

Mortgage Rates are NO LONGER Lower Than Last Week's

By: Matthew Graham | Thu, Aug 5 2021, 3:11 PM

Mortgage rates moved up from 6-month lows yesterday and that trend continued today. This time around, we didn't have any obvious culprits on the economic calendar (econ data played a big role in yesterday's rate spike). Instead, the bond market drama played out at a more gradual pace throughout the morning.

As bonds weaken, mortgage lenders are increasingly compelled to raise rates. If they weaken enough, lenders can even change rates more than once a day. This was the case for many lenders on Thursday, but in outright terms, we're still at better levels than most of the past 6 months. Apart from the first 3 days of the week, only 1 or 2 other days have been any better going all the way back to early February.

The assertion that rates are **rising** runs counter to other examples of mortgage rate coverage today. No one is lying to you though—at least not intentionally. The **source of the confusion** is Freddie Mac's weekly mortgage rate survey—the most widely-cited source material for journalists' weekly write-ups on mortgage rates (not to be confused with the most widely-emulated/plagiarized original content from that Matt Graham guy at mortgagenewsdaily.com).

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Freddie's methodology is such that its survey tends to capture Monday's rates only, with a bit of an impact from Tuesday at times. This Monday's rates were excellent! Much lower than last Monday. The survey agrees and the headlines proclaim a big drop in rates this week to the lowest levels in 6+ months. The only issue, of course, is that rates are now back in line with last Friday's levels (or worse, in some cases). As such, rates are **no longer** technically lower this week versus last week, even though that was certainly the case until today.

Basically, if you remember when the Knights Who Say "Ni" became the knights who no longer said "ni," it's kinda like that, but with mortgage rates.

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