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# FEDERAL HOUSING FINANCE AGENCY



## NEWS RELEASE

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For Immediate Release  
August 27, 2009

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### **Federal Housing Finance Agency Reports Mortgage Interest Rates**

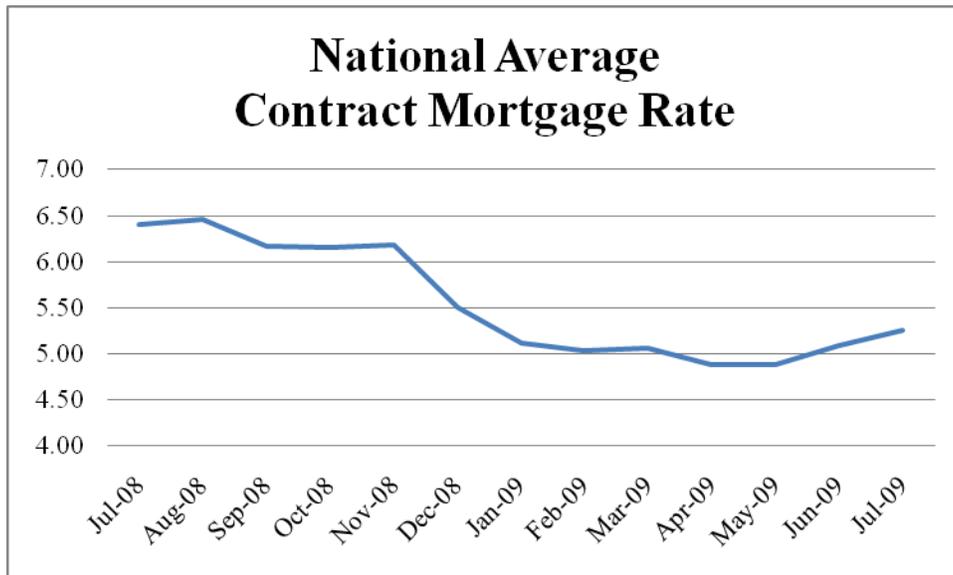
**Washington, DC** – The Federal Housing Finance Agency today reported that the average interest rate on conventional 30-year, fixed-rate, mortgage loans of \$417,000 or less increased 19 basis points to 5.31 percent in July. The average interest rate on 15-year, fixed-rate loans of \$417,000 or less increased 9 basis points to 4.89 percent in July. These rates are calculated from the FHFA's Monthly Interest Rate Survey (MIRS) of purchase-money mortgages. These results reflect loans closed during the July 27-31 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-June.

The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) was 5.25 percent in July, up 17 basis points from 5.08 percent in June. The effective interest rate, which reflects the amortization of initial fees and charges, was 5.35 percent in July, up 19 basis points from 5.16 percent in June.

This report contains no data on adjustable-rate mortgages due to insufficient sample size.

Initial fees and charges were 0.67 percent of the loan balance in July, up 0.09 percent from June. Forty-two percent of the purchase-money mortgage loans originated in July were "no-point" mortgages, down from 45 percent in June. The average term was 28.4 years in July, down 0.1 years from 28.5 years in June. The average loan-to-price ratio in July was 74.9 percent, up from 74.4 percent in June. The average loan amount decreased by \$5,700 to \$227,300 in July.

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 5.26 percent based on loans closed in July. This is an increase of 0.17 percent from the previous month. This Contract rate series can be found at [www.fhfa.gov](http://www.fhfa.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 August index value will be announced on Sept. 29, 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 7,321 reported loans from 50 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 are 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 \$6.3 trillion in funding for the U.S. mortgage markets and financial institutions.*