Mortgage Rates

Pandemic monetary policy, investor demand for safer assets, lower inflation expectations, compressed spreads, and structural effects in the mortgage market all combined to push mortgage rates well below what one might expect in a more "normal" interest rate environment.

It's impossible to know future mortgage rates with certainty, but analysts and institutions offer projections based on current trends, inflation expectations, and interest-rate forecasts. Here's a summary of what the more credible forecasts suggest for 2026 — along with caveats and risk factors you should keep in mind.

Source / Analyst	**Projected 30-year fixed mortgage rate for late or end of 2026**	**Comments / caveats**
Fannie Mae (Sept 2025 Outlook)	**~ 5.9%** by end of 2026	Their forecast suggests rates will decline from ~6.4% at end-2025 to ~5.9% by end-2026.
Investopedia / industry averages	"Lower 6% territory" (i.e. ~6.0% to 6.2%)	Many forecasts see mortgage rates holding in mid-6% through 2025, with possible easing later.
Norada Real Estate	~ 5.97% by end of 2026	This is a less formal forecast; take with more caution.
Wells Fargo	~ 6.5% in 2026 (on average)	Some banks are more conservative, expecting slower rate declines.

✅ Reasonable "base case" estimate

Putting together the above, a plausible forecast for a 30-year fixed mortgage rate in **late 2026** is in the **5.7% to 6.2%** range, with 5.9% being a commonly cited "central" estimate (e.g. by Fannie Mae).

If conditions are more favorable (inflation comes down, bond yields decline, Fed cuts rates), the rate might dip closer to the low 5% range. If inflation stubbornly persists, or global risk pushes bond yields up, rates might stay above 6%.

⚠️ Key risk factors and caveats

Inflation surprises: If inflation reaccelerates, long rates could move up, pushing mortgage rates higher.

Fed policy & timing: If the Fed is slower to cut than expected, or reverses course, mortgage rates might not fall as much.

Global capital flows: Demand for U.S. Treasuries from abroad affects yields.

Credit risk / lender spreads: If lenders perceive more risk (credit, housing stress), they could widen margins.

Economic growth surprises: A stronger-than-expected economy could push yields and thus mortgage rates upward.

Without a significant reduction in projected interest rates, more buyers will start returning to the market – don't wait – take advantage of the current deals!