Mortgage Rates Jump for the Fifth Straight Week

September 27, 2018

MCLEAN, Va., Sept. 27, 2018 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today released the results of its Primary Mortgage Market Survey® (PMMS®), showing that mortgage rates in the past week surged to their highest level in over seven years.

Sam Khater, Freddie Mac's chief economist, says the 30-year fixed-rate mortgage rose for the fifth consecutive week to 4.72 percent – a high not seen since April 28, 2011 (4.78 percent). "The robust economy, rising Treasury yields and the anticipation of more short-term rate hikes caused mortgage rates to move up," he said. "Even with these higher borrowing costs, it's encouraging to see that prospective buyers appear to be having a little more success. With inventory constraints and home prices starting to ease, purchase applications have now trended higher on an annual basis for six straight weeks."

Added Khater, "Consumer confidence is at an 18-year high, and job gains are holding steady. These two factors should keep demand up in coming months, but at the same time, home shoppers will likely deal with even higher mortgage rates."

News Facts

- 30-year fixed-rate mortgage (FRM) averaged 4.72 percent with an average 0.5 point for the week ending September 27, 2018, up from last week when it averaged 4.65 percent. A year ago at this time, the 30-year FRM averaged 3.83 percent.
- 15-year FRM this week averaged 4.16 percent with an average 0.5 point, up from last week when it averaged 4.11 percent. A year ago at this time, the 15-year FRM averaged 3.13 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.97 percent with an average 0.3 point, up from last week when it averaged 3.92 percent. A year ago at this time, the 5-year ARM averaged 3.20 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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