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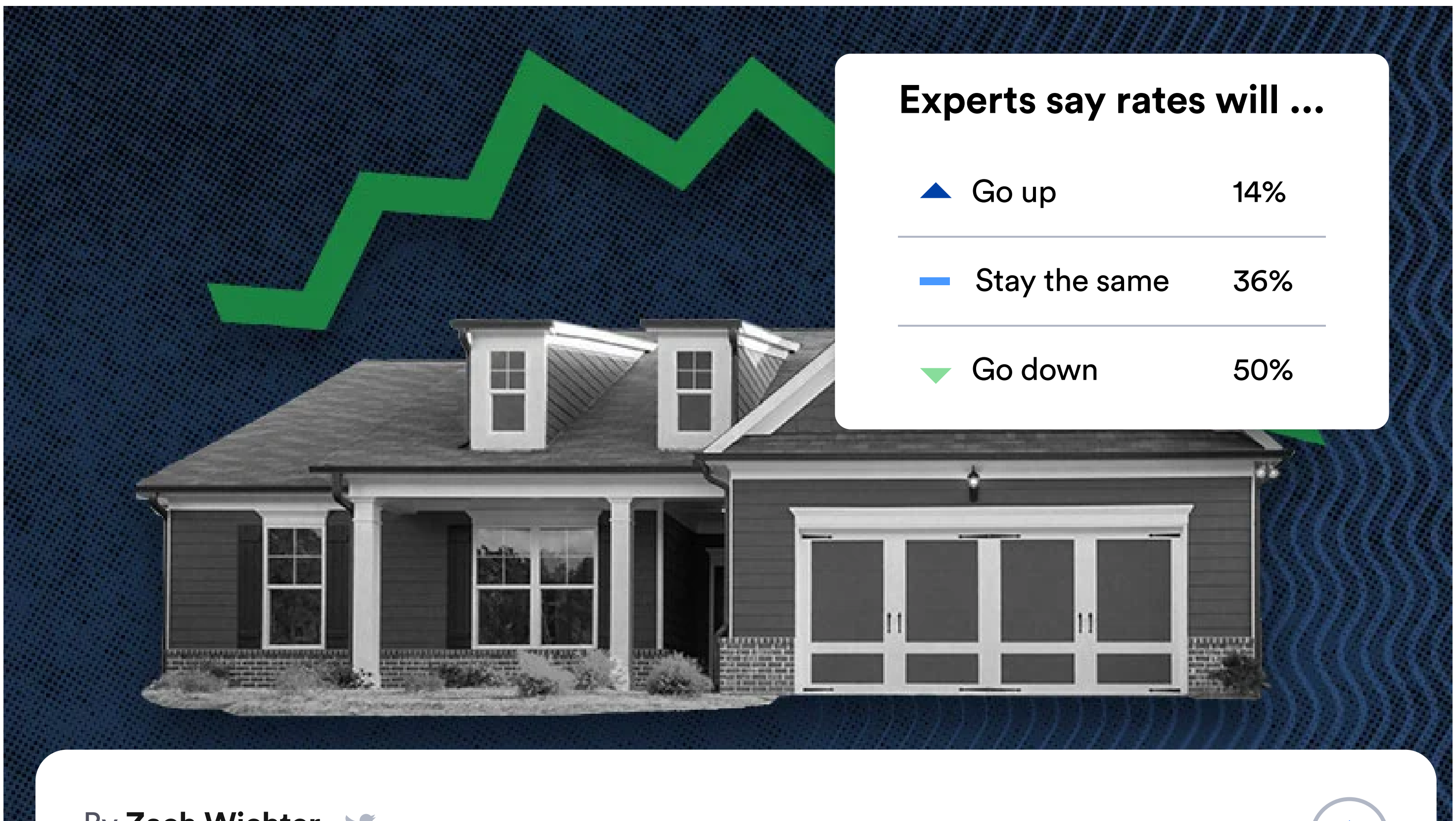
Expert Poll: Mortgage Rate Trend Predictions For Jan. 28 - Feb. 3, 2021



By **Zach Wichter**

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Image Credit: MoMo Productions/Getty Images

Mortgage experts were divided over where rates will go inÂ the week ahead (Jan. 28 - Feb. 3). In response to Bankrate's weekly poll, 50 percent said rates would be lower next week, while 36 percent said they would remain the same and 14 percent said they would rise. Calculate your monthly payment using Bankrate's mortgage calculator.

RATE TREND INDEX

Experts predict where mortgage rates are headed

Week of Jan 28 - Feb 3

Experts say rates will ...

Go up	14%
Stay the same	36%
Go down	50%

Current Mortgage and Refinance Rates for January 2021

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Purchase | **Refinance**

Zip Code
33436 Boynton Beach, FL

Credit Score
740+

Property Value
$ 562,500

Loan Amount
$ 450,000

Loan Term
30 year fixed

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Lender	APR	Rate	Mo. payment	
Better.com 30 Year Fixed NMLS: #330511	**2.40%** Jan 29, 2021	**2.25%** Points: 1.938	**$1,720** Fees: $8,721	Next
Zillow Home Loans 30 Year Fixed NMLS: #10287	**2.40%** Jan 29, 2021	**2.25%** Points: 1.84	**$1,721** Fees: $9,130	Next
Blue Sky Financial, LLC 30 Year Fixed NMLS: #1954591	**2.41%** Jan 29, 2021	**2.25%** Points: 1.866	**$1,720** Fees: $9,3…	Next

> **“Foreign travel into the U.S. is being further restricted. It’s additional anecdotal evidence of a further economic slowdown.”**
>
> — Jeff Lazerson, Mortgage Grader

14% say rates will go up

Ken H. Johnson

Real estate economist, Florida Atlantic University

Long-term mortgage rates will move up marginally this week. 10-year Treasurys have settled in above 1.00 percent annually, which is up from 0.5 percent back in early August. This 50 basis point move puts upward pressure on long-term residential mortgage rates. 30-year mortgage rates should respond and move up slightly this week because of this pressure.

