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Interest Rates Edge Their Way Up

Freddie Mac reports an increase in rates for both 30 and 15 year fixed mortgages in the week ending June 17. Rates for a 30 year fixed mortgage rose to 4.75% from 4.72% and to 4.2% from 4.17% for a 15 year fixed.

Even with the slight rise rates remain at all time historical lows. Freddie Mac's vice president and chief economist Frank Nothaft stated in a news release "Mortgage rates were little changed this week amid preliminary signs that the expiration of the home-buyer tax credit in April may have led to a slowdown in new construction," Home sales were expected to fall after the April 30 deadline came and went for federal tax credits but home buyers appear to be taking advantage of the low interest rates.

The Mortgage Bankers Association reported Wednesday that the number of clients applying for both refinance and purchase mortgages rose by nearly 18 percent in the last week. 5-year adjustable-rate mortgages have hit record lows as well averaging 3.89%, and 1-year adjustable-rate mortgages dropped to 3.82% which Freddie Mac reports is the lowest they have been since May of 2004.