

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

Time to Wake Up To The New Mortgage Rate Reality

There's **no precedent** for the winning streak enjoyed by mortgage rates in the 2nd half of 2020. We've never seen so many new record lows in the same year, and we never spent as much time at those lows (not even close). All of the above makes it easy to get lulled into a false sense of low-rate security, but it's time to wake up.

Actually, the alarm has been going off for a while now. Previous posts pointed out the disconnect between the bond market and mortgage rates on multiple occasions in 2020. Near the end of the year, we warned against complacency in no unspecific terms.

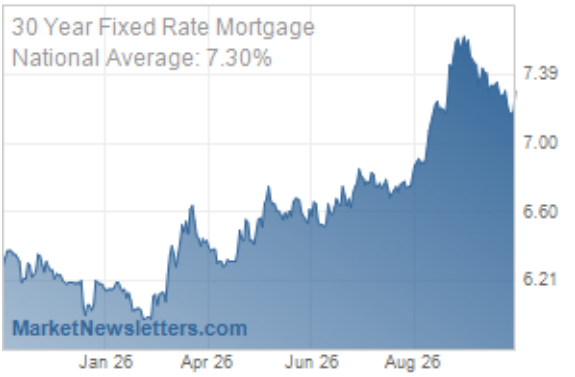
Following the Georgia senate election, we've been tracking a **surge** in bond market volatility based on the expectation that it would increasingly spill over to the mortgage rate world.

(**Read More: 1/8/21:** Have We Seen The End of Record Low Rates?)

As of this week, that spillover arrived in grand fashion with many lenders quoting rates that are as much as three eighths of a point **higher** than they were last week. That means if you were looking at something in the 2.75% neighborhood on Friday, it could be 3.125% today. **What gives?**

Again, the upward pressure is **nothing new**. Treasury yields have been telling the story since August and mortgage rates have finally used up enough of their cushion that they've been forced to follow the broader trends.

