

Mortgage Rates Snap Back to 3-Week Highs

By: Matthew Graham | Thu, Dec 5 2019, 3:56 PM

Mortgage rates have seen a **fair amount of volatility** so far this week, dropping quickly on Tuesday and moving in the opposite direction since then. Between yesterday and today, that big drop from earlier in the week has been completely erased. The result is an average conventional 30yr fixed rate that's right in line with those seen on Monday. Unfortunately, that also means today's rates are in line with their **highest** levels of the past 3 weeks. You'd have to go back to November 14th to see anything higher.

The broader, relative range continues to offer **good perspective**. The average lender is still easily under 4% for top tier 30yr fixed scenarios. Perhaps even more reassuring is the fact that the gap between the highs and lows over this 3 week period is an eighth of a percentage point at most. We've seen that much movement on individual DAYS at times. Point being: rates are only truly volatile if we're examining day to day movement. In the bigger picture, they're still pretty stable and fairly close to long-term lows.

 [See Rates from Lenders in Your Area](#)

Loan Originator Perspective

Bonds regrouped slightly following early losses today, as Friday's NFP jobs report looms. Tariff "progress" is the great unknown; these days a mere tweet can influence bond traders. I am locking most January closings, especially for risk adverse clients. - **Ted Rood, Senior Originator**

Today's Most Prevalent Rates For Top Tier Scenarios

- 30YR FIXED -3.75%
- 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.*

View this Article: <https://www.mortgagenewsdaily.com/markets/mortgage-rates-12052019>