

Mortgage rates continue to climb

Average 30-year home loan rate takes biggest one-week jump in more than 3 years.

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WASHINGTON — Rates on 30-year mortgages rose for a fifth straight week, hitting the highest level in 11 months as prospects dimmed further for possible rate cuts from the Federal Reserve.

Mortgage giant Freddie Mac reported Thursday that 30-year fixed-rate mortgages averaged 6.74 percent this week. That was up from 6.53 percent last week and marked the biggest one-week rise in 30-year rates in more than three years.

The five consecutive increases have pushed 30-year mortgages to their highest level since they averaged 6.80 percent for the week that ended July 20, 2006.

"Mortgage rates moved sharply upward this week," said Frank Nothaft, Freddie Mac's chief economist. "These moves parallel rising yields on Treasury securities as concerns about inflation pressures and continuing strength of consumer and business spending have dimmed hopes for an interest rate cut."

The benchmark 10-year Treasury bond hit a five-year high of 5.295 percent on Tuesday, sending tremors through Wall Street as investors worried that rising interest rates could further depress the housing sector and also harm corporate profits.

All mortgage rates tracked by Freddie Mac showed increases this week.

Rates on 15-year fixed-rate mortgages, a popular choice for refinancing, rose to an average of 6.43 percent, up from 6.22 percent last week.

Five-year adjustable-rate mortgages averaged 6.37 percent, up from 6.24 percent.

One-year adjustable-mortgages rose to 5.75 percent, up from 5.65 percent last week.

The mortgage rates do not include add-on fees known as points. Thirty-year and 15-year mortgages each carried a nationwide average fee of 0.4 point. Five-year, adjustable mortgages carried a fee of 0.5 point, and one-year ARMs had a fee of 0.7 point.

A year ago, the average rates on 30-year mortgages stood at 6.63 percent, 15-year mortgages were at 6.25 percent, five-year adjustable-rate mortgages averaged 6.23 percent and one-year ARMs were at 5.66 percent.