
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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FEDERAL HOUSING FINANCE AGENCY REPORTS MORTGAGE INTEREST RATES

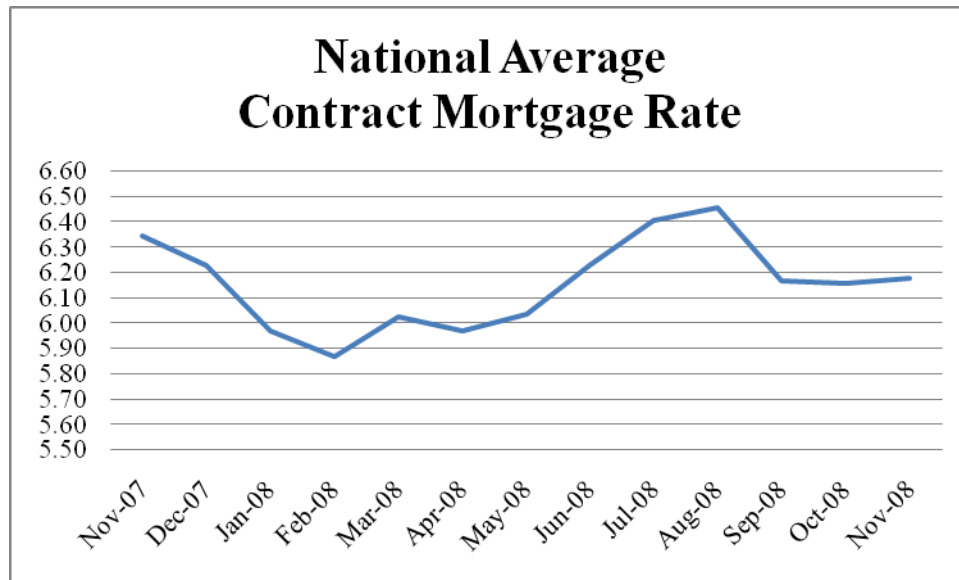
Washington, DC – The Federal Housing Finance Agency today reported that the average interest rate on conventional 30-year, fixed-rate, mortgage loans of \$417,000 or less increased 5 basis points to 6.17 percent in November. The average interest rate on 15-year, fixed-rate loans of \$417,000 or less decreased 9 basis points to 5.87 percent in November. These rates are calculated from the FHFA's Monthly Interest Rate Survey (MIRS) of purchase-money mortgages. These results reflect loans closed during the November 21-30 period. Typically, the interest rate is determined 30 to 45 days before the loan is closed. Thus, the reported rates depict market conditions prevailing in mid- to late October.

The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) was 6.15 percent in November up 3 basis points from 6.12 percent in October. The effective interest rate, which reflects the amortization of initial fees and charges, was 6.24 percent in November up 3 basis points from 6.21 percent in October. The average contract rate on fixed-rate mortgages increased 3 basis points to 6.15 percent in November, while the average contract rate on adjustable-rate mortgages (ARMs) decreased 20 basis points to 5.90 percent in November.

Initial fees and charges were 0.60 percent of the loan balance in November, up 0.02 percent from October. Forty-eight percent of the purchase-money mortgage loans originated in November were "no-point" mortgages, unchanged from October. The average term was 28.7 years in November, unchanged from October. The average loan-to-price ratio in November was 76.6 percent, up 0.5 percent from 76.1 percent in October. The average loan amount decreased by \$3,500 to \$211,200 in November.

The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders, used as an index in some ARM contracts, was 6.18 percent

based on loans closed in November. This is an increase of 0.02 percent from the previous month. This Contract rate series can be found at www.fhfb.gov.



The MIRS was previously released by the Federal Housing Finance Board (FHFB). Recorded information on this index is available by calling (202) 408-2940. For technical questions on this index, please call David Roderer at (202) 408-2540. The December index value will be announced on January 27, 2009.

Technical note: The data is based on a monthly survey of major lenders that are asked to report the terms and conditions on all conventional, single-family, fully amortized, purchase-money loans closed the last five working days of the month. The data thus excludes FHA-insured and VA-guaranteed mortgages, refinancing loans, and balloon loans. This month's data is based on 5,315 reported loans from 47 lenders, representing savings associations, mortgage companies, commercial banks, and mutual savings banks. The effective interest rate includes the amortization of initial fees and charges over a 10-year period, which is the historical assumption of the average life of a mortgage loan. The data is weighted to reflect the shares of mortgage lending by lender size and lender type as reported in the latest release of the Federal Reserve Board's Home Mortgage Disclosure Act data.

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The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$6.2 trillion in funding for the U.S. mortgage markets and financial institutions.