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Below is an article recently posted on CNN Money regarding mortgage rates.

Mortgage Rates Smash Old Record

By Les Christie | 7.5.12

NEW YORK (CNMoney) -- Mortgage rates fell again this week, smashing previous record lows, according to a regular weekly release from mortgage giant Freddie Mac.

The rate for a 30-year, fixed-rate loan, the most popular mortgage product, dropped to 3.62% from 3.66% last week. The rate has matched or hit a new low for 10 of the past 11 weeks, Freddie Mac said. Meanwhile, the 15-year fixed rate fell to 2.89%, down from 2.94%.

"Recent economic data releases of less consumer spending and a contraction in the manufacturing industry drove long-term Treasury bond yields lower over the week, and allowed fixed mortgage rates to hit new all-time record lows," said Frank Nothaft, Freddie Mac's chief economist.

The 15-year fixed-rate mortgage is popular among homeowners who are seeking to refinance or to trade-up and minimize their total interest payments. At the current rate, a borrower financing \$200,000 would pay \$1,370 a month and spend a total of just under \$47,000 in interest over the 15-year span of the mortgage.

Buyers who want to minimize their monthly payments by opting for a 30-year loan would have payments of just \$911 a month on a \$200,000 loan. But they would pay \$128,000 in interest over the life of the loan.

One year ago, the same 30-year loan would have carried a 4.6% rate and cost about \$100 more a month.

Rates will probably stay low for a while, according to Keith Gumbinger of HSH.com, a mortgage information provider.

"We're creeping our way down," he said. "With the soft economic data of the past few weeks and little hope for the jobs report coming out tomorrow, there's not a lot to suggest a strengthening economy."

He pointed out that the spread between Treasury yields and interest rates is still wider than usual, with a full two percentage points separating them. More typical is a spread of about 1.7 percentage points.

That means mortgage rates could have even further to fall if Treasury yields drop or even hold steady

Source: www.money.cnn.com

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