2026-9-9

~~Cost~~ Curr RE

US fixed 30-year mortgage rate climbs to highest since June 2025

Story by Reuters 2026-9-9

Sept 9 (Reuters) - The rate on the most popular U.S. home loan rose last week to its highest in more than 14 months, as escalating hostilities in the Middle East drove up oil prices, fueling inflation concerns and pushing up U.S. Treasury yields that underpin residential borrowing costs.

-Note

The average 30-year fixed-rate mortgage rose 6 basis points to 6.85% in the week ended September 4, the Mortgage Bankers Association said on Wednesday. It was last higher in June 2025.

Mortgage rates track U.S. Treasury yields, which have risen in recent weeks on concerns about rising federal debt that topped $40 trillion in August, as well as because of competition for capital from companies building AI-related infrastructure, and worries the U.S.-Iran conflict will worsen inflation that has been running above the Fed's 2% goal for 5-1/2 years. — Note 3 things

The rise in mortgage rates has choked off refinancing, which fell 6.2% from a week earlier, the MBA said. Mortgage applications, which include applications for purchases as well as refinancing, dropped 2.7% from the prior week, the MBA said.

There is little to suggest relief for prospective homebuyers is in sight, with the 10-year Treasury yield on Tuesday approaching 4.8%, near its highest level since October 2023.

A pair of closely watched inflation readings later this week — the producer price index on Thursday and the consumer price index on Friday — will likely shape the outcome of the Federal Reserve's rate-setting meeting on September 15 to 16, another factor in how mortgage rates will evolve.

Traders for now are betting a Fed rate hike is more likely than a continued hold, though cooler inflation readings could easily shift that perception. Either way, there is no indication the Fed will deliver the interest-rate cut that President Donald Trump has called for.

(Reporting by Ann Saphir; Editing by Chris Reese)