

## Mortgage rates move lower

by *Bend\_Weekly\_News\_Sources*

Fixed mortgage rates declined, with the average conforming 30-year fixed mortgage rate falling to 6.42 percent. According to Bankrate.com's weekly national survey of large lenders, the average 30-year fixed mortgage has an average of 0.36 discount and origination points.

The average 15-year fixed rate mortgage popular for refinancing fell by a similar amount to 6.10 percent. The average jumbo 30-year fixed rate pulled back to 7.28 percent. Adjustable mortgage rates were lower as well, with the average one-year ARM slipping to 6.13 percent, and the average 5/1 ARM sliding to 6.26 percent.

Another drop in pending home sales added to mounting housing concerns and helped pull mortgage rates lower. Worries about the economic fallout from housing enticed investors into the safety and security of long-term government bonds. Fixed mortgage rates are closely related to yields on ten-year Treasury notes. The path of mortgage rates in the next week is very likely to hinge on the outcome of the employment report to be released Oct. 5. If job growth does not appear as bad as initially thought, this could give the Federal Open Market Committee latitude to pause at the next meeting. But more troubling signs from the job market might compel the Fed to cut interest rates again. The Fed remains coy about plans for the Oct. 30-31 meeting.

Fixed mortgage rates remain the most attractive option for borrowers. Just three months ago, the average 30-year fixed mortgage rate was 6.74 percent, meaning that a \$200,000 loan would have carried a monthly payment of \$1,295.87. Now that the average conforming 30-year fixed rate is 6.42 percent, the same \$200,000 loan carries a monthly payment of \$1,253.63.

### SURVEY RESULTS

30-year fixed: 6.42% -- down from 6.49% last week (avg. points: 0.36)

15-year fixed: 6.10% -- down from 6.16% last week (avg. points: 0.34)

5/1 ARM: 6.26% -- down from 6.35% last week (avg. points: 0.36)

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, almost half of the panelists - 45 percent - believe mortgage rates will remain relatively unchanged over the next 30 to 45 days. The remainder are almost evenly split, with 27 percent forecasting a decline, and 28 percent expecting rates to rise in the coming weeks.

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