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Mortgages rates dip slightly

In its nationwide weekly survey mortgage financier Freddie Mac announced that rates on a 30-year mortgage on average dropped to 6.05% as compared with last weeks 6.06%. Despite the drop, interest rates have remained about 6% for the last three weeks. However this week's news comes as a relief to many as it signals a possible stabilization in the weakened mortgage industry.

Freddie Mac's chief economist, Frank Nothaft, said, "Despite a weak housing market, mortgage rates remained almost unchanged this week based on better-than-expected economic data releases that indicated the economy still has some staying power," adding "Job losses lessened in April and conditions in both the manufacturing and service industry outperformed market forecasts. Worker productivity also rose in the first quarter as increases in labor costs diminished."

The national homeownership rate is at 67.8% its lowest point since 2002. The third-quarter of 2006 recorded the indexes record high of 69% of Americans who own homes. "The housing market is still struggling amid falling house prices and stricter lending standards. Coupled with higher delinquency and foreclosure rates, a smaller share of families own their homes this year," Nothaft explained.

In a related story a Democrat-led bill passed through the House despite threats of a veto by President Bush. The bill calls for more government money to help struggling homeowners avoid foreclosure. Critics say that it would reward speculators and investors and not the average American family.