

Macro Roundup Article

Headline: [A Huge Number of Homeowners Have Mortgage Rates Too Good to Give Up](#)

Article Link: <https://www.nytimes.com/2024/04/15/upshot/mortgage-rates-homes-stuck.html>

Author(s)	Emily Badger and Francesca Paris
Publication	New York Times
Publication Date	April 15, 2024

Tweet: 70% of American mortgage holders have a rate more than 3pp below the current market rate; the Federal Housing Finance Agency estimates this lock-in effect is responsible for about 1.3mm fewer home sales from the spring of 2022 through 2023.

Summary: Between 1998 and 2020, there was never a time when more than 40% of American mortgage holders had locked-in rates more than one percentage point below market conditions. By the end of 2023 about 70% of all mortgage holders had rates more than three percentage points below what the market would offer them if they tried to take out a new loan. Indeed, according to new research from economists at the Federal Housing Finance Agency, this lock-in effect is responsible for about 1.3 million fewer home sales in America during the run-up in rates from the spring of 2022 through the end of 2023. That's a startling number in a nation where around five million homes sell annually in more normal times — most of those to people who already own. Related: The Lock-In Effect of Rising Mortgage Rates and The Boomer-Millennial Housing Battle Cools and On The Move: West Side Story

Primary Topic: Housing

Topics: GDP, Housing, News article

Permalink: <https://www.edwardconard.com/macro-roundup/70-of-american-mortgage-holders-have-a-rate-more-than-3pp-below-the-current-market-rate-the-federal-housing-finance-agency-estimates-this-lock-in-effect-is-responsible-for-about-1-3mm-fewer-home-sale?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/04/Share-Of-Existing-Mortgages-With-Rate-Below-Or-Above-New-Market-Rates.png>