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

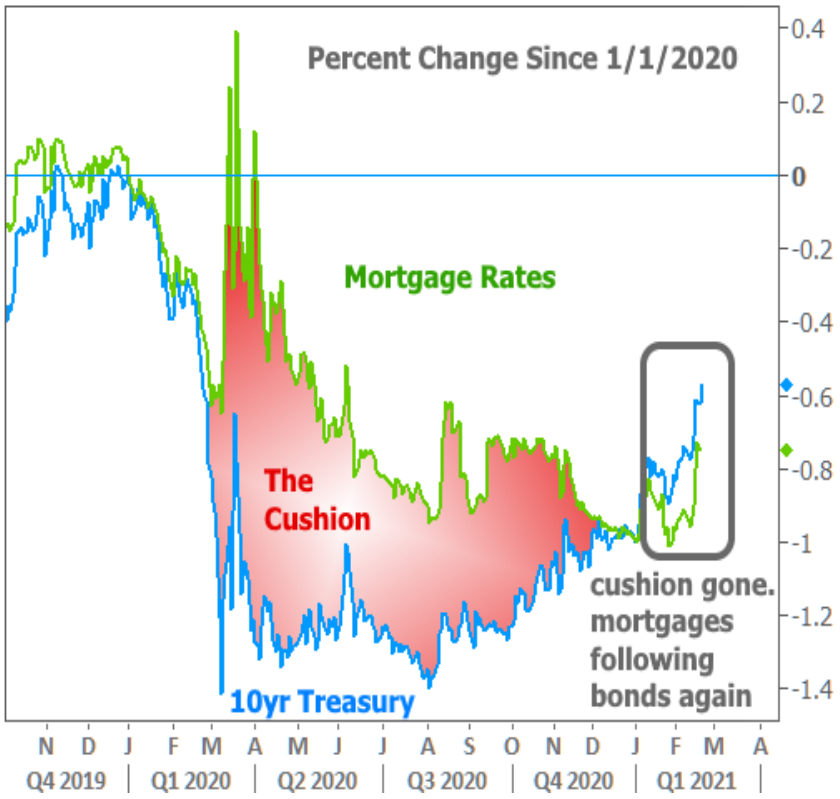
Recent Housing Data

		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



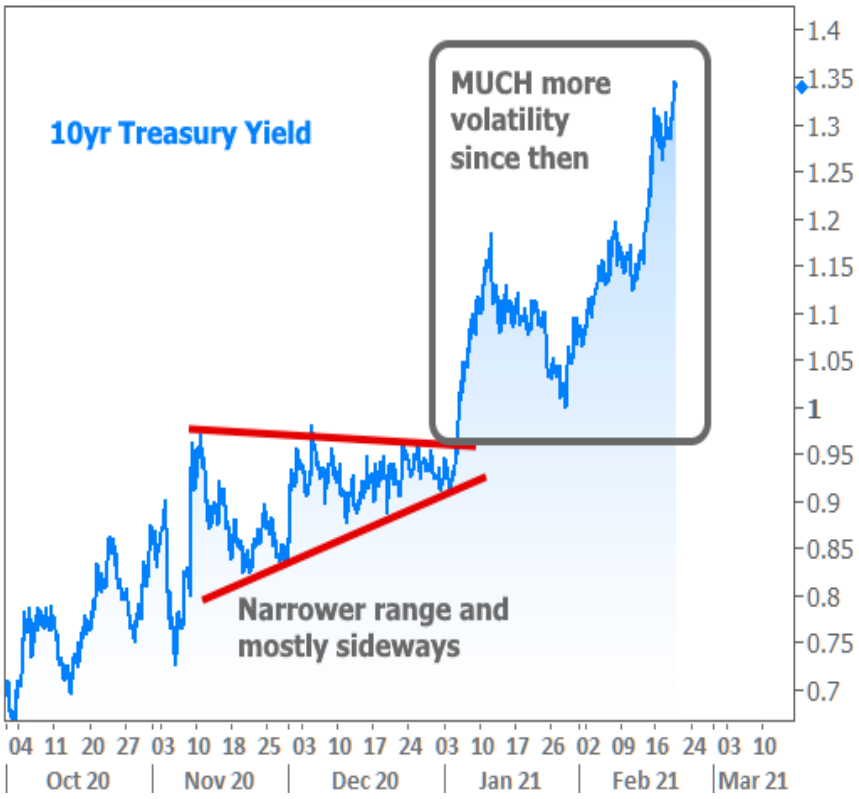
Why have things been so abrupt? Using up "the cushion" is one thing, but that alone doesn't force rates to go higher. For that, we need **"broader bond market volatility."** In other words, Treasury yields need to be spiking.

As it turns out, that's been one of their favorite things to do in 2021. If it seems abrupt, that has a lot to do with bonds coiling in a conservative pattern heading into the Georgia senate election, and **unleashing chaos** thereafter.

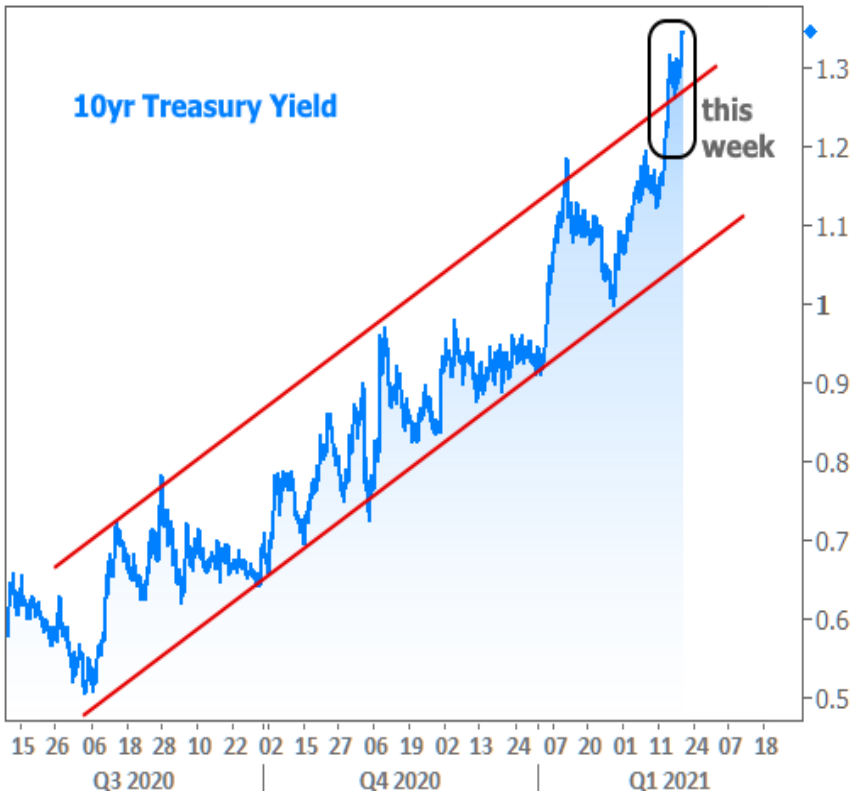
© 2026 MBS Live, LLC. - This on-demand newsletter is a service of MarketNewsletters.com.

