

Bankrate: Mortgage Rates Hold Steady

NEW YORK, Aug 27, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- The average 30-year fixed mortgage rate is 5.53 percent compared to 5.52 percent last week, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.32 discount and origination points.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040122/FLTHLOGO>)

The average 15-year fixed rate and jumbo 30-year fixed mortgage rates both inched lower by one one-hundredth of a percentage point to 4.83 percent and 6.43 percent, respectively. Adjustable rate mortgages were mixed, with the average 1-year ARM dropping to 5.1 percent and the 5-year ARM climbing to 4.95 percent.

One week after falling to the lowest levels since Memorial Day, mortgage rates held steady. The flow of economic news continues to be positive but the widely held view of a slow recovery is helping keep rates low. The difference between jumbo and conforming mortgage rates has narrowed to levels last seen one year ago, before the failure of Lehman Brothers caused the credit markets to seize up. The difference is still three times the spread that prevailed prior to the onset of the credit crunch in 2007.

Mortgage rates are more than one full percentage point lower than one year ago. This time last year, the average 30-year fixed mortgage rate was 6.6 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,277.31. With the average rate now 5.53 percent, the monthly payment for the same size loan would be \$1,139.35, a savings of \$138 per month for a homeowner refinancing now.

SURVEY RESULTS

30-year fixed: 5.53% -- up from 5.52% last week (avg. points: 0.32)

15-year fixed: 4.83% -- down from 4.84% last week (avg. points: 0.33)

5/1 ARM: 4.95% -- up from 4.86% last week (avg. points: 0.27)

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.

For a full analysis of this week's move in mortgage rates, go to <http://www.bankrate.com/mortgagerates>

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. Rates probably aren't headed higher or lower, with 64 percent of panelists expecting mortgage rates to remain more or less unchanged over the next 30 to 45 days. The remaining respondents are evenly split, with 18 percent predicting an increase in rates and 18 percent forecasting a decline in mortgage rates in the next 30 to 45 days.

For the full mortgage Rate Trend Index, go to <http://www.bankrate.com/RTI>

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