

Why Colorado experienced one of the country's sharpest mortgage rate jumps



Sara B. Hansen

Colorado homeowners face some of the nation's most intense mortgage pressure, according to a

new WalletHub report.

For prospective buyers, the outlook is set to worsen after the Federal Reserve's Sept. 16 decision to raise its benchmark interest rate by a quarter point.

The personal finance site found that Colorado had the second-largest increase in the average mortgage interest rate of any state between the first and second quarters of 2026.

The state's average rate rose about 1.6% during that period, a jump WalletHub described as significantly higher than most of the country. Only two other states saw increases above 1.5%, and most rose by less than 1%.

The findings come as borrowers nationwide continue to face stubbornly high costs.

WalletHub noted that the average rate on 30-year fixed mortgages has stayed above 6% throughout 2026, and 15-year fixed loans have dipped only slightly lower. Rates rose in 37 of the 50 states from the first quarter to the second.

A modest rate, a troubling direction

Colorado's rate itself remains in the middle of the pack. Even after the increase, the state's average mortgage rate reached only 5.3% in the second quarter, making it the 26th-most expensive state for mortgage borrowing.

It's worth being precise about the scale. The 1.6% figure is a relative change in the rate, not a 1.6-percentage-point jump. It implies Colorado's average moved from roughly 5.22% to 5.3%. On a \$400,000, 30-year loan, that's about \$20 more per month in principal and interest.

The increase is notable in context.

Warning signs for Colorado households

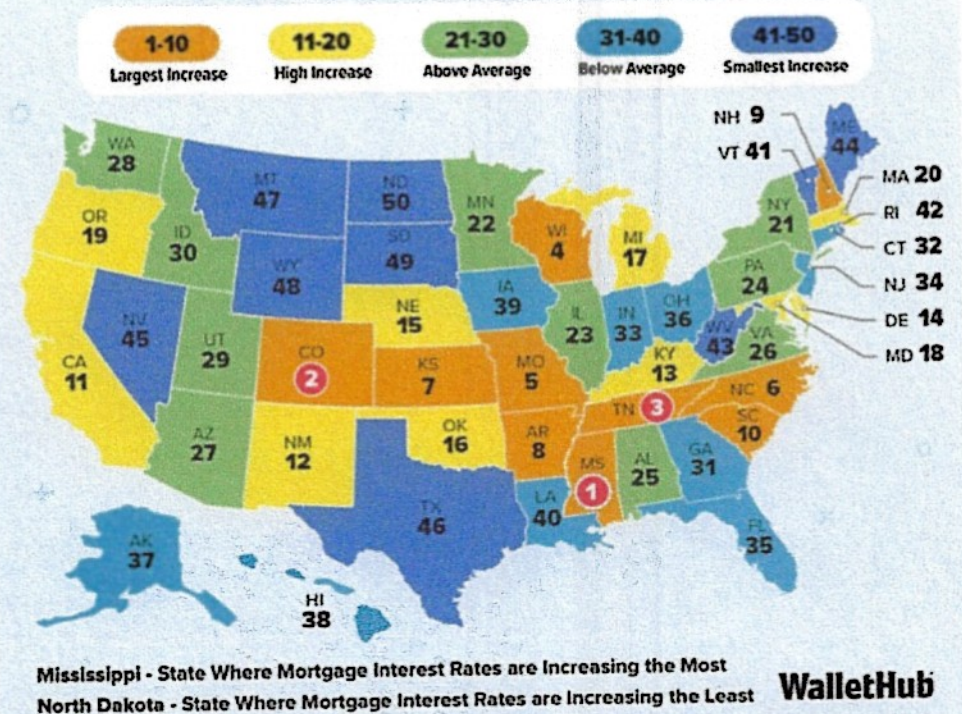
WalletHub's broader data suggests many Colorado homeowners were already under strain before rates started rising.

The state ranks eighth nationally in the fastest-growing mortgage delinquency rates. That means a growing share of residents are falling behind on their home loan payments.

Colorado also ranks 18th among states adding the most mortgage debt, suggesting residents continue to borrow heavily.

Taken together, WalletHub warned, rising interest rates could worsen those problems. More debt, more missed payments, and higher borrowing costs can reinforce one another.

States Where Mortgage Interest Rates are Increasing the Most



That is especially true for households with adjustable-rate loans or those who need to refinance.

The bigger picture

For years, Colorado's housing market has been defined by high prices, particularly along the Front Range. Rising rates add to that pressure. Buyers are already stretching their budgets, and existing homeowners have less room to absorb new costs.

The good news is that Colorado's average rate remains below many states.

The concern is where it's headed. In a state where delinquencies are climbing faster than in most of the country, even a modest rise in borrowing costs is a trend worth watching.

Sara B. Hansen has been an editor and writer for more than 20 years. Her professional background includes editing positions at The Denver Post, The Des Moines Register, The Fort Collins Coloradoan, and At Home with Century 21. She's also the founder and editor of DogsBestLife.com and the author of "The Complete Guide to Cocker Spaniels."