Mortgage Rates Are Actually Higher This Week

By: Matthew Graham | Thu, May 2 2019, 5:04 PM

Mortgage rates didn't move much today, but the average lender is quoting microscopically higher rates, if anything. Week-over-week, it wouldn't be unfair to claim that rates are slightly lower. Today's average news coverage suggests the same due to the weekly release of Freddie Mac's mortgage rate survey.

Freddie says rates dropped a whopping 0.05%. While that may be true if we strictly compare Monday/Tuesday of last week to the same 2 days this week (which is essentially what Freddie's methodology does), we're currently in slightly WORSE shape (i.e. higher) compared to the end of last week. The best case to be made is that rates have generally been flat, and not much higher than they were last Friday.

All that could change tomorrow following two very important economic reports set to be released at 8:30am and 10am ET. The big jobs report is always a venerable source of potential market movement. It will lead things off at 8:30am. Then, the ISM Services index will come out at 10am. Think of that like a much more timely way to look at the non-manufacturing portion of economic growth in the US (for what it's worth the ISM Manufacturing report was released yesterday and was part of the reason rates had a good day).

See Rates from Lenders in Your Area

Loan Originator Perspective

Bonds regressed again today, as markets warily eyed tomorrow's NFP report. We're trending back to the high end of recent ranges, let's hope the bleeding stops before we breach it. I am locking all May closings, going case by case for June loans. Feels like we need to be playing defense here. -**Ted Rood, Senior Originator**

Today's Most Prevalent Rates

- 30YR FIXED - 4.25-4.375%
- FHA/VA - 4.0%
- 15 YEAR FIXED - 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, the bond market (which determines rates) will be watching economic data closely, both at home and abroad. The stronger the data, the more rates could rise, while weaker data could lead to new long-term lows.
- *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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