
FEDERAL HOUSING FINANCE AGENCY



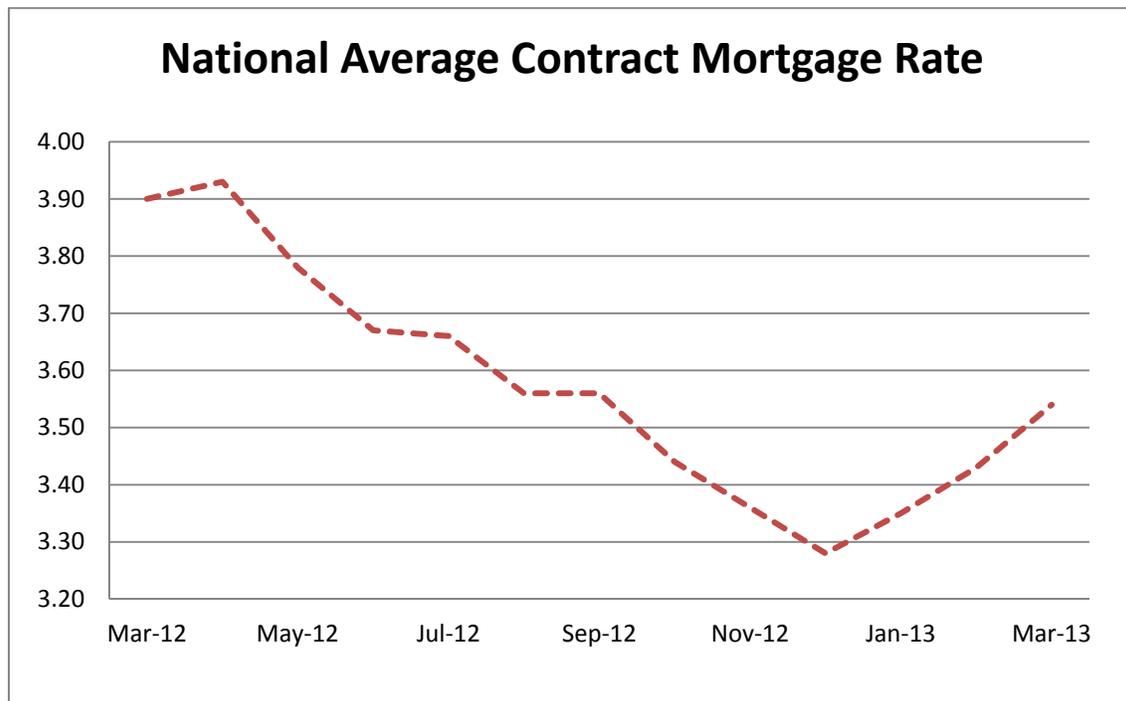
NEWS RELEASE

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Federal Housing Finance Agency Reports Mortgage Interest Rates

Washington, DC – The Federal Housing Finance Agency (FHFA) today reported that the National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders, used as an index in some adjustable-rate mortgage (ARM) contracts, was 3.54 percent based on loans closed in March. There was an increase of 0.11 from the previous month. The complete contract rate series can be found at <http://www.fhfa.gov/Default.aspx?Page=251>.



The average interest rate on conventional, 30-year, fixed-rate mortgage loans of \$417,000 or less increased 12 basis points to 3.74 in March. These rates are calculated from the FHFA's Monthly Interest Rate Survey of purchase-money mortgages (see technical note). These results reflect loans closed during the March 25 - 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-February.

The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) was 3.53 percent in March, up 11 basis points from 3.42 percent in February. The effective interest rate, which reflects the amortization of initial fees and charges, was 3.65 percent in March, up 10 basis points from 3.55 percent in February.

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

Initial fees and charges were 0.93 percent of the loan balance in March, down 6 basis points from February. Twenty-three percent of the purchase-money mortgage loans originated in March were “no-point” mortgages, up from twenty percent in February. The average term was 27.4 years in March, up 0.3 years from February. The average loan-to-price ratio in March was 77.3 percent, up 0.1 percent from 77.2 percent in February. The average loan amount was \$263,400 in March up \$4,700 from \$258,700 in February.

Recorded information on this index is available by calling (202) 649-3993. For technical questions on this index, please call David Roderer at (202) 649-3206. The April index value will be announced on May 30, 2013.

Technical note: The data are based on a small monthly survey of mortgage lenders which may not be representative. Survey respondents are asked to report the terms and conditions on all conventional, single-family, fully amortized, purchase-money loans closed during the last five working days of the month. The sample is not a statistical sample but is rather a convenience sample. The data exclude FHA-insured and VA-guaranteed mortgages, refinancing loans, and balloon loans. This month's data are based on 5,763 reported loans from 29 lenders, which may include 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.

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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 \$5.7 trillion in funding for the U.S. mortgage markets and financial institutions.