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



The election is old news now though. It simply got the ball of volatility rolling. Most recently, plummeting covid case counts, improved vaccine distribution, stronger economic reports, and progress on fiscal stimulus **reinvigorated** the volatility. This week, 10yr yields broke up and out of their prevailing "trend channel" (the parallel lines seen below).



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

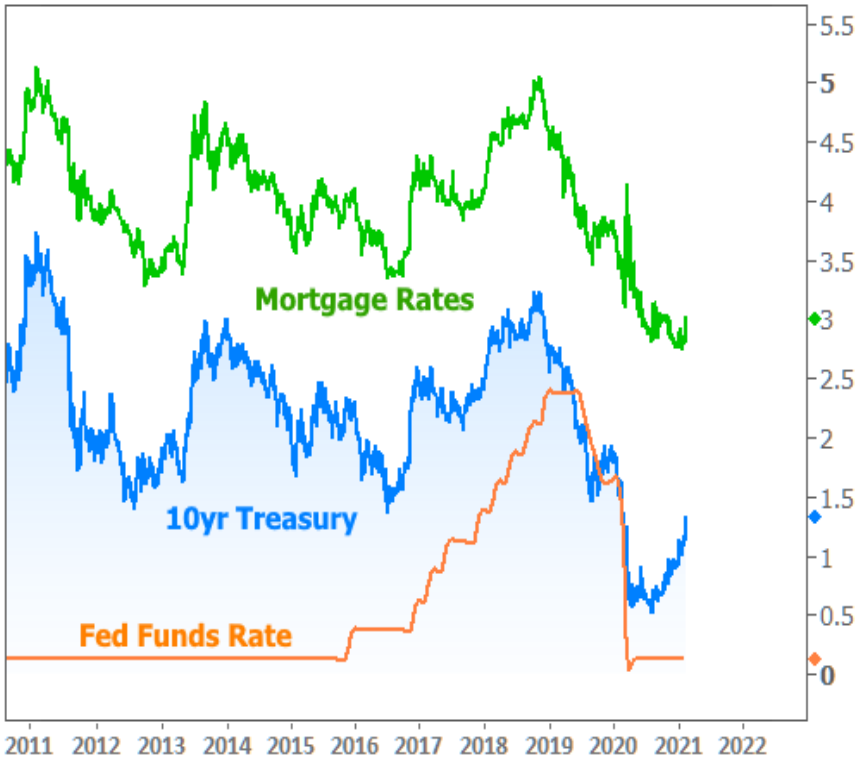
The interest rates provided in this newsletter are national averages from independent data sources. Rate/APR terms may differ from those listed above based on the creditworthiness of the borrower. All information provided "as is" for informational purposes only, not intended for trading purposes or financial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

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

There's no magic rule that says Treasuries **have to** stay inside those red lines, but this sort of breakout can be a cue for traders to intensify selling pressure. In other words, that upper line was a **trigger** for yields to move even higher.

"But wait... I thought the Fed said it was keeping rates low for YEARS. What happened to that?"

The Fed sets the Fed Funds Rates... NOT mortgage rates. The Fed Funds Rate is a super short-term rate ("overnight," in fact). 10yr Treasuries, on the other hand, last 10 years. The average 30yr fixed mortgage lasts between 5 and 10 years depending on the market conditions. Investors place different premiums on rates with different terms. Simply put, the Fed Funds Rate is indeed still at rock bottom, but longer-term rates are not.

