

## Mortgage rates mixed; jumbo mortgage rates at a 2-year low

by *Bend\_Weekly\_News\_Sources*

Mortgage rates were mixed this week, with the average 30-year fixed mortgage rate inching upward to 5.23 percent. According to Bankrate.com's weekly national survey, the average 30-year fixed mortgage has an average of 0.47 discount and origination points.

The average 15-year fixed rate mortgage rose to 4.76 percent, while the average jumbo 30-year fixed rate dropped sharply to 6.52 percent. Adjustable rate mortgages were all over the map, with the average 1-year ARM rising to 5.32 percent while the 5/1 ARM retreated to 5.11 percent.

Mortgage rates have been comparatively tame in recent weeks, but one exception has been the jumbo mortgage market. Jumbo mortgages, those too large to be purchased or guaranteed by Fannie Mae and Freddie Mac, carry higher rates than smaller, conforming loans that do carry such guarantees. And since the onset of the credit crunch, the differential in rates has been significantly larger, well above 100 basis points instead of the typical pre-credit crunch level of 25 basis points. But jumbo mortgage rates have fallen to a two-year low of 6.52 percent, down from 6.76 percent two weeks ago and 6.99 percent on March 11. The rates are still higher than they would be in a normal credit environment, but with the slowly thawing credit markets the spread between conforming and jumbo rates has narrowed to levels last seen in Nov. 2008.

Mortgage rates remain at historic lows. Six months ago, the average 30-year fixed mortgage rate was 6.32 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,240.55. With the average rate now more than one percentage point lower at 5.23 percent, the monthly payment for the same size loan would be \$1,101.93, a savings of nearly \$140 per month for a homeowner refinancing now.

### SURVEY RESULTS

30-year fixed: 5.23% -- up from 5.18% last week (avg. points: 0.47)

15-year fixed: 4.76% -- up from 4.72% last week (avg. points: 0.47)

5/1 ARM: 5.11% -- down from 5.12% last week (avg. points: 0.46)

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 expect mortgage rates to remain more or less unchanged in the next 30 to 45 days. Nearly one in three, or 31 percent, predict mortgage rates will decline while only 19 percent of the respondents forecast an increase in mortgage rates.

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