Mortgage rates rise for 3rd straight week

by Bend_Weekly_News_Sources

Fixed mortgage rates moved higher across the board this week. The average 30-year fixed mortgage rate rose to 6.25 percent. According to Bankrate.com's weekly national survey of large lenders, the 30-year fixed rate mortgages had an average of 0.27 discount and origination points.

The average 15-year fixed rate mortgage popular for refinancing increased to 5.97 percent. On larger loans, the average jumbo 30-year fixed rate grew slightly to 6.52 percent. Adjustable rate mortgages stepped-up with the average 5/1 ARM to 6.12 percent and the average one-year ARM rose to 5.97 percent.

Mortgage rates nudged higher, but only slightly so, for the third consecutive week and are still stuck within the same narrow range they've been in for most of the year. The economy hasn't shown enough signs of either strength or weakness to give rates a hard shove in either direction. This week, unease over Iran probably had a hand in pushing rates upward a bit. Thursday's jobless report has a better chance of making them move strongly.

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 peaked at 6.93 percent, and a $165,000 loan carried a monthly payment of $1,090.00. With the average 30-year fixed rate now 6.25 percent, the same loan originated today would carry a monthly payment of $1015.93. Fixed mortgage rates are a compelling refinancing alternative for adjustable rate borrowers facing sharp payment adjustments.

SURVEY RESULTS

30-year fixed: 6.25% -- up from 6.22% last week (avg. points: 0.27)
15-year fixed: 5.97% -- up from 5.92% last week (avg. points: 0.28)
5/1 ARM: 6.12% -- up from 6.05% 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.

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. The panelists are divided this week. Half of respondents expect rates to remain more or less unchanged. Among the other half, 29 percent predict rates will fall and 21 percent forecast a further increase in the next 30 to 45 days.