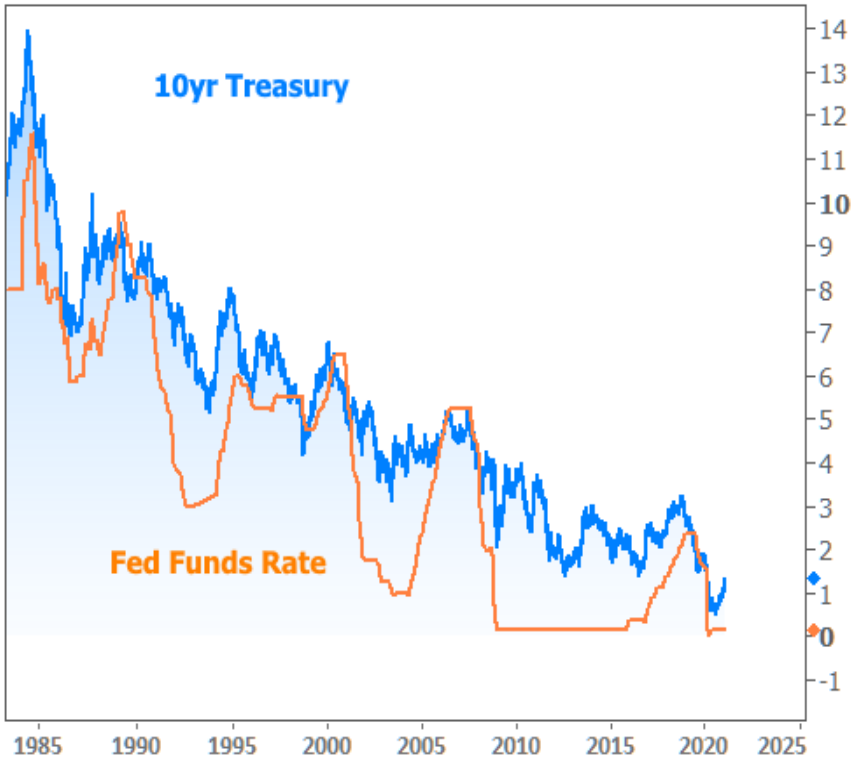


This isn't anything new or different, for what it's worth. The Fed Funds Rate has **always** ebbed and flowed in relation to longer term rates.

© 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



"But wait... I heard that mortgage rates are still really low and that they only went up a tiny amount this week!"

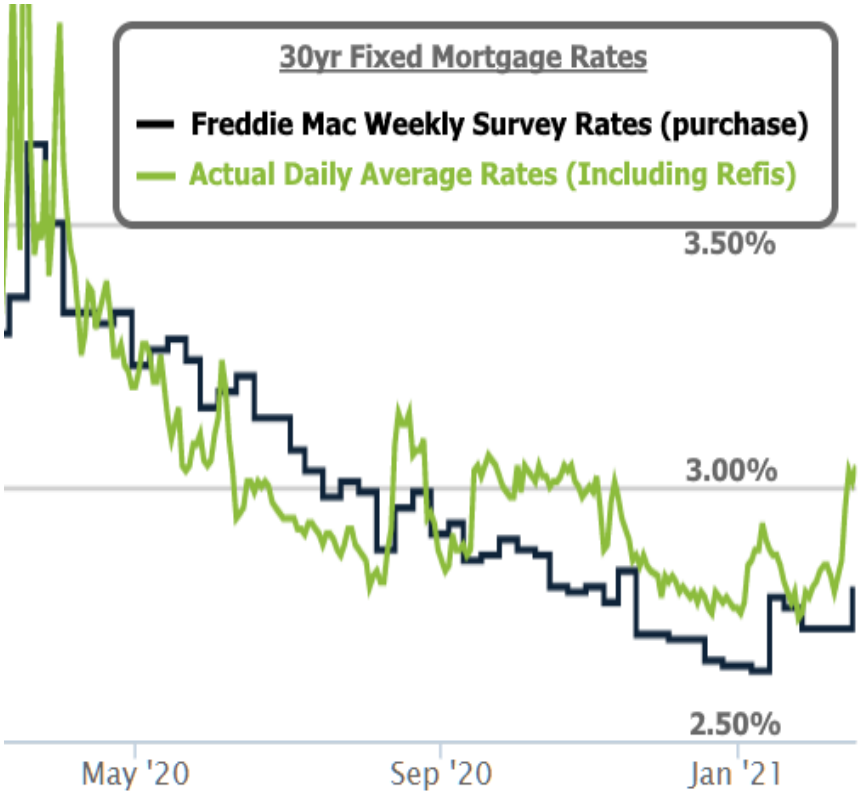
Well, that depends on your perspective. Is 3.125% still really low for the average 30yr fixed mortgage rate? Yes! That was the all-time low before covid. But is it much higher relative to the past few weeks and months? Here too, it depends on your perspective, so **let's leave it at this:** rates rose more this week than on **any** other week in the past 11 months.

