FAIRWAY® INDEPENDENT MORTGAGE CORPORATION | The Wish Team Leslie Wish NMLS #659535

WHAT DRIVES MORTGAGE INTEREST RATES?

Did you know that mortgage interest rates can be determined by reasons within your control and outside of your control? Here are a few factors that you need to know.

REASONS WITHIN A BORROWER'S CONTROL

- **FICO score:** Your credit score can play a key role in the interest rate that you receive. Borrowers who have a higher credit score may be able to benefit from lower rates, while those with a lower credit score may see higher rates.
- **Down payment:** If you are able to make a larger down payment, you may see a reduced interest rate. Lenders typically see borrowers who put down a larger down payment as less of a risk.
- **Term and Loan Type:** The loan term and type of loan you select may also have an impact on your interest rate. For example, if you select an adjustable-rate mortgage (ARM), you may be able to get a lower initial rate, but it could increase in the future. You may also find that primary residences have lower interest rates, as they are typically seen as a lower risk.

REASONS OUT OF A BORROWER'S CONTROL

- **Inflation:** Inflation is the increase in the price of goods or services over the course of time. Higher and lower inflation rates typically correlate with higher or lower interest rates.
- **Economic Data:** Economic news typically drives change in interest rates. If the 10-year treasury rises, interest rates will follow suit. If the 10-year treasury lowers, so will interest rates.
- **Supply and Demand Within the Mortgage Industry:** A high demand within the mortgage industry can be a driving force behind rates. If the mortgage industry is busy, rates are often higher; however, if the industry is slower, rates are often lower.

Contact me today to learn more!

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