

Mortgage rates inch lower

by *Bend_Weekly_News_Sources*

Mortgage rates moved lower this week, with the average conforming 30-year fixed mortgage rate now 6.29 percent. According to Bankrate.com's weekly national survey of large lenders, the average 30-year fixed mortgage has an average of 0.38 discount and origination points.

The average 15-year fixed rate mortgage popular for refinancing inched downward to 5.99 percent. The average jumbo 30-year fixed rate retreated to 7.03 percent. Adjustable mortgage rates were mixed, with the average one-year ARM sliding to 6.05 percent, and the average 5/1 ARM jumping to 6.22 percent.

Mortgage rates were little changed in the days leading up to the Federal Open Market Committee's meeting on interest rates. Tame inflation data gave the Fed necessary latitude to cut interest rates, but that won't necessarily translate into lower mortgage rates. In fact, mortgage rates increased in the days following the September Fed rate cut, a move that has since been reversed. The monthly employment report on Friday will likely be a bigger driver of mortgage rates than the Fed meeting.

Fixed mortgage rates remain the most attractive option for borrowers. Just three months ago, the average 30-year fixed mortgage rate was 6.71 percent, meaning that a \$200,000 loan would have carried a monthly payment of \$1,291.88. Now that the average conforming 30-year fixed rate is 6.29 percent, the same \$200,000 loan carries a monthly payment of \$1,236.64.

SURVEY RESULTS

30-year fixed: 6.29% -- down from 6.31% last week (avg. points: 0.38)

15-year fixed: 5.99% -- down from 6.00% last week (avg. points: 0.34)

5/1 ARM: 6.22% -- up from 6.12% last week (avg. points: 0.29)

Bankrate's national weekly mortgage survey is conducted each Wednesday from data provided by the top 10 banks and thrifts in the top 10 markets.

The survey is complemented by Bankrate's weekly forward-looking Rate Trend Index, in which a panel of mortgage experts predicts which way the rates are headed over the next 30 to 45 days. Mortgage rates could rise, according to our panelists. Half of respondents forecast an increase in rates, with the other half evenly split between predicting a decline and expecting mortgage rates to remain unchanged over the next 30 to 45 days.

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