If you've heard that rates only rose slightly, it may have to do with headlines quoting Freddie Mac's weekly survey. While that survey is accurate over time, it **doesn't** capture short-term volatility. It also tends to stop measuring most of any given week's volatility on Monday, and Monday was a holiday! As such, it's lagging the reality on the street.

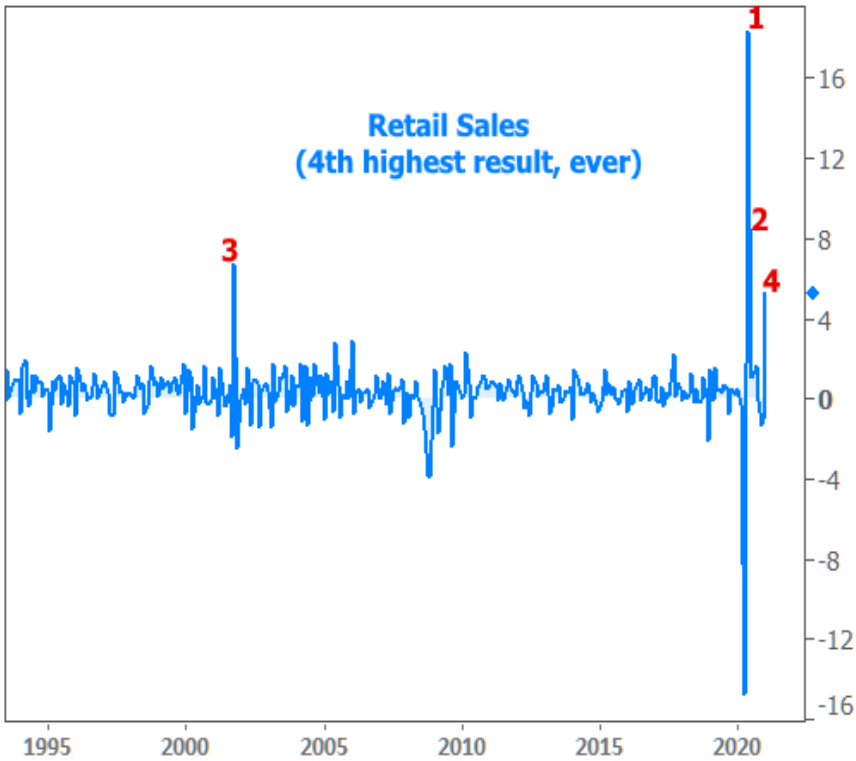
© 2026 MBS Live, LLC. - This on-demand newsletter is a service of MarketNewsletters.com.

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



On the economic data front, Retail Sales (this week's biggest report) rose at the **4th fastest pace** since records began in the early 90s. In general, stronger economic data puts upward pressure on rates.

