



Mortgage Rates Ease Up

May 31, 2018

MCLEAN, Va., May 31, 2018 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB:FMCC) today released the results of its [Primary Mortgage Market Survey](#)[®] (PMMS[®]), showing that after climbing to their highest level in over seven years, mortgage rates fell over the past week.



U.S. weekly average mortgage rates as of May 31, 2018

Sam Khater, Freddie Mac's chief economist, says mortgage rates declined for the first time in four weeks, with the 30-year fixed-rate mortgage falling 10 basis points to 4.56 percent. "The decline was driven by recent trade and geopolitical issues, which led to a sudden decrease in long-term Treasury yields," he said. "Meanwhile, confident American consumers shrugged off the market volatility, as purchase mortgage applications continued to trend higher from a year ago."

Heading into the summer months, Khater anticipates that even as affordability pressures continue to put strain on the budget of some would-be buyers, demand overall should stay strong as long as job growth and the overall economy keep running at healthy levels. This month's forecast – [released last week](#) – calls for new and existing sales to increase around 3 percent in 2018.

"Extremely low inventory conditions in most markets are preventing sales from breaking out, while also keeping price growth elevated," said Khater. "Even if rates climb closer to 5 percent, sales have room to grow more, but only if current supply levels start increasing more meaningfully."

News Facts

- [30-year fixed-rate mortgage](#) (FRM) averaged 4.56 percent with an average 0.4 point for the week ending May 31, 2018, down from last week when it averaged 4.66 percent. A year ago at this time, the 30-year FRM averaged 3.94 percent.
- [15-year FRM](#) this week averaged 4.06 percent with an average 0.4 point, down from last week when it averaged 4.15 percent. A year ago at this time, the 15-year FRM averaged 3.19 percent.
- [5-year Treasury-indexed hybrid adjustable-rate mortgage](#) (ARM) averaged 3.80 percent this week with an average 0.3 point, down from last week when it averaged 3.87 percent. A year ago at this time, the 5-year ARM averaged 3.11 percent.

Average commitment rates should be reported along with average fees and points to reflect the total upfront cost of obtaining the mortgage. Visit the following link for the [Definitions](#). Borrowers may still pay closing costs which are not included in the survey.

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