

MORTGAGES

Latest mortgage news: After Fed’s warning, rates flirt with 7% again



4 MIN READ
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Unemployment remains at rock-bottom rates, and consumer prices continue to soar. As a result, the average [rate on 30-year mortgages](#) rose to 6.84 percent this week, up from 6.73 percent last week and 6.27 percent four weeks ago, according to Bankrate's national survey of large lenders.

Mortgage interest rates

The rate on a 30-year mortgage averaged 6.84% as of March 8.

Source: Bankrate national survey; figure includes points

Federal Reserve Chairman Jerome Powell this week noted that inflation is still running hot — and while the Fed doesn't directly dictate mortgage rates, it does influence the overall interest rate climate. "Chairman Powell's comments before lawmakers on Tuesday are leading to worries that inflation remains persistent, setting the table for higher rates in the near future," says Ken H. Johnson, a housing economist at Florida Atlantic University.

Current Mortgage Rates for March 9, 2023

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Purchase	Refinance	Zip Code 33431 Boca Raton, FL	Property Value \$ 720,000
Loan Amount \$ 576,000	Percent D... 20 %	Loan Term 30 year fi...	Credit Score 740 - 759

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Lender ⓘ	APR ⓘ	Rate ⓘ	Mo. payment ⓘ	Sort by ▾
5-1 Year ARM NMLS: #449401 ★★★★★ (4.5) ⓘ 📞 (844) 365-0659	5.34% Mar 9, 2023	5.64% Points: 1	\$3,321 Fees: \$7,155 ⓘ	Next →
30 Year Fixed NMLS: #138075 ★★★★★ (4.8) ⓘ	6.08% Mar 9, 2023	5.88% Points: 1.935	\$3,407 Fees: \$12k ⓘ	Next →
30 Year Fixed NMLS: #3232 ★★★★★ (5) ⓘ	6.21% Mar 9, 2023	6.00% Points: 1.875	\$3,453 Fees: \$13k ⓘ	Next →
30 Year Fixed NMLS: #2289 ★★★★★ (4.9) ⓘ	6.49% Mar 9, 2023	6.49% Points: 0	\$3,637 Fees: \$0 ⓘ	Next →

Mortgage rates rose steeply for most of 2022, topping 7 percent in November. They retreated from that autumn peak, but now they're rising again, and they remain well above their 2021 lows in the 2 to 3 percent range. The run-up has roiled the housing market. The National Association of Realtors reports that [home sales](#) have fallen for 12 consecutive months, and prices are softening in many parts of the country.

The Fed has been moving aggressively to [control inflation](#). The central bank followed seven rate hikes in 2022 with a Feb. 1 increase, albeit a smaller one of a [quarter-point](#). Those moves have created upward pressure on rates — while also raising the risk of a recession.

The Fed is expected to raise rates yet again this month. The only question is how much. The unexpectedly strong January jobs report, plus persistent inflation, adds a wild card into the mix: It could push the central bank to move more forcefully on rate increases. “Inflation isn’t coming down as quickly as many had expected, and markets are recalibrating to the Fed’s guidance of higher rates for a longer period of time,” says Greg McBride, Bankrate’s chief financial analyst.

While its moves are influential, the Fed doesn’t directly set [fixed mortgage rates](#), however. The most relevant benchmark is the 10-year Treasury yield, which also has bounced around in recent weeks.

The 30-year fixed mortgages in this week’s survey had an average total of 0.37 [discount and origination points](#).

Over the past 52 weeks, the benchmark 30-year fixed-rate mortgage has averaged 6.05 percent. A year ago, the 30-year fixed-rate mortgage was 4.14 percent. Four weeks ago, the rate was 6.27 percent. The 30-year fixed-rate average for this week is 2.43 percentage points higher than the 52-week low of 4.4 percent.

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Account Type Savings & MMAs	Zip Code 33431 Boca Raton, FL	Deposit Amount \$ 25,000
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As for other loans:

- The [15-year fixed-rate mortgage](#) was 6.2 percent, up from 6.1 percent last week.
- The [5/6 adjustable-rate mortgage](#) (ARM) rose to 6.65 percent from 6.61 percent a week ago.
- The [30-year fixed-rate jumbo mortgage](#) was 6.45 percent, up from 6.4 percent last week.

Where mortgage rates are headed

Mortgage experts expect to see rates [decrease by the end of 2023](#) as the Fed's round of rate hikes draws to an end. But the resilience of the U.S. economy is throwing a wrinkle into those expectations. Stubbornly high prices are also creating upward pressure.

All eyes will be on Friday's jobs report. In January, unemployment fell to a 54-year low, showing that the Fed's tightening has yet to really take effect, and leading to Powell's warning this week when testifying to Congress. "These comments, combined with higher-than-expected inflation numbers recently, should lead to higher mortgage rates," Johnson says.

