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Mortgage Rates Are 110% NOT Lower This Week

Because we created the industry's first daily mortgage rate index based on actual lender rate sheets without any subjective distortions, and because the longest-standing mortgage rate index in the U.S. is a once-a-week survey with plenty subjective distortions and some quirky methodology, we often find ourselves pointing out what's "real" on many Thursday afternoons (the weekly survey comes out on Thursdays).

In virtually every case we can remember, there have been quantifiable reasons for periodic discrepancies. Today may be the first (and certainly the most striking) example of Freddie Mac's weekly survey data simply not making any sense.

Reason being: Freddie logged a DECREASE in rates this week. Before proceeding, we should be clear what that means in the scope of Freddie's methodology. A "week," in this case, refers to the 5 days starting each Thursday and ending each Wednesday. As such, if today's index is lower than last Thursday's, it means that the average rate between September 19th and 25th was lower than the average rate between September 12th through 18th.

Therein lies the problem. Rates were quantifiably, clearly, and incontrovertibly higher--even if not significantly so. Normally, when we apply Freddie's same methodology to our own daily rate tracking, we can at least reconcile any directional discrepancies. We're not so worried about outright levels matching up because outright levels are not that important for mortgage rate indices (the CHANGE is important).

Here's what happens this time around when we apply the weekly methodology:

National Average Mortgage Rates



	Rate	Change	Points
Mortgage News Daily			
30YR Fixed	7.27%	-0.02	0.00
15YR Fixed	6.92%	-0.03	0.00
30YR FHA	6.90%	-0.01	0.00
30YR Jumbo	7.55%	0.00	0.00
7/6 SOFR	6.78%	-0.10	0.00
30YR VA	6.91%	-0.01	0.00

Rates as of: 10/30

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.81	-0.02
10 YR Treasury	4.9299	+0.0084
30 YR Treasury	5.3082	+0.0081

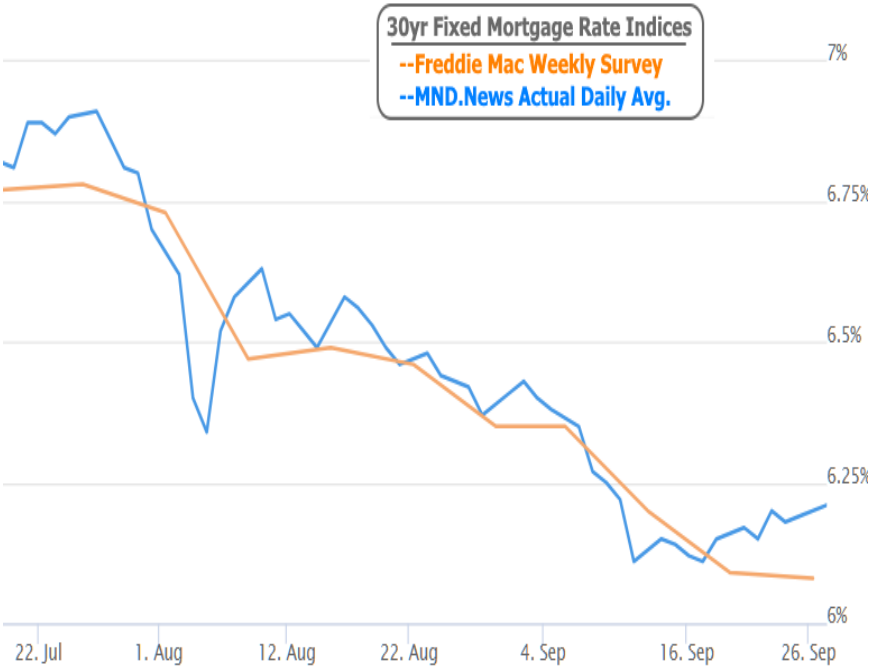
Pricing as of: 10/30 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 21	195	+3.39%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Sep	676K	-1.17%
Pending Home Sales	Aug	71.2	0%
Existing Home Sales	Oct	3.99M	+0.25%
Builder Confidence	Oct	29	-9.38%

Daily Mortgage Rate Update

9/25/2024	6.19
9/24/2024	6.18
9/23/2024	6.2
9/20/2024	6.15
9/19/2024	6.17
THIS WEEK'S AVERAGE	6.178
9/18/2024	6.15
9/17/2024	6.11
9/16/2024	6.12
9/13/2024	6.14
9/12/2024	6.15
LAST WEEK'S AVERAGE	6.134



Granted, with Freddie only dropping 0.01% and our daily data suggesting an increase of just over 0.04%, you may well conclude that such a discrepancy is small enough to ignore. In some ways, that's true, but there are a few reasons it's problematic.

First off, there's no valid reason that Freddie's weekly survey and our copy of that methodology should move in opposite directions when this week's lowest rate matches last week's highest rate.

Additionally, Freddie's survey doesn't include today's rates, and those were a bit higher still.

Most importantly, on a less technical note, there's a real world impact from widespread news headlines and media coverage espousing a drop to "the lowest [mortgage rates](#) in 2 years." Mortgage borrowers who mistakenly waited for the Fed rate cut to help mortgage rates may now be calling their loan officers saying "I see mortgage rates are now even lower, etc." when in fact the day before the Fed meeting saw the lowest rates in more than a year and a half.

Thankfully, rates are still very close to those long term lows, but they're definitely a bit higher than they were last week, both before and after the Fed announcement.

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About Your Los Angeles Mortgage Broker

Shannon's expertise in residential mortgage lending spans more than 20 years. Beginning on the ground floor of the wholesale side of lending, Shannon subsequently succeeded as a loan officer, account manager, and account executive while working for one of the nation's largest mortgage lenders. In contrast to those who chose to leave the mortgage industry when the Los Angeles housing market began to spiral in 2008; Shannon's passion for helping others to become homeowners remained firmly intact. In fact the changes in the market and new lending laws made her want to help homebuyers to navigate the new rules of real estate lending more than ever. As such, she chose to transition to the retail side of real estate financing in effort to work closer with families, veterans, and those who had previous financial hardships to achieve their goals of home ownership. As a homeowner and real estate investor, Shannon's personal experience in obtaining mortgage loans for her own purchases is extensive. She has bought and sold multiple properties and continues to invest in real estate throughout Los Angeles County. Shannon's specialization and breadth of experience in real estate purchase loans enables her to offer standard/conventional loans, government loans, hard money loans, and specialty/portfolio products.

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