

Mortgage rates rise for 4th straight week

by *Bend_Weekly_News_Sources*

Fixed mortgage rates continued to climb this week. The average 30-year fixed mortgage rate rose to 6.31 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 6.04 percent. On larger loans, the average jumbo 30-year fixed rate moved slightly to 6.58 percent. Adjustable rate mortgages stepped-up with the average 5/1 ARM to 6.17 percent and the average one-year ARM inched to 6.00 percent.

This week, the March employment report caused rates to rise. The Labor Department announced Friday that non-farm payrolls grew by 180,000 in March. That was quite a bit better than the 135,000 that had been expected. The unemployment rate fell, too, to 4.4 percent. Better-than-expected employment news translated into an immediate bump in Treasury yields and long-term interest rates as investors pulled money out of bonds and put them into stocks. To lure buyers, bond prices fell and yields rose -- and those higher yields filtered into the mortgage market, resulting in higher rates for home loans.

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 6.31 percent, the same loan originated today would carry a monthly payment of \$1,022.38. Fixed mortgage rates are a compelling refinancing alternative for adjustable rate borrowers facing sharp payment adjustments.

SURVEY RESULTS

30-year fixed: 6.31% -- up from 6.25% last week (avg. points: 0.27)

15-year fixed: 6.04% -- up from 5.97% last week (avg. points: 0.26)

5/1 ARM: 6.17% -- up from 6.12% 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.