

Long-term mortgage rate eases to 6.36% in first drop after two straight weekly increases

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The average long-term U.S. mortgage rate edged lower after rising the previous two weeks.



The benchmark 30-year fixed rate mortgage rate fell to 6.36% from 6.37% last week, mortgage buyer Freddie Mac said Thursday. One year ago, the rate averaged 6.81%.

Borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, also eased this week. That average rate fell to 5.71% from 5.72% last week. A year ago, it was at 5.92%, Freddie Mac said.

Mortgage rates are influenced by several factors, from the Federal Reserve's interest rate policy decisions to bond market investors' expectations for the economy and inflation.

As recently as late February, the average rate on a 30-year mortgage had slipped just under 6% for the first time since late 2022. It's hasn't fallen below that threshold since.

Mortgage rates have been mostly trending higher since the war with Iran began. The closure of the Strait of Hormuz has roiled energy markets, sending crude oil prices sharply higher — a key driver of inflation.

Expectations of higher oil prices have pushed up the yield on the U.S. 10-year Treasury note, which lenders use as a guide to pricing home loans.

The 10-year Treasury yield was at 4.44% in midday trading Thursday on the bond market. The yield was at just 3.97% in late February, before the war broke out.

Although average long-term mortgage rates remain lower than they were at this time last year, their recent increase has helped dampen sales so far this spring homebuying season.

“This is part of the reason why home sales have been stagnant so far in 2026, notching only marginal improvements over the 30-year low of the 2025 housing market,” said Joel Berner, senior economist at Realtor.com.

Sales of previously occupied U.S. homes were essentially flat last month after declining from a year earlier in the first three months of the year, extending a nationwide housing slump that dates back to 2022 when mortgage rates began to climb from pandemic-era lows.

Despite lackluster sales, there are signs that some home shoppers are adapting to where mortgage rates are now.

Mortgage applications rose 1.7% last week from a week earlier, even as mortgage rates marched higher, according to the Mortgage Bankers Association. Applications for both purchase and mortgage refinancing loans are up from a year earlier.

Home shoppers who are undeterred by the mortgage rate volatility are likely to benefit from buyer-friendly trends in many markets, including more properties on the market than a year ago and data showing home listing prices have started falling in many metro areas, especially in the South and Midwest.