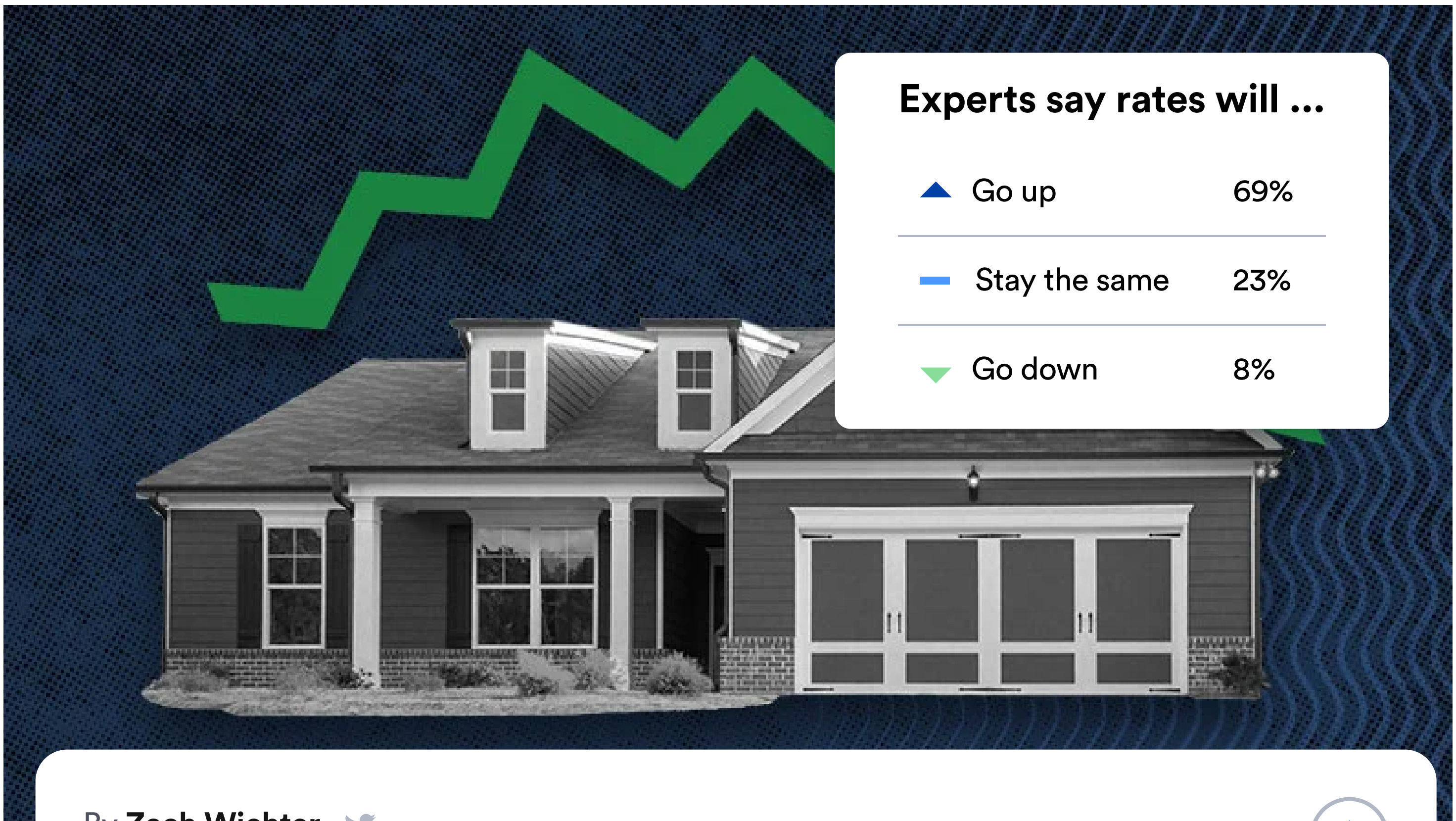
MORTGAGES

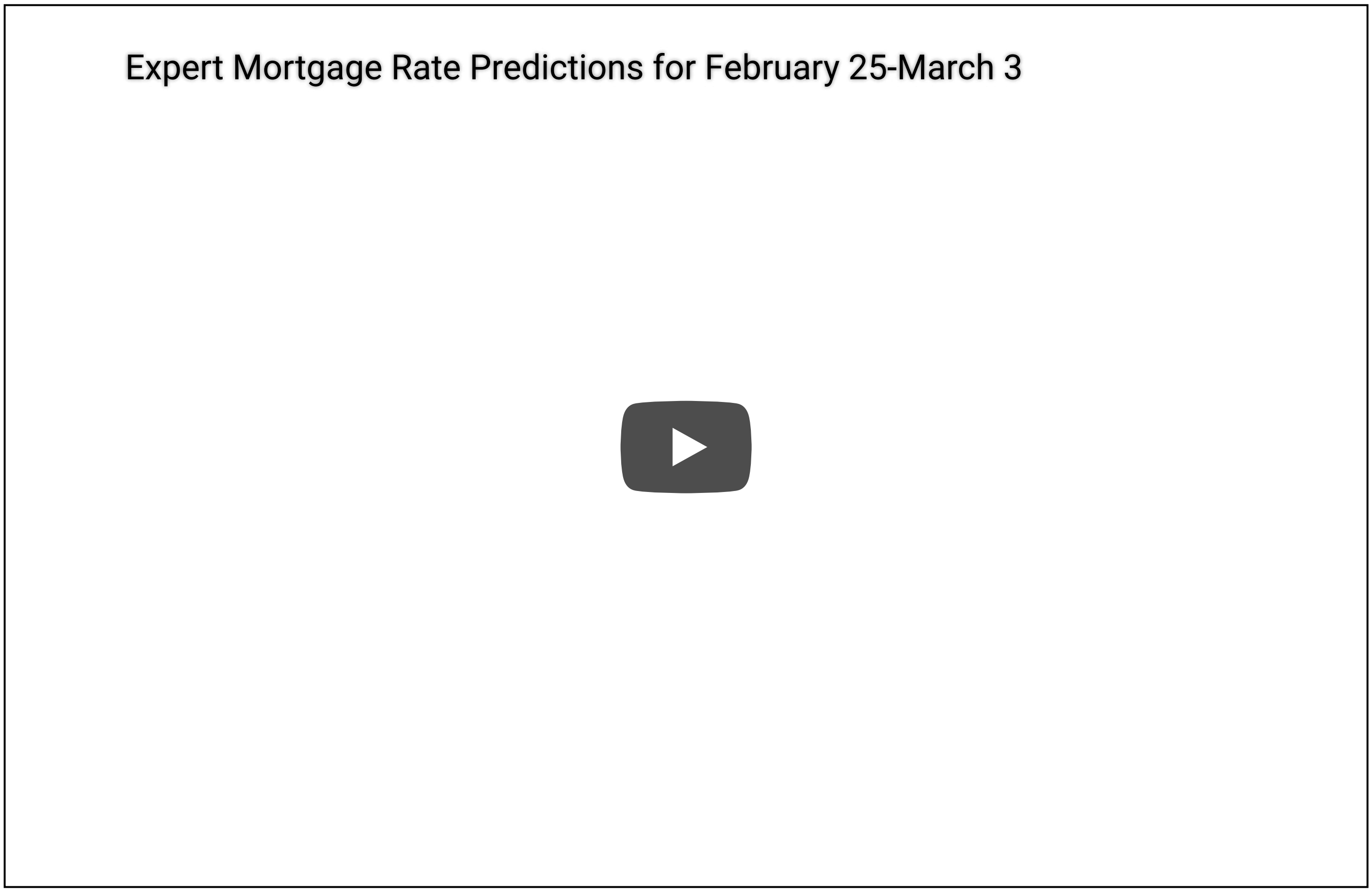
Expert Poll: Mortgage Rate Trend Predictions For Feb. 25 - March 3, 2021



