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Federal Housing Finance Board Reports
STABLE MORTGAGE INTEREST RATES

Washington, D.C. – The Federal Housing Finance Board today reported that the average interest rate on conventional 30-year, fixed-rate mortgage loans was 6.98 percent during March, the same as in February. The average interest rate on 15-year, fixed-rate loans was 6.77 percent during March, up from 6.73 percent in February.

The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) decreased 1 basis point to 6.76 percent. The effective interest rate, which reflects the amortization of initial fees and charges, also decreased 1 basis point to 6.83 percent. The average contract rate on fixed-rate mortgages increased 1 basis point to 6.95 percent, while the average contract rate on adjustable-rate mortgages (ARMs) decreased three basis points to 5.92 percent.

Initial fees and charges were 0.45 percent of the loan balance in March, down from 0.50 percent in February. Forty-seven percent of the purchase-money mortgage loans originated in March were "no-point" mortgages, up from 43 percent in February. The average term was 27.4 years in March, up from 27.2 years in February. The average loan-to-price ratio in March was 75.8 percent, down from 75.9 percent in February. The average loan amount increased by \$2,300 to \$161,500 in March, while the average house purchase price increased by \$4,100 to \$226,100.

Table IV is the regular quarterly table of mortgage rates and terms for selected metropolitan areas.

The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders, a popular ARM index, was 6.77 percent based on loans closed in March. This is the same as in the previous month.

Recorded information on this index is available by calling (202) 408-2940. The April index value will be announced on May 28, 2002.

The Federal Housing Finance Board maintains telephone lines that give recorded information on the current value of many of the interest rates reported in this release. That phone number is (202) 408-2624. This recording will be next updated on May 28, 2002.

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 25,626 reported loans from 111 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 is weighted to reflect the shares of mortgage lending by lender type as reported in the latest release of the Federal Reserve Board's Home Mortgage Disclosure Act data.