

Rich E. Blanchard
Managing Director, RICH Home Loans LLC
NMLS: 492461
1550 Wewatta St., 2nd Floor Denver, CO 80202

Office: 720.619.9900
Mobile: 303.328.7047
richblanchard@richhomeloans.com
View My Website

Mortgage Rates Miraculously Flat Despite Massively Lower Treasury Yields

Mortgage rates **were unchanged to slightly higher** today--a claim that utterly boggles the mind of anyone who thought they understood the relationship between bond markets and the mortgage world. ALMOST without fail, a big drop in 10yr Treasury yields will coincide with lower mortgage rates. In fact, many people believe (albeit incorrectly) that mortgage rates are based on the 10yr yield. But today, despite a substantial drop in Treasury yields, mortgage rates are stuck in the mud.

Since this could continue to be the case, I'm going to include the following brief statement/reminder until the situation subsides:

A note on mortgage rates not improving even when 10yr yields are falling:

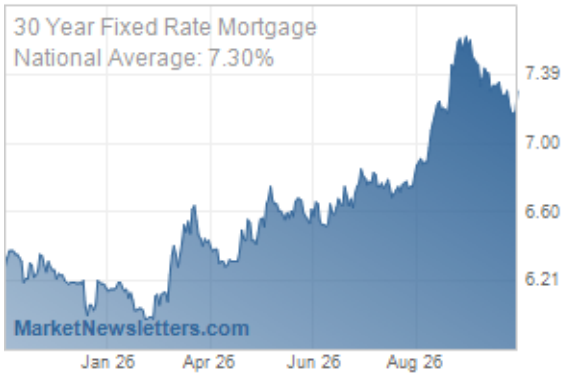
Mortgages and the bonds that underlie them (MBS) are subject to one major uncertainty that doesn't affect US Treasuries: the risk that a borrower will refinance. Investors pay extra money for mortgages upfront in exchange for interest over time. They have well-researched models that suggest average refinance risk. When rates fall more quickly than expected, people refinance faster and investors lose out on the returns they were counting on to break even. The result is that investors pay much less for any given mortgage relative to what they would pay if Treasury yields were holding steady. When investors pay less, borrowers pay more for any given interest rate, or they're simply forced to take a higher interest rate.

There's one more layer of frustration that exists between mortgage lenders and the bond market. Simply put, when volatility is high, it costs lenders much more than normal to ensure the availability of locked rates, not to mention the ability to remain profitable in the process. The result is that lender pricing will appear very conservative compared to times when MBS prices are holding in a more stable pattern.

This double whammy for mortgage borrowers can keep rates flat or even HIGHER on days where 10yr Treasury yields are MUCH lower. It will only be fixed by TIME.

If you're looking for the simplest possible analogy, here you go: mortgage rates find drops in the 10yr yield to be intoxicating and pleasant. But this particular drop is tantamount to alcohol poisoning.

National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30YR Fixed	7.30%	+0.12	0.00
15YR Fixed	6.92%	+0.09	0.00
30YR FHA	6.89%	+0.07	0.00
30YR Jumbo	7.40%	+0.03	0.00
7/6 SOFR	6.80%	+0.31	0.00
30YR VA	6.90%	+0.07	0.00

Rates as of: 11/10

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.43	-0.62
10 YR Treasury	4.9860	+0.0952
30 YR Treasury	5.3557	+0.0737

Pricing as of: 11/10 5:59PM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 28	192.6	-1.23%
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%

© 2026 MBS Live, LLC. - This on-demand newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

Last thing they want right now is another drink.

Subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans

Expert Advice | Exceptional Service | Flawless Execution

With 27+ years of expertise in mortgage banking you can be confident in my knowledge and abilities to deliver a seamless loan transaction while providing personalized service.

Rich E. Blanchard 

© 2026 MBS Live, LLC. - This on-demand newsletter is a service of MarketNewsletters.com.

The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial advice.

Read or subscribe to my newsletter online at: http://housingnewsletters.com/richhomeloans