

## Mortgage Rates Inch Higher

by Bend Weekly News Sources

Mortgage rates moved higher for the third consecutive week following strong consumer spending figures for November. The average 30-year fixed rate mortgage was 6.23 percent as of Wednesday, Dec. 27. According to Bankrate.com's weekly national survey of large lenders, the 30-year fixed rate mortgages had an average of 0.25 discount and origination points.

The average 15-year fixed rate mortgage popular for refinancing nosed higher to 5.96 percent. On larger loans, the average jumbo 30-year fixed rate was down slightly to 6.44 percent. The average 5/1 adjustable rate mortgage climbed to 6.11 percent and the average one-year ARM increased to 5.93 percent.

Mortgage rates increased following a report about strong consumer spending in November. This was additional evidence, following other reports in recent weeks on retail sales and a strong labor market, that any hopes of a Fed rate cut coming soon are premature. Bond yields and mortgage rates were only slightly higher as there was little else of significance during a holiday-shortened week with light trading volumes. Mortgage rates are closely related to the yields on long-term government bonds.

Fixed mortgage rates are sharply lower since the Fed stopped raising interest rates at mid-year. In late June, the average 30-year fixed mortgage rate was 6.93 percent. At the time, the monthly payment on a loan of \$165,000 was \$1,090. With the average 30-year fixed rate now 6.23 percent, the same loan originated today would carry a monthly payment of \$1,013.79. Fixed mortgage rates are a compelling refinancing alternative for adjustable rate borrowers facing sharp payment adjustments.

### SURVEY RESULTS

30-year fixed: 6.23% -- up from 6.2% last week (avg. points: 0.25)

15-year fixed: 5.96% -- up from 5.95% last week (avg. points: 0.26)

5/1 ARM: 6.11% -- up from 6.09% last week (avg. points: 0.27)

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.

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