

Bankrate: Mortgage Rates Show Modest Change

NEW YORK, Sept 10, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- The average 30-year fixed mortgage rate inched lower to 5.40 percent, according to Bankrate.com's weekly national survey. The average 30-year fixed mortgage has an average of 0.34 discount and origination points.

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

The average 15-year fixed mortgage and average jumbo 30-year fixed mortgage rates both increased slightly this week to 4.75 percent and 6.39 percent, respectively. Adjustable rate mortgages were mixed, with the average 1-year ARM rising to 5.27 percent and the 5-year ARM dropping to 4.89 percent.

Mortgage rates were little changed in a holiday-shortened week that showed more evidence of an economy on the mend. Another pickup in factory orders, more improvement in the service sector, and decelerating job losses reinforced a belief that the recession is loosening its grip - or letting go - of the economy. Even though benchmark Treasury yields climbed, particularly in response to the employment report released on September 4, mortgage rates were held in check. The Federal Reserve continues to actively pump money into the market for mortgage-backed debt, keeping rates low. There is a risk of mortgage rates climbing if the Fed hints at scaled-back purchases in 2010.

Mortgage rates are down from one year ago. This time last year, the average 30-year fixed mortgage rate was 6.16 percent, meaning a \$200,000 loan would have carried a monthly payment of \$1,219.75. With the average rate now 5.40 percent, the monthly payment for the same size loan would be \$1,123.06, a savings of \$97 per month for a homeowner refinancing now.

SURVEY RESULTS

30-year fixed: 5.40% -- down from 5.41% last week (avg. points: 0.34)
15-year fixed: 4.75% -- up from 4.74% last week (avg. points: 0.29)
5/1 ARM: 4.89% -- down from 4.94% last week (avg. points: 0.34)

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. The majority of the panelists expect mortgage rates to increase during that timeframe. Among the remaining respondents, 24 percent predict a decrease in rates and 38 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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