By **Zach Wichter**

Feb. 24, 2021 / 5 min read

Image Credit: MoMo Productions/Getty Images

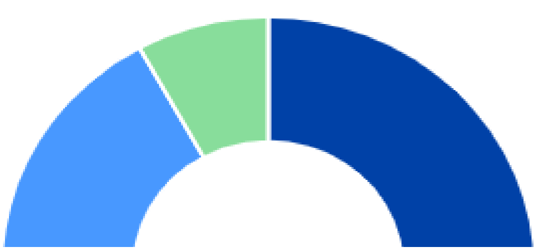


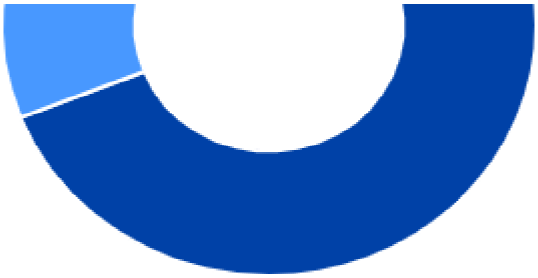
A majority of mortgage experts expect rates to rise in the coming week (Feb. 25 - March 3). In response to Bankrate's weekly poll, 69 percent said rates will go up. Meanwhile, 23 percent said they will remain the same and just 8 percent think mortgage rates will decline next week. Calculate your monthly payment using Bankrate's mortgage calculator.

RATE TREND INDEX

Experts predict where mortgage rates are headed

Week of Feb 25 - Mar 3





Experts say rates will ...

Go up	69%
Stay the same	23%
Go down	8%

Current Mortgage and Refinance Rates for March 2021

Purchase | Refinance

Zip Code
33426 Boynton Beach, FL

Credit Score
740+

Property Value
$ 562,500

Loan Amount
$ 450,000

Loan Term
30 year fixed

Show more options

Lender	APR	Rate	Mo. payment	
30 Year Fixed NMLS: #66247	2.60% Mar 2, 2021	2.49% Points: 1.035	$1,776 Fees: $6,147	Next
30 Year Fixed NMLS: #330511	2.61% Mar 2, 2021	2.50% Points: 1.363	$1,778 Fees: $6,133	Next
30 Year Fixed NMLS: #117375	2.63% Mar 2, 2021	2.50% Points: 1.377	$1,778 Fees: $7,686	Next
30 Year Fixed	2.65% Mar 2, 2021	2.50% Points: 1.962	$1,778 Fees: $8,829	Next

Up. It is still all about stimulus.

— Joel Naroff, Naroff Economic Advisors

69% say rates will go up

Nancy Vanden Houton, CFA

CFA, Senior Research Analyst, Stone & McCarthy Research Associates, New York, NY

Higher.

Jeff Lazerson

President, MortgageGrader

Up. COVID-19 is diminishing. Inflationary pressures are knocking on the economy's door ala $1.9 trillion stimulus package.

Jennifer Kouchis

Senior vice president, real estate lending, VyStar Credit Union, Jacksonville, Florida

Rates will increase. Rates slowly continue their upwards trend through the month of February with many asking why. There are several factors at play including stimulus news, vaccine distribution and signs of a "bounce back." With this, the likelihood of the Fed stepping in slowly fades away. I am still not sold on if this will last, but this is the longest rates have been on the upward trend for some time now.

Joel Naroff

President and chief economist, Naroff Economic Advisors, Holland, Pennsylvania

Up. It is still all about stimulus.

Greg McBride

CFA, chief financial analyst, Bankrate.com

Vote: Up. Inflation worries still driving bond yields and mortgage rates higher. We'll get a breather in March, but have a bit more pain in the meantime.

Logan Mohtashami

Housing analyst, HousingWire, Irvine, California

Higher. I love the fresh smell of the U.S. economy getting to the point where we can reopen everything again. The bond market correctly is pricing this in. Honestly, mortgage rates were artificially low, under 3 percent, because COVID-19 isn't a normal economic event. Yields have risen from 0.52 percent last August to 1.43 percent today. Some economic data warrant the 10-year over 2.42 percent, but COVID-19 still has its grip on us for now. A stock market correction is the one thing that can rally bonds in a meaningful way outside bonds being short-term oversold.

Michael Becker

Branch manager, Sierra Pacific Mortgage, White Marsh, Maryland

Last week it looked like the sell off in mortgage-backed securities had paused and that rates might stabilize at current levels for a while. But that was a head fake. Selling has returned as investors in mortgage-backed securities are looking to shorten the duration of their portfolios. Because of this interest rates will rise in the coming week.

Mitch Ohlbaum

Mortgage banker, Macoy Capital Partners, Los Angeles, CA

Up. The 10 year is trading at 1.374 percent today and has been climbing for the last two weeks. Although the increase is small as a percentage, it is more of a sign of what the market is thinking. It is usually either fear of future inflation or fear of uncertainty. Right now the market is experiencing both. The end of Q1 will be important as it will hopefully give everyone some insight as to the trend. There should not be any major swings in rates for the next weeks.

