

## Fixed mortgage rates in holding pattern

by *Bend\_Weekly\_News\_Sources*

Mortgage rates were little changed this week, with the average 30-year fixed mortgage rate remaining at 5.23 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 dipped to 4.73 percent, while the average jumbo 30-year fixed rate rebounded to 6.65 percent. Adjustable rate mortgages were broadly lower, with the average 1-year ARM sinking to 5.12 percent while the 5/1 ARM retreated to 5.05 percent.

The movement in fixed mortgage rates has been very subdued in recent weeks, compared to the wild gyrations seen several months ago. The peaceful calm in mortgage rates comes at a time when the yield on the benchmark ten-year Treasury note has reached the highest point since November. What else happened in November? That was when the Federal Reserve first announced an initiative to buy mortgage-backed bonds and debt issued by Fannie Mae and Freddie Mac. In the months since, mortgage rates have fallen notably and the spread between mortgage rates and benchmark Treasury yields has narrowed. The ten-year government note currently yields 3.12 percent, as it did on Nov. 25. The average 30-year fixed mortgage rate at that time was 5.97 percent, compared to 5.23 percent now.

Mortgage rates remain at historic lows. Six months ago, the average 30-year fixed mortgage rate was 6.77 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,299.86. With the average rate now more than 1.5 percentage points lower at 5.23 percent, the monthly payment for the same size loan would be \$1,101.93, a savings of nearly \$200 per month for a homeowner refinancing now.

### SURVEY RESULTS

30-year fixed: 5.23% -- unchanged from last week (avg. points: 0.41)

15-year fixed: 4.73% -- down from 4.76% last week (avg. points: 0.45)

5/1 ARM: 5.05% -- down from 5.11% last week (avg. points: 0.53)

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. Don't hold out for lower rates, as just 9 percent of the panelists expect mortgage rates to drop further. The remaining respondents are almost evenly split, with 45 percent forecasting an increase in mortgage rates and 46 percent predicting mortgage rates will remain more or less unchanged in the next 30 to 45 days.

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