

Mortgage Rates Hold Fairly Steady

By: Matthew Graham | Tue, Dec 17 2019, 3:53 PM

Mortgage rates didn't do much today, and that's the sort of thing that could get to be all too familiar as we head into the end of the year. With the Fed announcement and trade deal drama last week, the bond market (which underlies interest rate movement) made it through the last of 2019's big ticket events. Beyond that, the 2nd half of December always tends to calm down in terms of market participation due to the holiday season.

All of the above usually means that rates don't move much, or at the very least, not much outside their recent range. There can be exceptions to that rule on certain years, but we'll cross that bridge if we come to it. Either way, the bigger risks for more meaningful changes in rates won't show up until the 2nd week of January.

Loan Originator Perspectives

Bonds hovered near unchanged today, and my pricing mirrored Monday's. There's limited data on tap until Friday, and with tariff drama seemingly on hold for the moment, looks like a quiet week. I am locking risk averse buyers closing in January, don't see much motivation for big pricing improvement soon. -**Ted Rood, Senior Originator**

See Rates from Lenders in Your Area

Today's Most Prevalent Rates For Top Tier Scenarios

- 30YR FIXED - 3.875%
- FHAVA - 3.375% - 3.5%
- 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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