, of course, assumes that the bond market doesn't turn right back around in the overnight and early morning trading hours (which occur before lenders release their first rate sheet of the day).

See Rates from Lenders in Your Area

In the bigger picture, rates are **on the edge** of the lower range seen in recent weeks and the higher range that dominated most of 2019. We were hoping/expecting to see a more definitive reaction to last Friday's jobs report, but it looks like we'll have to wait a bit longer for the market to make a choice between the higher and lower ranges.

Loan Originator Perspective

Bond markets greeted the new week with yawns, sauntering through the day largely unchanged. Wednesday brings inflation data and a 10 year Treasury auction, but all in all, it looks to be a sedate week. I'm locking loans closing within 30 days, floating most closing further out. **-Ted Rood, Senior Originator**

Today's Most Prevalent Rates

- 30YR FIXED - 4.125%
- FHA/VA - 4.0%
- 15 YEAR FIXED - 3.875-4.00%
- 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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