

Fixed mortgage rates hold the line

by Bend_Weekly_News_Sources

Mortgage rates were largely unchanged from one week ago, with the average 30-year fixed mortgage rate remaining at 5.41 percent. According to Bankrate.com's weekly national survey, the average 30-year fixed mortgage has an average of 0.41 discount and origination points.

The average 15-year fixed rate mortgage inched up to 4.94 percent and the average jumbo 30-year fixed rate dipped to 6.77 percent. Adjustable rate mortgages were mixed, with the average 1-year ARM pulling back to 5.43 percent and the 7/1 ARM rising to 5.83 percent.

On a week of little movement in mortgage rates, the average rate for the jumbo 30-year fixed fell 10 basis points, reaching the lowest level in nearly two years. A basis point is one hundredth of one percentage point. This week's movement in jumbo rates is a testament to the disparity in rates that exists between various lenders in the market. Despite the number of lenders raising rates outnumbering those cutting rates by more than 2-to-1, the magnitude of the decreases held sway, and is further evidence of the need for jumbo mortgage borrowers to shop around for the best terms.

In the last six months, economic activity and stock prices have dropped significantly. On a brighter note, so too have mortgage rates. In early September, the average 30-year fixed mortgage rate was 6.55 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,270.72. With the average rate now at 5.41 percent, the monthly payment for the same size loan would be \$1,124.31, a savings of \$146 per month for a homeowner refinancing now.

SURVEY RESULTS

30-year fixed: 5.41% -- unchanged from last week (avg. points: 0.41)

15-year fixed: 4.94% -- up from 4.93% last week (avg. points: 0.43)

5/1 ARM: 5.39% -- down from 5.40% last week (avg. points: 0.44)

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. There is no

consensus among the panelists, with 38 percent expecting mortgage rates to remain more or less unchanged in the next 30 to 45 days. The remaining panelists are evenly split, with 31 percent forecasting that rates will increase and an equal 31 percent predicting a decline.

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