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## Mortgage rates dip below 5 percent once again

According to a weekly survey released by mortgage financier Freddie Mac, interest rates on popular loan programs decreased this week. The average rate on a 30 year fixed-rate mortgage dropped from 5.05 percent last week to 4.97 percent this week. Freddie Mac chief economist and vice president Frank Nothaft is optimistic about the recent decrease saying the new rates are "helping to maintain affordable home-purchase conditions."

Fifteen-year fixed-rate mortgages also fell this week down from 4.40 percent to 4.33 percent. To obtain these low rates borrowers must qualify through their credit score as well as pay an average 0.7 point up front. A point is typically 1 percent of the mortgage loan paid as prepaying interest.

The federal government has pushed for a housing recovery by implementing a handful of government sponsored programs designed to encourage both purchase and refinance loans. The White House recently announced the extension of a modification and refinancing plan while the popular federal tax credit for homebuyers remains available through the end of April.

"The federal tax credit for home buyers, which expires on April 30, may make housing even more affordable for some families already in the middle of the home buying process. In fact, the Federal Reserve's March regional economic review noted that several districts attributed stronger home sales to the homebuyer tax credit," Nothaft said.