

Table 1156. Characteristics of Conventional First Mortgage Loans for Purchase of Single-Family Homes: 2000 to 2008

[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	2004	2005	2006	2007	2008	2000	2004	2005	2006	2007	2008
Contract interest rate, ¹												
all loans	7.4	5.7	5.9	6.5	6.3	5.9	7.9	5.7	5.8	6.5	6.5	6.1
Fixed-rate loans	8.0	6.0	6.1	6.6	6.3	5.9	8.2	6.0	6.0	6.6	6.5	6.1
Adjustable-rate loans ²	6.5	5.4	5.3	6.2	6.2	5.7	7.2	5.1	5.6	6.4	6.3	5.7
Initial fees, charges ³	0.69	0.50	0.54	0.67	0.81	0.84	0.66	0.37	0.33	0.33	0.40	0.46
Effective interest rate, ⁴												
all loans	7.5	5.8	5.9	6.6	6.4	6.1	8.1	5.7	5.9	6.6	6.5	6.2
Fixed-rate loans	8.2	6.0	6.2	6.7	6.4	6.1	8.3	6.0	6.0	6.6	6.5	6.2
Adjustable-rate loans ²	6.5	5.4	5.3	6.2	6.3	5.8	7.2	5.2	5.6	6.4	6.4	5.8
Term to maturity (years)	29.2	28.8	29.2	29.5	29.4	29.1	28.6	27.7	28.3	28.9	29.3	28.3
Purchase price (\$1,000)	234.9	293.6	328.5	346.4	360.4	350.6	191.8	253.2	291.3	295.9	286.2	296.4
Loan-to-price ratio	77.4	76.0	75.2	75.4	77.1	76.2	77.9	74.6	74.6	76.9	79.9	77.0
Percent of number of loans with adjustable rates	40	42	29	21	11	4	21	33	30	22	11	8

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*.