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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	7.29%	-0.06	0.00
15YR Fixed	6.95%	-0.05	0.00
30YR FHA	6.91%	-0.08	0.00
30YR Jumbo	7.55%	-0.05	0.00
7/6 SOFR	6.88%	+0.02	0.00
30YR VA	6.92%	-0.08	0.00

Rates as of: 10/29

MBS and Treasury

	Price / Yield	Change
MBS UMBS 6.0	99.97	+0.13
10 YR Treasury	4.9207	-0.0008
30 YR Treasury	5.2847	-0.0154

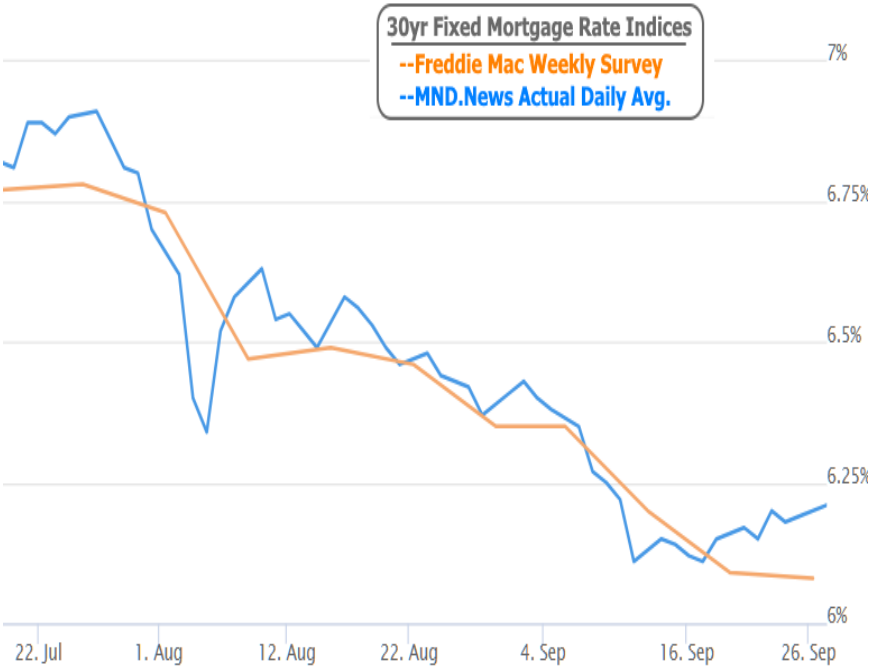
Pricing as of: 10/30 1:22AM EST

Recent Housing Data

		Value	Change
Mortgage Apps	Oct 14	188.6	-5.32%
Building Permits	Sep	1.4M	+0.43%
Housing Starts	Sep	1.22M	-4.24%
New Home Sales	Aug	684K	+12.69%
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.

Daily Mortgage Rate Update

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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The Market Is Scary. Sitting Still Won't Make It Better: 10-29-2026

What Every Agent Should Know---

The Market Is Scary. Sitting Still Won't Make It Better.---

With higher mortgage rates, affordability concerns, and thousands of homes competing for buyers, this Halloween season has brought more than a few frightening challenges for REALTORS®.---

Buyers are hesitant. Sellers are frustrated. And many agents are wondering what it will take to get transactions moving again.---

But waiting for the market to improve isn't a business strategy.---

Here are three conversations worth having right now.---

1. Reconnect with hesitant buyers.---

Instead of asking, "Are you ready to buy?" try, "What's the one thing keeping you from moving forward?" Understanding whether the obstacle is payment, cash-to-close, or uncertainty creates an opportunity to explore solutions.---

2. Give stagnant listings a fresh approach.---

Before recommending another price reduction, consider whether seller-paid closing costs or a permanent interest-rate buydown might make the home more attractive. Sometimes changing the financing strategy can accomplish more than changing the price.---

3. Replace speculation with actual numbers.---

Nobody knows where mortgage rates or home prices will be six months from now. Show buyers what purchasing today would actually cost, what concessions might accomplish, and what waiting could mean.---

Here's where I can help.---

Have a hesitant buyer, a listing that isn't moving, or a transaction that seems impossible to structure?---

Call me. Let's examine the numbers, explore the financing options, and see whether we can turn a frightening situation into your next successful closing.---

EQUAL HOUSING LENDER---

<https://apply.planethomelending.com/#/loan-officers/tpayne%40planethomelending>

Tom Payne



