

# Highest Mortgage Rates Since 2009

By: Matthew Graham | Tue, Apr 19 2022, 6:03 PM

Where do we even begin the conversation about [mortgage rates](#) on any given day in the spring of 2022? The news has frequently fallen into the category of "same thing, different day." The "same thing" in today's case is **another jump** up to long-term highs. Today's dubious distinction is that we'd have to go back to 2009 before seeing rates that were meaningfully higher.

Despite that seemingly interesting--if unpleasant--milestone, the **root cause remains relatively unchanged** over the past several months and almost perfectly unchanged over the past 6 weeks. Specifically, the Fed was in the process of making a significant shift in its monetary policy stance between September 2021 and the present. This involved faster rate hikes and bigger steps toward reducing bond purchases.

Both developments hurt rates, but the **acceleration** of the shift has perhaps been the **biggest** problem. When the Fed is making increasingly unfriendly changes to the policy outlook, the market sees wisdom in trying to get ahead of where it thinks the Fed is going. While the previous sentence might be a bit confusing (or poorly worded?), it's at the core of the abrupt momentum in 2022.

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The war in Ukraine has also been a **huge compounding factor**. At first, it helped rates stabilize, but only temporarily. Once the market narrative shifted to focus on the inflation implications of the war, interest rate momentum went from bad to worse. After all, it was inflation that was top of mind for the Fed before Russia was even rumored to be invading Ukraine.

We're left in a situation where financial markets continue positioning for higher and higher rates until traders see signs of a shift. **What kind of signs?** The most important would be a confirmed reversal in inflation numbers. That could take months. Even before then, markets could probably find enough solace for rates to level off if the average Fed speech/announcement merely stops alluding to additional policy tightening.

## National Average Mortgage Rates



Mortgage News Daily	Rate	Change	Points
30 Yr. Fixed	5.27%	-0.08	0.40
15 Yr. Fixed	4.62%	-0.03	0.40
30 Yr. FHA	4.80%	-0.07	0.00
30 Yr. Jumbo	4.40%	-0.04	0.00
5/1 ARM	4.14%	+0.05	0.50

### Freddie Mac

30 Yr. Fixed	5.00%	+0.28	0.80
15 Yr. Fixed	4.17%	+0.26	0.90
5/1 Yr. ARM	3.69%	+0.13	0.30

### Mortgage Bankers Assoc.

30 Yr. Fixed	4.80%	+0.30	0.56
15 Yr. Fixed	4.01%	+0.25	0.55
30 Yr. FHA	4.66%	+0.26	0.71

Rates as of: 4/20

## MBS and Treasury Market Data

	Price / Yield	Change
MBS UMBS 4.0	99.91	+0.34
2 YR Treasury	2.5691	-0.0286
5 YR Treasury	2.8615	-0.0568
7 YR Treasury	2.8810	-0.0789
10 YR Treasury	2.8436	-0.0964
30 YR Treasury	2.8857	-0.1074

Pricing as of: 4/20 1:47PM EST

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