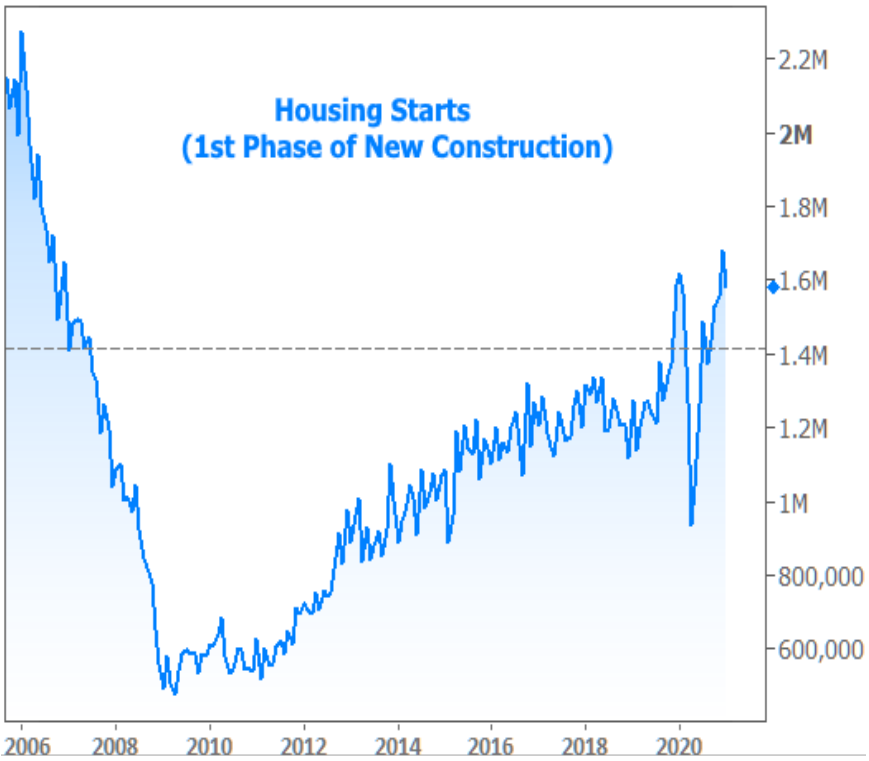


In terms of housing-specific data, this week brought an update on residential construction numbers. They're still stellar.

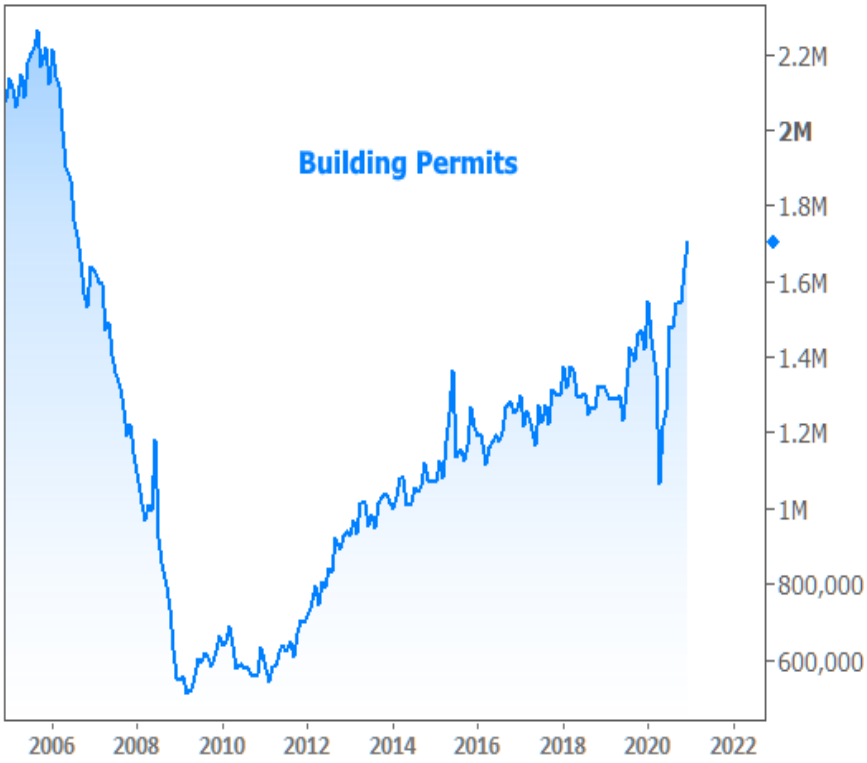
© 2026 MBS Live, LLC. - This on-demand newsletter is a service of MarketNewsletters.com.

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



Whereas Housing Starts are subject to weather-related delays and other potential roadblocks, building permits are a bit more free-flowing, and they just set **another long-term high**.



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

© 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

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