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Mortgage

Mortgage Rates

Mortgage rates hold steady despite softer labor market

The average 30-year rate for conforming loans sat at 7.11% on Tuesday

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Mortgage rates held steady over the past week despite recent signs of relief from the labor market, according to [HousingWire's Mortgage Rates Center](#). In large part because of the lack of clarity as to when the **Federal Reserve** will begin cutting the benchmark rate, mortgage rates remained above the 7% level.

The average 30-year rate for conforming loans sat at 7.11% on Tuesday, unchanged from one week ago. At this year's peak, the same loan type reached 7.57% in April. Meanwhile, the 15-year conforming rate ceased its steep rise and reached 6.93% on Tuesday from 6.99% the previous week.

HousingWire Lead Analyst [Logan Mohtashami](#) said that mortgage rates historically move in connection with the 10-year yield, which "had a crazy move higher" two weeks ago but headed lower on Friday after the jobs report.

"Bond yields did fall, and pricing has gotten just a tad better, but it's nothing of note," Mohtashami said. "The spreads have kept mortgage rates more stable."

According to Mohtashami, the spread between the 30-year mortgage rate and the 10-year yield has been an issue since 2022, and conditions worsened following the March 2023 [banking crisis](#). He added, "If we took the worst levels of the spreads from 2023 and incorporated those today, mortgage rates would be 0.56% higher right now."

Data from the [U.S. Bureau of Labor Statistics](#) released on Friday showed that total nonfarm payroll rose by 206,000 jobs in June, compared to 218,000 jobs in May ([which was revised down from 272,000](#)). Economists say it is good news for the Fed to start cutting rates, but there is uncertainty about when it will start.

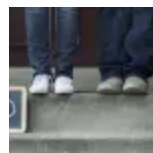
"We continue to see headlines and data points driving rate movement in the absence of concrete evidence of when the Fed will start the rate-cutting cycle in the face of sticky inflation," said Sarah Alvarez, vice president of mortgage banking at **William Raveis Mortgage**.

Fed Chairman Jerome Powell has stated that officials expect it will be appropriate to reduce the federal funds rate target range once they have gained greater confidence that inflation is moving sustainably toward the 2% target. And

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“Incoming data for the first quarter of this year did not support such greater confidence,” Powell said during the semiannual monetary policy report to the Congress on Tuesday morning. “The most recent inflation readings, however, have shown some modest further progress, and more good data would strengthen our confidence that inflation is moving sustainably toward 2%.”

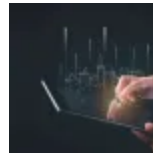
Besides monetary policy, uncertainties related to the presidential election are also impacting the markets, according to Alvarez.

“There is always a lot of uncertainty surrounding an election, and we saw the recent debate results push rates up more than expected,” Alvarez said. “However, as we continue to see data indicating that inflation and the economy are weakening, rates will start to come down more significantly. Anyone hoping for a straight ride down will be disappointed.”

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