

## No fireworks in mortgage rates this week

by Bend\_Weekly\_News\_Sources

Mortgage rates remained calm, with the average 30-year fixed mortgage rate holding at 6.74 percent. According to Bankrate.com's weekly national survey of large lenders, the average 30-year fixed mortgage has an average of 0.25 discount and origination points.

The average 15-year fixed rate mortgage popular for refinancing inched higher to 6.41 percent. On larger loans, the average jumbo 30-year fixed rate nosed higher to 6.97 percent. Adjustable rate mortgages behaved the same, with the average one-year ARM and 5/1 ARM each rising, to 6.24 percent and 6.48 percent, respectively.

Although yields on Treasury notes declined below the 5 percent barrier this week, mortgage rates showed little movement. Fixed mortgage rates are closely related to yields on long-term government bonds. Lighter trading volumes in financial markets, brought on by the mid-week July 4 holiday, can lead to quirks such as a decline in benchmark bond yields that doesn't carry through to mortgage rates. With more economic data looming in the next week, mortgage rates may awaken from the brief siesta.

Fixed mortgage rates are roughly one-half percentage point higher than three months ago. At the time, the average 30-year fixed mortgage rate was 6.25 percent, meaning that a \$165,000 loan would have carried a monthly payment of \$1,015.93. With the average 30-year fixed rate now 6.74 percent, the same loan originated today would carry a monthly payment of \$1,069.09. Fixed mortgage rates still remain the better refinancing alternative for adjustable rate borrowers facing sharp payment adjustments.

### SURVEY RESULTS

30-year fixed: 6.74% -- unchanged from last week (avg. points: 0.25)

15-year fixed: 6.41% -- up from 6.40% last week (avg. points: 0.27)

5/1 ARM: 6.48% -- up from 6.47% last week (avg. points: 0.26)

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. This week, 45 percent of the panelists predict rates will resume their decline, a narrow margin over the 37 percent that expect rates to remain more or less unchanged in the coming weeks. Just 18 percent forecast an increase in mortgage rates over the next 30 to 45 days.

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