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30 year mortgage rates drop below 5%

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NCR Today

Since last year as the economic crisis spread many working poor and middle class families have lost their homes due to foreclosure and bankruptcy. Many parishes and dioceses have responded with job search efforts and counseling activities.

Finding ways for families to avoid foreclosure and to remain in their homes is largely dependent on low mortgage rates, and importantly, a bank's willingness to lend. So when I read today's story on low mortgage rates, I think of all the folks whose lives have been upended due to job loss, higher mortgage costs and bankruptcy.

"Mortgage rates for 30-year fixed U.S. home loans fell for the second consecutive week, pushing borrowing costs to near record lows.

The average U.S. 30-year rate dropped to 4.87 percent from 4.94 percent last week. The 15-year rate was 4.33 percent, mortgage buyer Freddie Mac of McLean, Virginia, said today in a statement.

Falling rates helped boost home-loan applications last week to the highest level since May. The Mortgage Bankers Association's index of applications to purchase a home or refinance rose 16 percent. Rates around 5 percent, slumping home prices and a government tax credit for first-time homebuyers are bolstering demand for housing.

"We're not expecting the housing market to come roaring back to anything close to what it was during the boom," said Scott Brown, chief economist at Raymond James & Associates Inc. in St. Petersburg, Florida. "It's going to be a long, gradual recovery."

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