

Mortgage Rates Lowest Since Halloween

By: Matthew Graham | Wed, Nov 20 2019, 4:45 PM

Mortgage rates are in the midst of a winning streak of moderate size and duration. Specifically, rates have improved by at least an eighth of a percentage point for the average lender since the beginning of last week and have moved lower on all but one of the days between now and then. That brings them to the lowest levels since October 31st.

As far as rate rallies go, that qualifies as just a bit longer than average and just a bit better than average. Notably, it comes at the expense of weaker rate momentum for nearly the entire month of October.

In the bigger picture, however, rates are staggeringly lower than they were this time last year. Despite having risen from multi-year lows in September, we're still in a very solid ball park. In the coming weeks, we'll be watching closely for signs that the good times might be coming to an end (or that the party may be able to keep going).

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Loan Originator Perspective

Bonds posted small gains today, as continued talk of trade unrest with China boosted bond demand. It's sad that conjecture, rather than actual data are guiding markets now, but that's just the way it is. Rates are near their best levels since the end of October. I'm 60/40 lock biased now, wouldn't argue with a risk-tolerant borrower who wanted to float. As always, better to lock too soon than too late though. **-Ted Rood, Senior Originator**

Today's Most Prevalent Rates For Top Tier Scenarios

- 30YR FIXED -3.75-3.875%
- FHAVA - 3.375%
- 15 YEAR FIXED - 3.375%
- 5 YEAR ARMS - 3.25-3.75% depending on the lender

Ongoing Lock/Float Considerations

- 2019 has been the best year for mortgage rates since 2011. Big, long-lasting improvements such as this one are increasingly susceptible to bounces/corrections
- Fed policy and the US/China trade war have been key players. Major updates on either front could cause a volatile reaction in rates
- The Fed and the bond market (which dictates rates) will be watching economic data closely, both at home and abroad, as well as trade war updates. The stronger the data and trade relations, the more rates could rise, while weaker data and trade wars will 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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