



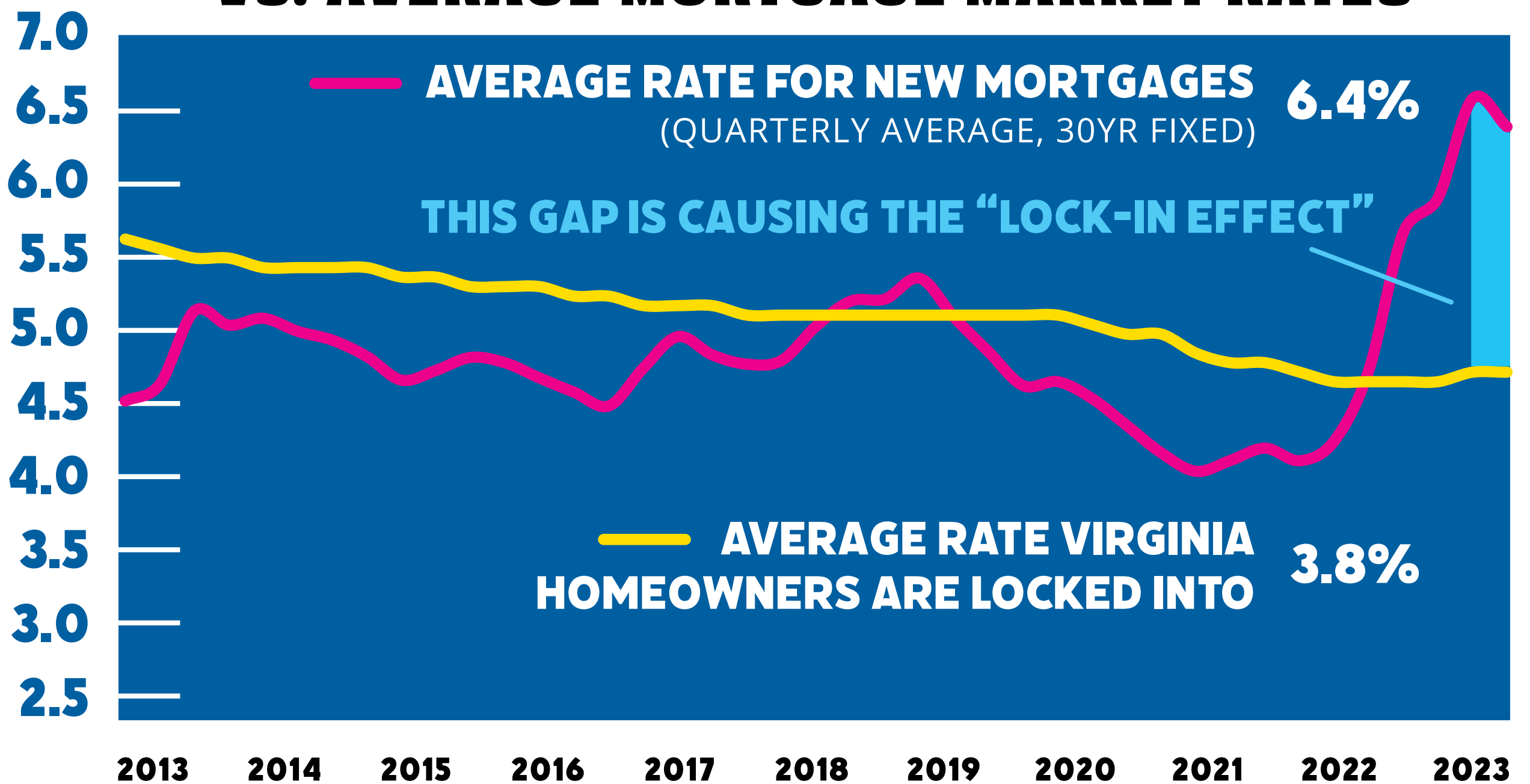
LOCK-IN EFFECT

In the 10 years from 2013 to 2023, in Virginia, the average rate on outstanding mortgages declined from 5.2% to 3.8%. This is because during the period of low interest rates in 2020 and 2021, homebuyers and homeowners were able to finance or refinance

their mortgages at very low interest rates. Over the same period, the market mortgage rates increased to 6.4%, which

is almost twice the average rates homeowners have locked in. **This explains the hesitance among homeowners to sell their homes and lose the really low interest rates when buying a new home.**

MORTGAGE RATES ON OUTSTANDING LOANS VS. AVERAGE MORTGAGE MARKET RATES



SOURCE: FHFA, NATIONAL MORTGAGE DATABASE (NMDB)