Dick Lepre

Senior loan officer, RPM Mortgage, Inc., Alamo, CA

Trend: Higher. Techs say slightly higher for the week. We will soon see what President Biden's plans are regarding housing. A prevailing theme of the administration is social justice. In housing this could be realized by fiscal policy (down payment assistance, for example) but there is a possibility that the administration could prioritize its social justice purposes and demand a weakening of mortgage lending standards - precisely that which caused the Great Recession. Any hint of this is likely to send FHLMC/FNMA rates higher. It may be time to start discussing how bad a weakening of GSE underwriting guidelines would be.

50% say rates will go down

Joel Naroff

President and chief economist, Naroff Economic Advisors, Holland, Pennsylvania

Down. Expectations of a huge stimulus package should fade.

Jeff Lazerson

President, MortgageGrader

Down. Foreign travel into the U.S. is being further restricted. It's additional anecdotal evidence of a further economic slowdown.

Les Parker

CMB, managing director, Transformational Mortgage Solutions, Jacksonville, Florida

Mortgage Rates go down. Here's a parody based on the 2004 Green Day hit, "On the Boulevard of Broken Dreams." "We walk this COVID street; On the Boulevard of Broken Dreams; Where the lockdowns creep; And we're the only ones walking shuttered streets." The market wonders which governments get to buy the vaccine first and who enforce lockdowns. When the market focuses on COVID-19, then rates tend to drift downward.

Robert Brusca

Chief economist, Facts and Opinions Economics, New York

Lower.

Mitch Ohlbaum

Mortgage banker, Macoy Capital Partners, Los Angeles, CA

Down. The 10-year Treasury dipped to 1 percent today and is trading at 1.014 percent and I would expect it to decrease in after-hours trading. The Fed has decided to leave rates near zero and hold steady on all monetary policies. The Case-Shiller index increased 9.5 percent year over year but that is no surprise as we have seen home prices continually increase throughout the pandemic. The market does believe there will be growth and some inflation but the Fed, as always, says we will wait and see.

Greg McBride

CFA, chief financial analyst, Bankrate.com

Vote: Down. The run up in bond yields at the beginning of the year was too much, too soon and have pulled back since. Mortgage rates will be rangebound amid uncertainty about further stimulus.

James Sahnger

Mortgage planner, C2 Financial Corporation, Jupiter, Florida

Lower. The froth on the 10 year Treasury has come off a bit after peaking at 1.18 percent two weeks ago after a quick run up of 26 basis points in just a week earlier. On Wednesday, it hit a low of 1.00 and nearly dropped below this psychological support. Stocks have been selling off a bit, with the torrid exception of GameStop. As money has left stocks, bonds have been the beneficiary and rates have improved. The Federal Reserve met today, the first meeting of the year, and the Fed pretty much left things intact, agreeing to continue to support lower rates by buying $80 billion in Treasurys and another $40 billion in mortgage backed securities. Look for rates to drift a little lower as stocks should continue to do the same. If you haven't refinanced yet, you just got a break the last few weeks.

36% say unchanged –

Gordon Miller

Owner, Miller Lending Group, LLC, Cary, North Carolina

Shaping up to be a sideways trading week with little to no movement for mortgage rates as they continue to hover slightly above the historic lows we've experienced recently. The short term inflation scare to bonds has settled down so now the focus shifts back to COVID, vaccine distribution and the large number of companies reporting earnings this week.

Nancy Vanden Houton, CFA

CFA, Senior Research Analyst, Stone & McCarthy Research Associates, New York, NY

Unchanged.

Jennifer Kouchis

Senior vice president, real estate lending, VyStar Credit Union, Jacksonville, Florida

Rates will stay the same. After some bond movement that expected to be followed by some potential rate decreases, we haven't seen much movement. With Treasurys not improving and news of a possible delay in stimulus, I expect the fluctuation in rates to be small in either direction, with no major impacts over the next week.

Ralph McLaughlin

Chief economist and senior vice president of analytics, Haus

Rates should moderate this week as uncertainties about vaccination rollouts and the emergence of new strains cause financial market volatility.

Logan Mohtashami

Housing analyst, HousingWire, Irvine, California

The bond market has made a good rally from 1.18 percent to 1.01 percent, and the Federal Reserve is all about supporting the economy. Unless some headline on the vaccine is better or worse than what is trending already, we shouldn't see too much movement. Over time as we vaccinate more people and the economy is on better footing, yields should rise. However, we still have a long way to go to get most of the county vaccinated.

About the Bankrate.com Rate Trend Index

Bankrate's panel of experts is comprised of economists, mortgage bankers, mortgage brokers and other industry experts who provide residential first mortgages to consumers. Results from Bankrate.com's Mortgage Rate Trend Index are released each Thursday.

ABOUT THE AUTHOR

Zach Wichter is a mortgage reporter at Bankrate. He previously covered the airline industry for our sister site The Points Guy and business news, with a focus on aviation, for The New York Times.

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