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Today's Market Update for Feb 14, 2024

Understanding Today's Mortgage Market

Recent Changes in Mortgage Rates

Good morning, everyone. As we navigate the world of home financing, it's important to stay updated with the latest market trends, especially when it comes to mortgage rates. I've got some fresh insights for you this morning, and while the news might seem a bit complex, I'm here to break it down in simple terms.

Yesterday, we saw some significant changes in the market due to recent inflation data, which essentially means that mortgage rates are not likely to decrease anytime soon. In fact, it's more probable that rates will slightly increase. This is largely because the Federal Reserve, which plays a key role in setting interest rates, isn't planning to reduce their rates in the near future.

How Inflation and the Federal Reserve Impact Rates

Let's simplify this: When the pandemic hit, the Federal Reserve reduced its rates to practically zero to support the economy. Since people were spending less on travel and dining out, there was a lot of extra money in the economy. Once restrictions were lifted, this led to increased consumer demand, which, combined with supply chain issues, resulted in higher prices for just about everything – that's inflation.

To combat this, the Federal Reserve increased its rates to cool down the economy and lower inflation. This, in turn, affects mortgage rates. But the Federal Reserve has to be careful; raising rates too much can slow down the economy too much, affecting jobs and growth.





Locking in Your Mortgage Rate

Now, let's talk about what this means for your mortgage:

- **For Loans Closing in Less Than 15 Days:** I recommend locking in your rate. We're seeing a slight improvement in bonds today, but it's more of a pause than a real recovery. Chances are, rates will continue to rise.
- **For Loans Closing in 15-30 Days:** It's also wise to lock in your rate. We've passed the major economic events for the month, and it's unlikely that rates will improve significantly before the next big jobs report in early March.
- **For Loans Closing in 30+ Days:** Here, you have a bit more flexibility. You might see some improvement in rates in March, so you could consider floating your rate. But if you want to play it safe and lock in your rate, that's not a mistake either.

Remember, everyone's situation is unique, so if you have any questions about what's best for your specific circumstances, please don't hesitate to reach out. My team and I are always here to help you make the best decision for your home and your future.

And for our past clients, if you know someone who's looking to buy, sell, or refinance, we're always grateful for referrals. Your trust in us means the world, and we're committed to providing the same level of care and expertise to your friends, family members, or co-workers. Stay informed, stay safe, and let's navigate these financial waters together!





About Today's Lock Commentary...

The views and commentary are provided by Ron Siegel, an industry veteran with certifications: CMA, CDLP, CLA, VMA. Ron is a radio host who studies the markets and reviews many rate reports daily.

Ron's view on rates comes from an Originator's point of view, seeing each loan as a real person with a real desire to save some money or improve their rate situation - not a hedge fund where we "manage risk" and "take some loans off the table".

In addition to hosting a daily, syndicated radio program since 2010, Ron is a Branch Manager with Geneva Financial and licensed under NMLS 217037.

