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## U.S. 30-Year Mortgage Rate Declines to Record 4.32%

By Brian Louis - Sep 2, 2010

U.S. [mortgage rates](#) dropped to a record, the 11th straight week of matching or setting a new low, reducing borrowing costs for homebuyers as demand slumps.

The average rate for a 30-year fixed mortgage fell to 4.32 percent in the week ended today from 4.36 percent, Freddie Mac said in a statement today. That was the lowest since the McLean, Virginia-based company began compiling the data in 1971. The average 15-year [rate](#) was 3.83 percent, also a record.

Low home-loan rates have yet to boost home sales, depressed by unemployment and the end of a federal homebuyer tax credit. Sales of new and previously owned homes fell to the lowest level on record in July, according to reports last week from the Commerce Department and National Association of Realtors.

“These mortgage rates are eventually going to catch the consumers’ attention,” [George Mokrzan](#), senior economist at Huntington National Bank in Columbus, Ohio, said in a telephone interview. “Consumers have just been scared about a lot of bad news about the labor markets.”

The number of contracts to purchase previously owned houses unexpectedly rose in July, a sign the market may be starting to stabilize. The index of pending home resales rose 5.2 percent after a revised 2.8 percent drop the prior month, figures from the National Association of Realtors showed today in Washington.

The decline in rates has spurred a surge of refinancing as Americans seek to reduce payments. The Mortgage Bankers Association’s index of [refinancing](#) rose 2.8 percent in the week ended Aug. 27 to the highest level since May 2009.

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