

[More](#)[Enter](#)

Get MarketWatch Anytime, Anywhere.

[FRONT PAGE](#)[PERSONAL FINANCE](#)[REAL ESTATE](#)[MORTGAGES](#)

Rates on fixed-rate mortgages drop again

30-year fixed-rate is lowest since March 2004: Freddie Mac

By [Amy Hoak](#), MarketWatch

Last update: 10:45 a.m. EST Dec. 11, 2008

CHICAGO (MarketWatch) -- Rates on fixed-rate mortgages fell again this week, bringing the 30-year fixed-rate to its lowest level in more than four years, according to Freddie Mac's weekly survey, released on Thursday.

The 30-year fixed-rate mortgage averaged 5.47% for the week ending Dec. 11, down from last week's 5.53% average and 6.11% a year ago. The rate hasn't been lower since March 25, 2004, when it averaged 5.40%.

The 15-year fixed-rate mortgage averaged 5.20% this week, down from last week's 5.33% average and 5.78% a year ago. The rate hasn't been lower since Feb. 7, 2008, when it averaged 5.15%.

"Following the release of the November employment report, which showed the largest monthly decline in jobs since December 1974, bond yields fell slightly this week allowing fixed-rate mortgage rates room to ease back a little further," said Frank Nothaft, Freddie Mac vice president and chief economist, in a news release.

Adjustable-rate mortgages, however, rose this week, with 5-year Treasury-indexed hybrid ARMs averaging 5.82%, up from last week's 5.77%. The ARM averaged 5.89% a year ago.

And 1-year Treasury-indexed ARMs averaged 5.09% this week, up from last week's 5.02% average. The ARM averaged 5.50% a year ago.

To obtain the rates, the fixed-rate mortgages required payment of an average 0.7 point, while the 5-year ARM required an average 0.6 point and the 1-year ARM required an average 0.4 point. A point is 1% of the mortgage amount, charged as prepaid interest.

Despite the lower fixed rates, "the housing market still hangs in the balance," Nothaft said.

"On a year-over-year basis, after rising in both August and September, pending existing home sales fell 1.0% in October, based on figures from the National Association of Realtors. Meanwhile, conventional mortgage applications for home purchases over the week ending Dec. 5 were up 2.0% from four weeks prior, but were still 51% below the same period last year, according to the Mortgage Bankers Association," he said.

Overall, applications were down a seasonally adjusted 7.1% last week, compared with the week before, the MBA reported on Wednesday. [See full story.](#)

Amy Hoak is a MarketWatch reporter based in Chicago.

[Site Index](#) | [Topics](#) | [Archive](#) | [Help](#) | [Feedback](#) | [Media Archive](#) | [Premium Products](#) | [Mobile](#) | [RSS](#) | [Podcasts](#) | [Company Info](#)

The Wall Street Journal Digital Network:

[WSJ.com](#) | [Barron's Online](#) | [BigCharts](#) | [Virtual Stock Exchange](#) | [All Things Digital](#) | [MarketWatch Community](#)
[RealEstateJournal.com](#) | [Financial News Online](#) | [WSJ.com Small Business](#) | [FiLife – Personal Finance](#)



Copyright © 2008 MarketWatch, Inc. All rights reserved.

By using this site, you agree to the [Terms of Service](#) and [Privacy Policy](#).

MarketWatch.com: Stock Market Quotes - Business News - Financial News

Intraday data provided by [Interactive Data Real Time Services](#), a division of Interactive Data Corporation. Historical and current end-of-day data provided by [Interactive Data Financial Information Services](#). Traded symbols and their current financial status. Intraday data delayed at least 15 minutes for Nasdaq, and 20 minutes for NYSE and AMEX. Dow Jones Indexes(SM) from Dow Jones & Company, least 60-minutes delayed. All quotes are in local exchange time. Real time last sale data provided by [Bloomberg](#).