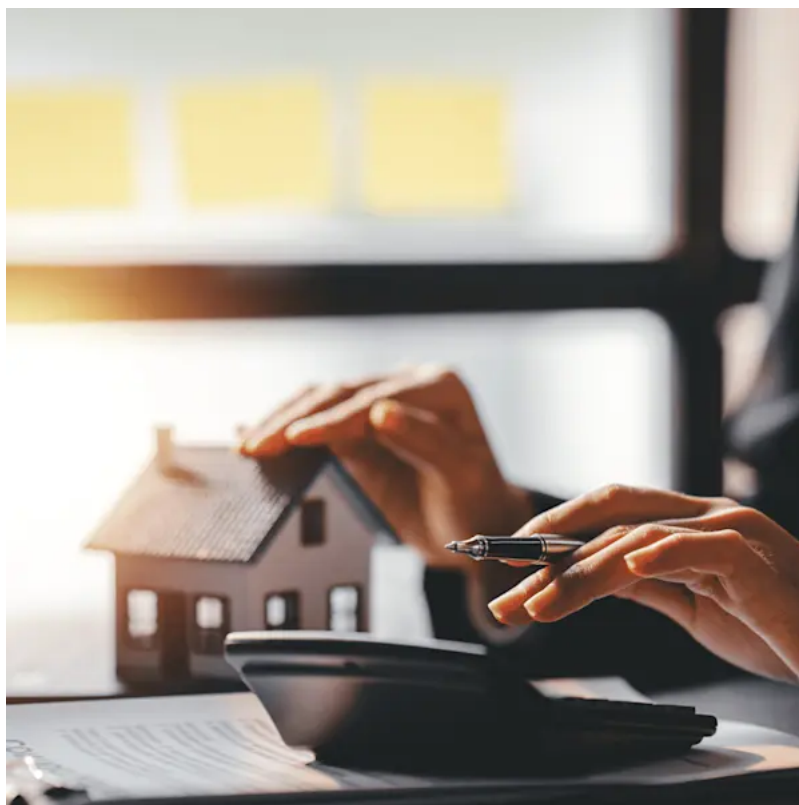




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BY THE NUMBERS

Mortgage rates jump after second Fed cut

This week's rate adjustment was expected, but the Fed indicated a December cut isn't guaranteed. Meanwhile, pending sales fell flat despite earlier rate drops.



Dave Gallagher

October 30, 2025 ⌚ 4 mins



Key points:

- Mortgage rates are on the rise after the Fed cut short-term interest rates but expressed uncertainty about another cut in December.
- The recent trend of late-year spikes could continue if mortgage rates keep climbing.
- While mortgage applications are up overall, fewer people are applying for USDA, FHA and VA loans as the government shutdown stretches on.

Mortgage rates are climbing after Federal Reserve Chair Jerome Powell expressed uncertainty about the likelihood of another short-term interest rate cut in December. The upward trend sets up a potential repeat of the late-year spikes seen in recent years.

THE 30-YEAR FIXED RATE MOVED UP 1/8 CENT TO 6.17% ON OCT. 29, WHILE THE 15-YEAR RATE MOVED UP 1/8 CENT TO 5.41%.



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Though the central bank's 25-basis-point cut on Oct. 29 was welcome news, Powell appeared hawkish when asked about the possibility of another cut in December, telling reporters that it is not a sure thing.

"The result is a mild re-set in yields back to levels that are more consistent with a December cut being a solid possibility, but not a full lock," MND COO Matthew Graham wrote in [an online post](#).

Another late-year rate jump?

Heading into the Fed's Oct. 28-29 meeting, mortgage rates were at [the lowest level in over a year](#). Freddie Mac's [weekly survey](#), which includes data that predates the Fed's meeting, pegged the 30-year rate at 6.17% as of Oct. 30, with the 15-year rate at 5.41%.

If rates continue to climb, 2025 will be the fourth straight year to experience a late-year spike. In 2022, the 30-year rate jumped from 5.13% in late August to 7.08% in November; in 2023, rates rose from 7.19% in September to 7.79% in October; and in 2024, the jump was from 6.08% in late September to 6.84% in November.

The past few years of upticks were mostly attributed to inflation concerns. [Though inflation is still elevated at 3%](#), these worries appear to be overshadowed by other concerns about [the weakening labor market](#) and ongoing economic uncertainty.

That uncertainty — and [the lack of government-released economic data](#) amid the [federal government shutdown](#) — could keep rates from spiking again this fall, but may also cause some delays in home purchasing decisions.

That could present buyers with an opportunity, according to Lisa Sturtevant, chief economist at Bright MLS. "For prospective buyers who are financially ready, right now could be a sweet spot for lower rates and more inventory," Sturtevant said.

Other real estate indicators remain cloudy

Perhaps sensing an opportunity, more homebuyers have been filing mortgage applications. Purchase applications were up 5% for the week ending on Oct. 24 compared to one week

prior, while overall applications — including to refinance — were up 7.1%, according to the [Mortgage Bankers Association](#) (MBA).

But some of the data is troubling. There was a 26% decline in USDA home loan applications, which MBA Vice President and Deputy Chief Economist Joel Kan attributed to the government shutdown, while FHA and VA loan applications were also down from the previous week.

Pending sales flat nationally

Despite recent mortgage rate declines, pending sales were unchanged nationally in September compared to August and down 0.9% year-over-year, according to the [National Association of Realtors](#).

But the national picture doesn't reflect regional variances. From August to September, pending sales rose 3.1% in the Northeast and 1.1% in the South, and dropped 3.4% in the Midwest and 0.2% in the West.

"Ultimately, we believe sales activity this year will be primarily driven by 'life happens' moments — job changes, marriages, births, and other personal milestones — while affordability challenges and structural inventory shortages continue to weigh on demand," said Sam Williamson, senior economist at First American. "Lower rates help, but they're not a cure-all."

New listings on the rise

Meanwhile, new listings were up this week, according to [Redfin's latest report](#). The 4.6% year-over-year rise for the four weeks ending on Oct. 26 was the biggest increase in five months — and possibly an indication that sellers are reacting to lower mortgage rates.

While inventory is losing steam as some sellers take homes off the market, overall levels are up 6.9% compared to a year ago. Redfin's Homebuyer Demand Index is also up 5% from one month earlier, though down 10% year-over-year.

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The share of newly built homes for sale is at the lowest level in four years as builders scale back and existing home inventory rebounds.

AJ LaTrace

October 29, 2025

BY THE NUMBERS

Data 'fog' drops odds of lower mortgage rates despite Fed cut

The central bank's short-term interest rate cut on Oct. 29 was already priced in, economists say, which means mortgage rates may not drop much more.

Dave Gallagher

October 29, 2025

BY THE NUMBERS

Fed rate cut still likely even as inflation ticks up

With the affordability strain already impacting real estate, higher inflation could further dampen buyer demand heading into the market's slower time of year.

Dave Gallagher

October 24, 2025

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