

Mortgage Rates Substantially Lower This Week, But Under Some Pressure Today

By: Matthew Graham | Tue, Jul 20 2021, 3:30 PM

There are **two pieces of big news for mortgage rates** over the past few business days. The **first** arrived last week in the form of the removal of the adverse market fee that artificially increased rates for refinance transactions starting late last summer. The **second** arrived yesterday in the form of an impressive improvement in the bond market (bonds are the primary source of motivation for mortgage rates). This friendly double whammy pushed the average lender easily into the lowest rate range since early February with conventional refinance quotes once again coming in under 3.0% in best-case scenarios.

It remains to be seen how long we'll be able to enjoy these rates. Today's bond market volatility **offered a warning**. The first few hours of trading were actually stellar, with bonds improving to significantly better levels than yesterday. This was actually partly responsible for this morning's rates being even lower than yesterday's. Then, in less than 2 hours, all of those gains were gone, and mortgage lenders were issuing negative reprices early this afternoon. Granted, rates are still stellar, even after those mid-day price changes, but the intraday volatility is a reminder that rates can move in two directions.

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