

Mortgage Rates Finally Catch a Break

By: Matthew Graham | Wed, Sep 29 2021, 4:20 PM

After spending the past four business days moving rapidly higher, [mortgage rates](#) finally **caught a break** today, but it was small. In fact, the average prospective borrower wouldn't likely see any change in their actual mortgage rate. Rather, the improvement—if any—would be seen in the form of slightly lower upfront costs or a slightly higher lender credit, depending on the scenario.

As we discussed yesterday, this sort of bounce was increasingly likely based on typical patterns in the bond market (mortgage rates are based on bonds). That really **doesn't** carry much weight in the bigger picture, however. This is more of a token improvement—an **incidental necessity**. Bond traders have been focused on screaming at the sky and today they had to pause for a breath.

Could this simply be the first glimpse at a bigger reversal toward **lower rates**? Sure! Even the mightiest rate reversals have to start somewhere. **But** nothing about today's bond market improvement suggests that's a strong possibility. Bottom line: we'd need to see several more days with much better gains before getting too optimistic.

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