



# High Mortgage Rates Chill Home Selling

BY NICOLE FRIEDMAN AND GINA HEEB

Mortgage rates usually fall during periods of economic uncertainty. But during the past tumultuous week for the markets, mortgage rates ended essentially flat and dealt another blow to the housing market's crucial spring selling season.

The average rate on the standard 30-year fixed mortgage dipped slightly to 6.62% this week, according to a survey of lenders by mortgage-finance giant Freddie Mac. It was 6.64% a week earlier.

Other news around tariffs and their impact on the economy didn't help. Economic anxiety and extreme stock market volatility are emerging as destabilizing threats to a housing market that can't catch a break.

Some buyers recently started tiptoeing back into the market, helped by a decline in mortgage rates after two consecutive years of anemic sales. Home showings for the week ended April 6 were up 39% from early in the year, outpacing the increase over the same period last year, according to ShowingTime+, a Zillow Group subsidiary.

But President Trump's announcement of across the board tariffs last week sent stocks reeling and led economists to raise the odds for a recession. Even after Trump on Wednesday authorized a three-month pause on tariffs for most countries and stocks rebounded, financial markets are jittery and companies remain confused about what comes next.

Mounting uncertainty is expected to make potential home buyers rethink their decisions. Americans tend to postpone major purchases when they are concerned about a slumping economy, fear that their jobs may be at risk or worry their investments will evaporate if there are stock market losses.

During typical stock market selloffs and when economic fears are rising, bond yields tend to fall as investors seek out the safe haven of the U.S. Treasury market. Yields on Treasuries fall when bond prices rise. !

While that happened initially last week, other factors caused bond yields to reverse and move higher. Mortgage rates ended the week without much change.

"Even if we do see some relief in rates, it's not clear to me this is going to translate to demand in the housing market," said Chen Zhao, economics research lead at Redfin.



# Average rate falls to 6.62%, easing for the third week

BY ALEX VEIGA

THE ASSOCIATED PRESS

The average rate on a 30-year mortgage in the U.S. declined for the third week in a row, another positive move for prospective homebuyers during what's traditionally the housing market's busy season.

The rate fell to 6.62% from 6.64% last week, mortgage buyer Freddie Mac said Thursday. A year ago, the rate averaged 6.88%.

The average rate has mostly trended lower since reaching just over 7% in mid-January. When mortgage rates decline, they boost homebuyers' purchasing power.

Borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, were unchanged from last week. The average rate remained at 5.82%, but is down 6.16% a year ago, Freddie Mac said.

Mortgage rates are influenced by several factors, including global demand for U.S. Treasuries, the Federal Reserve's interest rate policy decisions and bond market investors' expectations for future inflation.

The average rate on a 30-year mortgage loosely follows moves in the 10-year Treasury yield, which lenders use as a guide to pricing home loans.

The yield, which has mostly fallen this year after climbing to around 4.8% in mid-January, has been volatile of late as bond investors reacted to the Trump administration's decision to escalate U.S. tariffs on goods imported from nations around the world.

After sliding to just 4.01% at the end of last week, the 10-year Treasury yield climbed to nearly 4.5% Wednesday morning. It was at 4.36% in afternoon trading Thursday following the White House's decision to temporarily pause the new tariffs on most nations, even while increasing import taxes on China.

The latest drop in mortgage rates partially reflects the bond market's uncertainty over the Trump administration's on-again, off-again tariff policy, which is likely to keep mortgage rates volatile, said Lisa Sturtevant, chief economist at Bright MLS.

"All of the uncertainty in the economy and in the mortgage market is making it difficult for prospective homebuyers to know what to do," she said. "Should they buy now or wait until later this year and hope that rates will come down further?"

Recent forecasts by housing economists generally called for the average rate on a 30-year mortgage to remain around 6.5% this year.

The U.S. housing market has been in a sales slump since 2022, when mortgage rates began to climb from pandemic-era lows. Sales of previously occupied U.S. homes fell last year to their lowest level in nearly 30 years.

Easing mortgage rates and more homes on the market nationally helped drive sales higher in February from the previous month, though they were down year-over-year.

Still, home shoppers who can afford to buy at current mortgage rates may benefit from more buyer-friendly trends this spring homebuying season, including a sharp increase in home listings and lower asking prices in some metro areas.