

Table 1153. Characteristics of Conventional First Mortgage Loans for Purchase of Single-Family Homes: 2000 to 2007

[In percent, except as indicated (234.9 represents \$234,900). Annual averages. Covers fully amortized conventional mortgage loans used to purchase single-family nonfarm homes. Excludes refinancing loans, nonamortized and balloon loans, loans insured by the Federal Housing Administration, and loans guaranteed by the Veterans Administration. Based on a sample of mortgage lenders, including savings and loans associations, savings banks, commercial banks, and mortgage companies]

Loan characteristics	New homes						Previously occupied homes					
	2000	2003	2004	2005	2006	2007	2000	2003	2004	2005	2006	2007
Contract interest rate, ¹												
all loans	7.4	5.7	5.7	5.9	6.5	6.3	7.9	5.7	5.7	5.8	6.5	6.5
Fixed-rate loans	8.0	5.9	6.0	6.1	6.6	6.3	8.2	5.8	6.0	6.0	6.6	6.5
Adjustable-rate loans ²	6.5	5.1	5.4	5.3	6.2	6.2	7.2	5.0	5.1	5.6	6.4	6.3
Initial fees, charges ³	0.69	0.63	0.50	0.54	0.67	0.81	0.66	0.32	0.37	0.33	0.33	0.40
Effective interest rate, ⁴												
all loans	7.5	5.8	5.8	5.9	6.6	6.4	8.1	5.7	5.7	5.9	6.6	6.5
Fixed-rate loans	8.2	6.0	6.0	6.2	6.7	6.4	8.3	5.9	6.0	6.0	6.6	6.5
Adjustable-rate loans ²	6.5	5.2	5.4	5.3	6.2	6.3	7.2	5.0	5.2	5.6	6.4	6.4
Term to maturity (years)	29.2	28.7	28.8	29.2	29.5	29.4	28.6	26.5	27.7	28.3	28.9	29.3
Purchase price (\$1,000)	234.9	275.3	293.6	328.5	346.4	360.4	191.8	237.0	253.2	291.3	295.9	286.2
Loan-to-price ratio	77.4	77.9	76.0	75.2	75.4	77.1	77.9	72.6	74.6	74.6	76.9	79.9
Percent of number of loans with adjustable rates	40	21	42	29	21	11	21	17	33	30	22	11

¹ Initial interest rate paid by the borrower as specified in the loan contract. ² Loans with a contractual provision for periodic adjustments in the contract interest rate. ³ Includes all fees, commissions, discounts, and "points" paid by the borrower, or seller, in order to obtain the loan. Excludes those charges for mortgage, credit, life, or property insurance; for property transfer; and for title search and insurance. ⁴ Contract interest rate plus fees and charges amortized over a 10-year period.

Source: U.S. Federal Housing Finance Board, *Rates & Terms on Conventional Home Mortgages, Annual Summary*.