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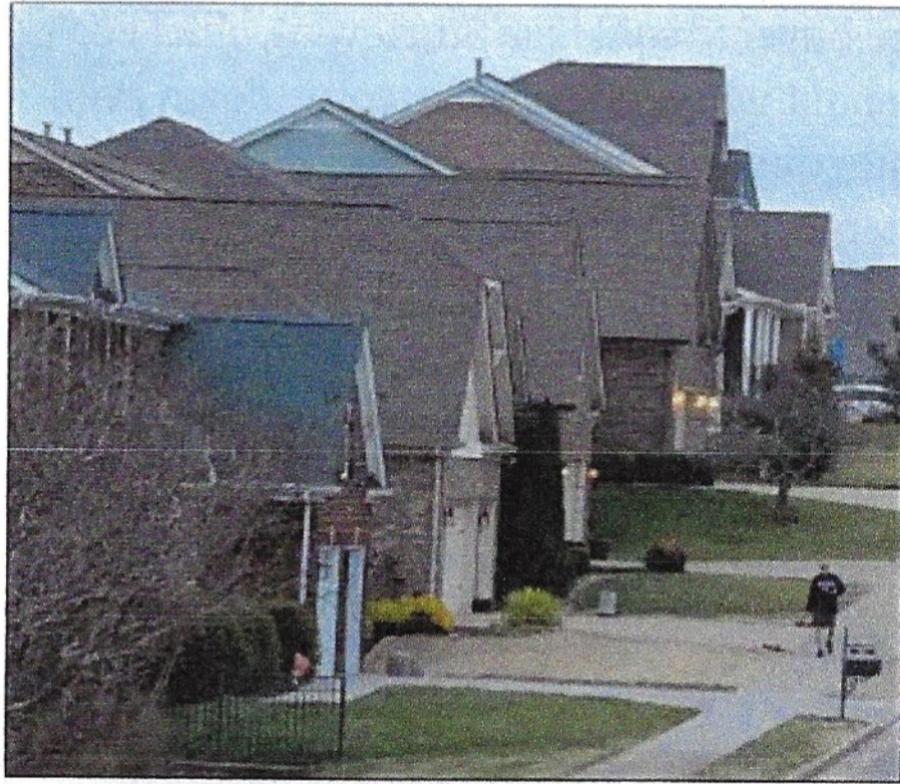
Average long-term mortgage rate dips to 6.01%

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The average long-term U.S. mortgage rate slipped this week to its lowest level in more than three years, but remains around 6% in the same narrow range it has been in this year.

Note



The benchmark 30-year fixed rate mortgage rate fell to 6.01% from 6.09% last week, mortgage buyer Freddie Mac said Thursday. One year ago, the rate averaged 6.85%. Note

The modest pullback brings the average rate to its lowest level since Sept. 8, 2022, when it was 5.89%. That was the last time the average rate was below 6%. Note

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. They generally follow the trajectory of the 10-year Treasury yield, which lenders use as a guide to pricing home loans. Note

The 10-year Treasury yield was at 4.08% at midday Thursday, down from around 4.09% a week ago. Mortgage rates have been trending lower for months, helping drive a pickup in home sales the last four months of 2025, but not enough to lift the housing market out of its slump dating back to 2022, when mortgage rates began to climb from pandemic-era lows.

Sales of previously occupied U.S. homes remained stuck last year at 30-year lows. And more buyer-friendly mortgage rates this year weren't enough to lift home sales last month. They posted the biggest monthly drop in nearly four years and the slowest annualized sales pace in more than two years. Note

Meanwhile, new data on contract signings suggest home sales could remain sluggish in the near term. A seasonally adjusted index of pending U.S. home sales fell 0.8% in January from the previous month, the National Association of Realtors said Thursday. Pending home sales fell 0.4% from January last year.

There's usually a month or two lag between a contract signing and when the sale is finalized, which makes pending home sales a bellwether for future completed home sales.

“Improving affordability conditions have yet to induce more buying activity,” said Lawrence Yun, NAR’s chief economist.

A sharp run-up in home prices, especially in the early years of this decade, and a chronic shortage of homes nationally worsened by years of below-average home construction have left many aspiring homeowners priced out of the market.

That’s put the focus on mortgage rates, which can boost home shoppers’ purchasing power when they come down, but also reduce how much homebuyers can afford when rates rise.

That makes the recent decline in rates a favorable lead in to the annual spring home-buying season — at least for home shoppers who can afford to buy at current rates.

“Lower rates should improve affordability and bring out more buyers,” said Lisa Sturtevant, chief economist at Bright MLS. “Assuming mortgage rates remain at about where they are, or come down even further, we should see more buyers this spring as both inventory and the weather improves.”

Homeowners eager to refinance their existing home loan to a more favorable rate are also benefiting from easing rates.

Borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, edged lower this week. That average rate fell to 5.35% from 5.44% last week. A year ago, it was at 6.04%, Freddie Mac said.

Mortgage applications, which include loans to buy a home or refinance an existing mortgage, rose 2.8% last week from a week earlier, according to the Mortgage Bankers Association. Applications for mortgage refinance loans made up 57.4% of all applications.

The latest drop in mortgage rates comes three weeks after the Federal Reserve decided to pause cuts to its main interest rate after lowering rates three times in a row to close out 2025 in an attempt to shore up the job market.

Minutes released Wednesday from the Fed’s last meeting showed many officials want to see inflation fall further before they would support additional interest rate cuts this year.

The central bank doesn’t set mortgage rates, but its decisions to raise or lower its short-term rate are watched closely by bond investors and can ultimately affect the yield on 10-year Treasuries that influence mortgage rates.

Note