



06/02/2010

## Refinancing Experiences a Surge in Popularity

Upon the close of the April 30th deadline for the \$8,000 tax credit available to home buyers, refinancing once again became a consideration. Since the tax credit deadline the Refinance Index has risen consecutively for four weeks reaching a share of 74 percent. Michael Fratantoni, MBA's vice president of research and economics, said 74 percent is the indexes highest share level since December.

Interest rates continue to be extremely low on 30-year mortgages ending at 4.83 percent last week. Mr. Fratantoni stated that "purchase applications are now almost 40 percent below their level four weeks ago", yet the housing market remains incredibly affordable for qualified buyers as home prices have plummeted roughly 30 percent from their peaks in 2006.

The average rate for 15-year fixed-rate mortgages is currently 4.24 percent and the average interest rate for one-year ARMs sits at 6.96 percent.