

Biggest Jump in 2 Months For Mortgage Rates

By: Matthew Graham | Tue, Aug 11 2020, 5:10 PM

With most lenders still easily able to quote a **30yr fixed under 3%** [mortgage rates](#) are very low in outright terms. But relative to the recent trend and the general level of volatility, today was a bit rough. Rates rose as fast as they've risen since early June, ultimately hitting the highest levels in more than 2 weeks.

Some prospective borrowers will now be looking at an **eighth of a point (0.125%) increase** versus yesterday's rates. That comes out to roughly \$20/month on a \$300k mortgage. Others will experience the shift in the form of higher upfront costs (or a lower lender credit). Either way, today is noticeably more expensive than yesterday.

The bigger question is whether this rate spike is a sign of things to come or merely a normal market correction that got a bit carried away. At some point, the bond market will make a clear case for higher and higher rates. Most market participants agree we're **probably not there yet** simply due to economic realities as well as ongoing support from the Federal Reserve.

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

All that having been said, "market participants" don't have crystal balls. Their guess is actually no better than anyone's. We'll only **really** know when the big bounce happens with the benefit of hindsight. Between now and then, days like today should serve to increase our level of **caution** when it comes to assuming rates will continue to move lower. Also, it should argue for an increased level of **preparation** so we can make sure we can take advantage of opportunities to capitalize on any potential rate recovery.

View this Article: <https://www.mortgagenewsdaily.com/markets/mortgage-rates-08112020>