

Bankrate: Mortgage Rates Move Down

NEW YORK, Sept 03, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- The average 30-year fixed mortgage rate fell to 5.41 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.27 discount and origination points.

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

The average 15-year fixed and jumbo 30-year fixed mortgage rates dropped by equal amounts, to 4.74 percent and 6.34 percent, respectively. Adjustable rate mortgages were mixed, with the average 1-year ARM rising to 5.15 percent and the 5-year ARM inching lower to 4.94 percent.

As concerns about the sustainability of an economic rebound gained steam, mortgage rates retreated to levels last seen in May. Ironically, these worries came about despite a number of upbeat economic releases, including reports on manufacturing, consumer sentiment, and pending home sales. But weakness in consumer spending and growth in household income prompted investors to move from stocks to the safety of government bonds. Mortgage rates are closely related to the yields on long-term government bonds.

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 6.55 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,270.72. With the average rate now 5.41 percent, the monthly payment for the same size loan would be \$1,124.31, a savings of \$146 per month for a homeowner refinancing now.

SURVEY RESULTS

30-year fixed: 5.41% -- down from 5.53% last week (avg. points: 0.27)

15-year fixed: 4.74% -- down from 4.83% last week (avg. points: 0.25)

5/1 ARM: 4.94% -- down from 4.95% last week (avg. points: 0.32)

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. Half of the panelists expect mortgage rates to fall further during that timeframe. Among the remaining respondents, 29 percent predict an increase in rates and 21 percent forecast that rates will remain more or less unchanged 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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