

What Happened Last week to Affect Mortgage Rates?

Home Sales Rise

Although oil prices climbed, it was another good week for mortgage markets. Investors continued shifting money out of riskier technology stocks and into safer investments, including bonds, helping push mortgage rates lower.

In September, sales of previously owned homes rose a little from August but still were a bit lower than a year ago. The median price of \$417,500 was up 2% from last year at a record high for the month of September. Inventory remains one of the biggest challenges for buyers, but the recent trend has been positive. There is only about a 4.8-month supply of homes nationally, still below the roughly six months typically considered a balanced market. However, inventory was up 5% from a year ago, at the highest level since 2019.



The latest home building data was not encouraging. Overall housing starts in September declined 5% from August, far more than expected, and are running 7% below last year's pace. Single-family starts declined to the lowest level since September 2025, while single-family building permits, a leading indicator of future construction, fell to the lowest level since 2023.

Finally, a survey of home builder sentiment on housing market conditions from the NAHB unexpectedly dropped to 29, the lowest level since 2012, and has remained in negative territory below 50 for thirty straight months. To help generate demand, 66% of builders offered sales incentives in September, while 43% reduced home prices, the most since 2020. Builders cited high mortgage rates, labor shortages, and rising material costs as significant obstacles to increasing new home supply.

The Big Picture: For now, mortgage rates remain caught between competing forces. Investors are continuing to weigh a mix of slowing economic data, stubborn inflation, and global uncertainty. As a result, mortgage rates will probably remain volatile from day to day as investors react to Fed comments, economic data, and geopolitical events. Meanwhile, the housing market continues to face a combination of limited inventory, affordability challenges, and cautious builders.

Looking ahead, attention will remain fixed on the conflict in the Middle East and oil prices. The next Fed meeting will take place on Wednesday, and most investors anticipate that there will be no change in the federal funds rate. The next European Central Bank meeting will take place on Thursday. For economic reports, New Home Sales will come out on Tuesday. The PCE price index, the inflation indicator

avored by the Fed, and third quarter GDP, the broadest measure of economic activity, will be released on Thursday.

Calendar			Weekly Change		
Wed	10/28	Fed Meeting	10yr Treasury	fell	0.10
Thu	10/29	Core PCE	Dow	rose	200
Thu	10/29	GDP	NASDAQ	fell	100

All material Copyright © Ress No. 1, LTD (DBA **MBSQuoteline**) and may not be reproduced without permission.



Alan Feigenbaum

Loan Officer NMLS 1539757

o 972.996.1973 | m 972.489.2846

alanf@vipmtginc.com

alanf.vipmtginc.com

17304 Preston Road, Suite 800

Dallas, TX 75252

Scan to
Visit my Website



V.I.P. Mortgage, Inc. and V.I.P. Independent Mortgage, Inc. (Texas & California) do Business in Accordance with Federal Fair Lending Laws. NMLS ID 145502. TX: SML Mortgage Banker Registration No. 145502; Residential Mortgage Loan Servicer Registration No. 145502. For all other state licensing, visit www.vipmtginc.com/national-licenses/. V.I.P. Mortgage, Inc. is not acting on behalf of or at the direction of the FHA/HUD or the Federal Government. This product or service has not been approved or endorsed by any governmental agency, and this offer is not being made by any agency of the government. V.I.P. Mortgage, Inc. is approved to participate in FHA programs but the products and services performed by V.I.P. Mortgage, Inc. are not coming directly from HUD or FHA. Information, rates, and programs are subject to change without notice. All products are subject to credit and property approval. Not all products are available in all states or for all loan amounts. Other restrictions may apply. This is not an offer to enter into an agreement. Not all customers will qualify.