



MILLFIELD QUICK FACTS

Mortgage Rates Hit Multi-Decade Lows

While their unprecedented measures to resolve the financial crisis have produced limited results, the Feds can certainly take credit for helping to move 30-year fixed mortgage rates to historic lows.

Rates on 30-year-fixed mortgages dropped this week to their lowest levels in at least 37 years, as the Federal Reserve pledged to pour money into the mortgage market in an effort to spur the moribund U.S. housing market.

Freddie Mac, the mortgage company, reported Thursday that average rates on 30-year fixed-rate mortgages dropped to 5.19 percent, down from the year's previous low of 5.47 percent, set last week.

The rate is the lowest since Freddie Mac's weekly mortgage rate survey began in April 1971.

Mortgage rates started falling after the Federal Reserve launched a sweeping new effort in late November to aid the U.S. housing market by purchasing up to \$600 billion of mortgage-related securities and other debt issued by Fannie Mae, Freddie Mac and the Federal Home Loan Banks.

A daily survey found that the national average rate fell even lower Wednesday. Rates on 30-year, fixed mortgages was 5.06 percent, according to financial publisher HSH Associates, the lowest since the 1960s and down from 5.3 percent Tuesday.

Sources:
Freddie Mac
HSH Associates