

## Mortgage rates hold steady

by Bend\_Weekly\_News\_Sources

Mortgage rates showed little movement this week, with the average 30-year fixed mortgage rate inching higher to 6.32 percent. According to Bankrate.com's weekly national survey of large lenders, the 30-year fixed rate mortgages had an average of 0.33 discount and origination points.

30-year fixed rate mortgages held fairly steady this week, increasing from 6.31 to 6.32 percent. The average 15-year fixed rate mortgage popular for refinancing nosed up to 6.09 percent. On larger loans, the average jumbo 30-year fixed rate remained at 6.48 percent. For adjustable rate mortgages, the average 5/1 ARM ticked higher to 6.18 percent and the average one-year ARM held at 6.04 percent.

In a week devoid of any significant economic news, mortgage rates did a whole lot of ... well, nothing. The mortgage waters were calm as there wasn't much in the way of market moving economic reports on tap. Much of the week was spent anticipating Fed Chairman Ben Bernanke's Congressional testimony about the economy. Bernanke voiced confidence that the economy would continue to expand and that inflation would moderate even further. If investors see continued evidence that inflation is cooperating, this could be good news for mortgage rates. Mortgage rates are closely related to yields on government and mortgage-backed bonds, where lower inflation translates into lower yields.

Fixed mortgage rates are notably lower than last summer when the Fed last raised interest rates. At the time, the average 30-year fixed mortgage rate was 6.93 percent, and a \$165,000 loan carried a monthly payment \$1,090. With the average 30-year fixed rate now 6.32 percent, the same loan originated today would carry a monthly payment of \$1,023.46. Fixed mortgage rates are a compelling refinancing alternative for adjustable rate borrowers facing sharp payment adjustments.

**SURVEY RESULTS**30-year fixed: 6.32% -- up from 6.31% last week (avg. points: 0.33)15-year fixed: 6.09% -- up from 6.08% last week (avg. points: 0.32)5/1 ARM: 6.18% -- up from 6.17% last week (avg.

points: 0.28)

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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