

# Mortgage Rates Leveling Off At 3-Week Highs

By: Matthew Graham | Tue, Dec 28 2021, 4:30 PM

**Mortgage rates hit their highest** level in 2 weeks heading into Christmas weekend. The average lender raised costs by a very small amount again on Monday, thus leaving them within striking distance of 3 week highs.

Now today, there's been a slight recover as the bond market (which dictates mortgage rate movement) gave a clearer impression that it had leveled off for the time being.

All of the above having been said, the most relevant consideration is the very small gap between 3 week highs and 3 week lows. In fact, rate changes have been limited to adjustments in closing costs for many weeks in some cases. That's lenders' way of making finer adjustments to the cost of borrower (due to the fact that markets rarely move enough to necessitate a change in the typical interest rate increment of 0.125%).

In the bigger picture, market participants are waiting for more robust participation (among traders) as well as a clearer sense of how omicron will impact the economy. Neither of those things can happen until January at the earliest. That means movement is likely to remain subdued until then, barring an unforeseen shock.

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