

DECEMBER 26, 2008

# Home-Mortgage Rate Hits Fresh Low, 5.14%

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Fixed-rate home mortgage rates fell again this week, with the 30-year fixed-rate mortgage setting another record low, at least since Freddie Mac began doing its weekly survey in the early 1970s.



The 30-year averaged 5.14% for the week ended Dec. 24, down from last week's 5.19% average, according to the Freddie Mac survey released Wednesday. It was more than a full percentage point below its 6.17% average a year ago, and hasn't been lower since Freddie started doing its rate survey in 1971.

Fifteen-year fixed-rate mortgages averaged 4.91% this week, down from 4.92% last week and 5.79% a year ago. The mortgage hasn't been lower since April 1, 2004, when it averaged 4.84%.

Five-year Treasury-indexed hybrid adjustable-rate mortgages averaged 5.49% this week, down from 5.6% last week and 5.9% a year ago. One-year Treasury-indexed ARMs averaged 4.95%, up slightly from 4.94% last week yet still down from 5.53% a year ago.

"Interest rates on 30-year fixed-rate mortgages eased for the eighth straight week" and set a record low since Freddie Mac's survey began in 1971, said Frank Nothaft, Freddie Mac chief economist, in a statement.

"Real GDP growth fell 0.5% in the third quarter of the year, pulled down by the largest drop in consumer spending since the second quarter of 1980. The market consensus calls for an even larger decline in the last three months of the year," he said.

And the housing market continues to contract, Mr. Nothaft added.

To obtain the rates in the weekly survey, the 30-year fixed-rate mortgage required payment of an average 0.8 point, the 15-year fixed-rate mortgage required an average 0.7 point and the ARMs required an average 0.6 point. A point is 1% of the mortgage amount, charged as prepaid interest.

In a separate survey Wednesday by the Mortgage Bankers Association, mortgage applications were up a seasonally adjusted 48% last week, compared with the week before.

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