# Lowest Mortgage Rates in a Month

By: Matthew Graham | Mon, May 6 2019, 4:17 PM

**Mortgage rates dropped noticeably** this morning as financial markets opened sharply changed from Friday's latest levels thanks to Trump trade tweets over the weekend. The stock market dropped to its lowest levels in several weeks before bouncing back as the day progressed. As money flew out of stocks, it found a safe haven in the bond market. Mortgage rates are most directly affected by the bond market, and when demand for bonds increases, rates fall.

The average lender was offering its best rates in roughly a month this morning. You'd have to go back to April 10th to see anything lower. And there were multiple lenders offering their lowest rates since April 1st.

Rates will remain susceptible to trade-related headlines throughout the week as there isn't much else on the calendar of events (at least not in terms of events that the bond market typically cares about). To whatever extent trade talks look like they will bear fruit, it would put **upward pressure** on rates. Conversely, we might assume that negative updates on trade talks would continue to help rates, but markets are skeptical on the source. If a Trump tweet is all we have, the average trader will view this as a potential negotiation tactic and thus not as meaningful a reason to chase rates to even **lower** levels.

## See Rates from Lenders in Your Area

**Loan Originator Perspective**

Trump's trade war tariff tweets sent equities tumbling and thrust treasuries higher today. My pricing improved noticeably from Friday's. There was no meaningful economic data today, and scant data this week. I'm locking loans closing within 30 days, it'll take more DC Drama or Tariff Turmoil to keep this rally moving forward. -**Ted Rood, Senior Originator**

**Today's Most Prevalent Rates**

- 30YR FIXED - 4.25
- 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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