Mortgage rates typically move in lockstep with the 10-year Treasury. The average rate on a 30-year loan usually is 1.5 to 2 percentage points above the 10-year rate. But in the

turbulent times of 2022, that gap — known as the “spread” — widened to more than 2.5 percentage points.

“The spread between mortgage rates and the 10-year Treasury has been abnormally wide since early 2022,” the Mortgage Bankers Association’s Joel Kan says. “Further narrowing of that spread is expected to put downward pressure on mortgage rates in the coming months.”

The national median family income for 2022 was \$90,000, according to the U.S. Department of Housing and Urban Development, and the median price of an existing home sold in January was \$359,000, according to the [National Association of Realtors](#). Based on a 20 percent down payment and a mortgage rate of 6.84 percent, the monthly payment of \$1,880 amounts to 25 percent of the typical family’s monthly income. A year ago, median family income was \$79,900, the median home price was \$364,600 and the average mortgage rate was 3.4 percent. Buying the typical home then required just 19 percent of a family’s monthly income.

Methodology

The Bankrate.com national survey of large lenders is conducted weekly. To conduct the National Average survey, Bankrate obtains rate information from the 10 largest banks and thrifts in 10 large U.S. markets. In the Bankrate.com national survey, our Market Analysis team gathers rates and/or yields on banking deposits, loans and mortgages. We’ve conducted this survey in the same manner for more than 30 years, and because it’s consistently done the way it is, it gives an accurate national apples-to-apples comparison. Our rates differ from other national surveys, in particular Freddie Mac’s weekly published rates. Each week Freddie Mac surveys lenders on the rates and points based on first-lien prime conventional conforming home purchase mortgages with a loan-to-value of 80 percent. “Lenders surveyed each week are a mix of lender types — thrifts, credit unions, commercial banks and mortgage lending companies — is roughly proportional to the level of mortgage business that each type commands nationwide,” according to Freddie Mac.

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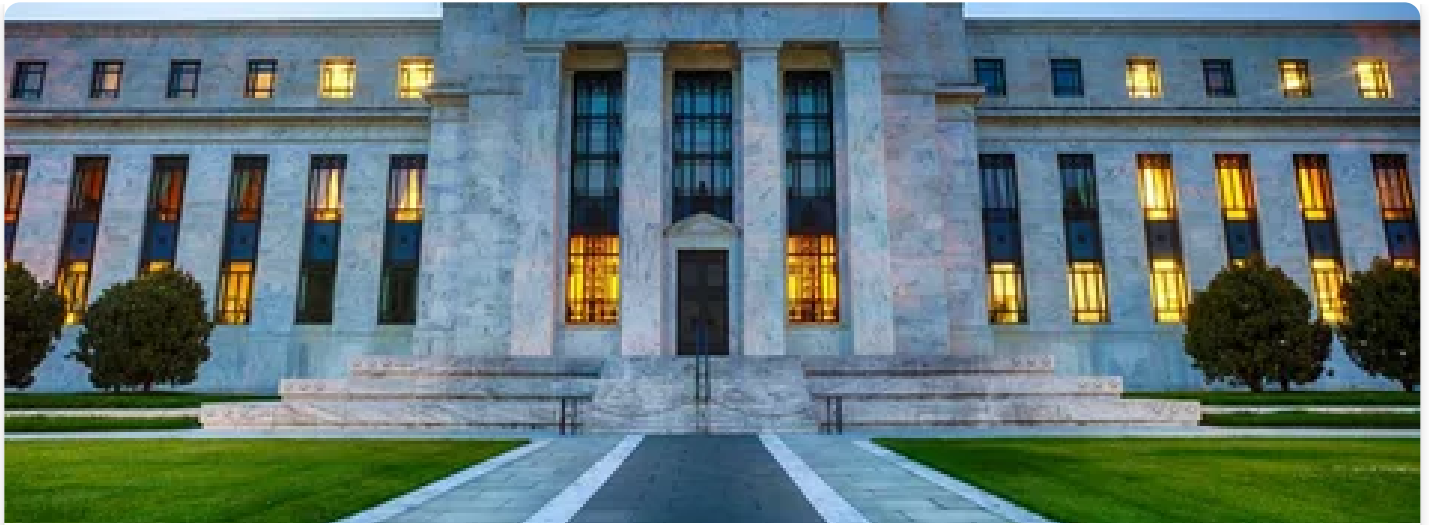
Jeff Ostrowski covers mortgages and the housing market. Before joining Bankrate in 2020, he wrote about real estate and the economy for the Palm Beach Post and the South Florida Business Journal.

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