

Fixed mortgage rates at 4-month high

by Bend_Weekly_News_Sources

Fixed mortgage rates increased for the third week in a row, with the average conforming 30-year fixed mortgage rate now 6.41 percent. According to Bankrate.com's weekly national survey of large lenders, the average 30-year fixed mortgage has an average of 0.4 discount and origination points.

The average 15-year fixed rate mortgage popular for refinancing was unchanged at 5.87 percent, while the average jumbo 30-year fixed rate fell to 7.43 percent. Adjustable mortgage rates pulled back, with the average one-year ARM falling to 5.49 percent, and the average 5/1 ARM retreating to 5.68 percent.

Mortgage rates were mixed this week, with fixed rates moving to the highest levels since mid-October while adjustable rates pulled back. With the Federal Reserve expected to cut interest rates again at their meeting in March, rates for things like adjustable rate mortgages that are tied to short-term benchmarks have been moving lower. But concerns about inflation and continued turmoil in credit markets has pushed long-term interest rates, and especially fixed mortgage rates, higher. Even though the difference between fixed and adjustable mortgage rates has grown, borrowers should be wary about gravitating toward lower payment adjustable rate mortgages and taking on the unwanted risk of future interest rate adjustments. Borrowers should carefully calibrate their choice of mortgage product with their intended stay in the home in order to minimize exposure to higher rates later.

The mortgage rate winds can change direction quickly. Five weeks ago, the average 30-year fixed mortgage rate was 5.57 percent, meaning that a \$200,000 loan would have carried a monthly payment of \$1,144.38. Now that the average conforming 30-year fixed rate is 6.41 percent, the same \$200,000 loan carries a monthly payment of \$1,252.32.

SURVEY RESULTS

30-year fixed: 6.41% -- up from 6.37% last week (avg. points: 0.40)

15-year fixed: 5.87% -- unchanged from last week (avg. points: 0.35)

5/1 ARM: 5.68% -- down from 5.77% last week (avg. points: 0.33)

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. Half of the panelists see mortgage rates moving back down in the weeks to come, with 42 percent predicting further increases. Just 8 percent foresee mortgage rates remaining more or less unchanged in the coming 30 to 45 days.

Fixed mortgage rates at 4-month high by Bend_Weekly_News_Sources