

30-year mortgage at lowest rate since 1971

By Hibah Yousuf, staff reporter

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NEW YORK (CNNMoney.com) -- Mortgage rates continued to decline this week, plunging to the lowest level in decades, according to surveys from Freddie Mac and Bankrate.

Freddie Mac's weekly report said the 30-year fixed rate slipped to 4.44% for the week ended Thursday, the lowest since the government-backed lender began tracking the rate in 1971. Last week's rates stood at 4.49%, and a year ago it was at 5.29%.

The 15-year fixed rate fell to 3.92% this week, the lowest since Freddie Mac began tracking it 1991, down from 3.95% last week and from 4.68% a year ago.

Adjustable-rate mortgages also declined, with the 5-year rate falling to 3.56% this week, the lowest since 2005 when the lender began tracking it.

Mortgage tracker Bankrate.com, which surveys large lenders across the country, said the average 30-year fixed loan sank to a record low for the fourth consecutive week, falling to 4.57% from 4.66% the previous week.

The 15-year fixed rate, which is a popular option for refinancing, also fell to the lowest

level in the history of Bankrate's 25-year old survey, dipping to 4.06%, from 4.11% the week before.

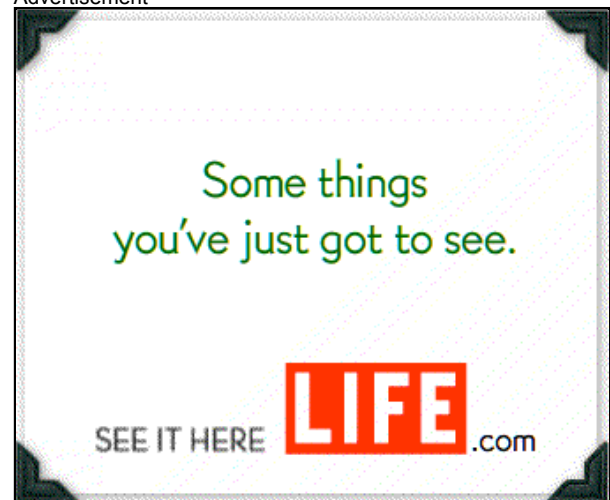
While the 1-year adjustable-rate mortgage held steady at 4.8% for a fourth week, the 5-year adjustable rate mortgage dropped to a record low of 3.92% from 3.95% the previous week.

"Low rates are helping to heal many battered local housing markets by increasing home-purchase activity, said Frank Nothaft, chief economist at Freddie Mac.

Mortgage rate applications inched up a modest 0.6% during the week, according to the Mortgage Bankers Association. Applications for purchase rose 0.3% while refinance applications increased 0.6%.



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