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Home buying affordability continues

Mortgage rates for 30 and 15-year fixed home loans dropped slightly last week according to Bankrate.com. Its weekly survey found that rates for a 30-year fixed mortgage fell from 5.8 percent to 5.7 percent. 15-year fixed rates fell 5.07 percent from 5.16 percent.

In a related report issued earlier this week, home prices fell 18.1 percent from a year earlier. Mortgage rates are also down heavily for last year. A 30-year fixed rate averaged 6.53 percent last year. This drop in home prices and loan rates is indicative of the slumping housing market however many economists are hopeful increased affordability prompts more borrowers into buying homes.

Speaking on lower rates Frank Nothaft, chief economist for mortgage financier Freddie Mac, recently said, "Lower rates are helping to support the housing market."