Robert Brusca

Chief economist, Facts and Opinions Economics, New York

Higher.

8% say rates will go down

Les Parker

CMB, managing director, Transformational Mortgage Solutions, Jacksonville, Florida

Mortgage rates go down. Here's a parody based on Jimmy Page's song, inspired by Jake Holmes, the 1969 Led Zeppelin hit, “Dazed and Confused.” "Been dazed and confused; For so long, Fed is too. Wanted inflation, never bargained, it's true." Expect rates to fall as an adjustment to the new higher rate environment.

23% say unchanged –



Ken H. Johnson

Real estate economist, Florida Atlantic University

Long-term mortgage rates should be relatively unchanged. While 10-year Treasury yields are beginning to rise, long-term mortgage rates have remained virtually unchanged. This should not be happening but for the uncertainty over the upcoming stimulus package. After the scale and scope of the stimulus package has been settled, long-term mortgage rates will respond and once again we will see 10-year Treasury yields and long-term mortgage rates move more predictably. A larger stimulus should, at least in the short-term, lead to lower mortgage rates as excess dollars are parked in fixed income type markets such as 10-year Treasurys driving up their price and causing yields to decline, resulting in lower long-term mortgage rates. A smaller stimulus should temporarily produce the opposite results. All of this depends on the extent to which financial markets have already priced in the uncertainty over the stimulus package. In the long run, it is unclear at this time how these two critical markets will respond to the recent unprecedented flood of monies into the financial markets.

Dick Lepre

Senior loan officer, RPM Mortgage, Inc., Alamo, CA

Trend: Flat. The underlying fact is that the bond selloff has been based on inflation hype. Inflation hype has been driven by high commodity (mainly energy) prices. Sane people understand that commodity prices spike when weather-related events increase demand while simultaneously decreasing supply. The increase in money supply is not inflationary if most of it is sitting parked at the Fed as excess reserves. Treasurys are massively oversold. The last time they were this technically oversold was November 2016. Based on techs the market should start correcting within 2 weeks. Fed Chairman Powell's testimony of 2/23 started with reassurance that the Fed was not about the raise the overnight rate soon but he added that housing was "more than fully recovered from the downturn" giving the impression that the Fed would stop buying FHLMC/FNMA paper as part of QE. Let's give this picture another couple of weeks to develop.

James Sahnger

Mortgage planner, C2 Financial Corporation, Jupiter, Florida

Unchanged. I say unchanged but it goes both ways. A compelling argument can be made for rates going higher or lower. The Fed says we are three years out from reaching an inflation target of just 2.00 percent — three years. This should certainly support lower rates both short-term and long term but since the beginning of February, bonds and rates have been taken to the woodshed and technical support levels have been busted. In the last year it was all about COVID, jobs, and lockdowns. COVID cases continue to decline, more states are reopening and economic activity is picking up. This will ultimately create a push higher in economic action and rates.

About the Bankrate.com Rate Trend Index

Bankrate's panel of experts is comprised of economists, mortgage bankers, mortgage brokers and other industry experts who provide residential first mortgages to consumers. Results from Bankrate.com's Mortgage Rate Trend Index are released each Thursday.

Stay on top of ever-changing rates

Stay on top of ever-changing rates

Get customized rate alerts delivered directly to your inbox.

Email

Subscribe

By clicking 'Subscribe', I agree to Bankrate.com's Privacy Policy and Terms of Use.

ABOUT THE AUTHOR

Zach Wichter is a mortgage reporter at Bankrate. He previously worked on the Business desk at The New York Times where he won a Loeb Award for breaking news, and covered aviation for The Points Guy. He also worked in production on Dateline NBC and wrote anchor copy for New York 1. He graduated from Northwestern University with a Bachelor's degree in Journalism in 2013. As president of his co-op board in Queens (it's like a condo board, but more New York-y), Zach is constantly thinking about real estate and dealing with issues of homeownership, HOA-style house rules and mortgage eligibility.

Recommended

How we make money

Bankrate.com is an independent, advertising-supported publisher and comparison service. Bankrate is compensated in exchange for featured placement of sponsored products and services, or your clicking on links posted on this website. This compensation may impact how, where and in what order products appear.