

Rate ticks up to 6%, ending 3-week slide

BY ALEX VEIGA

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The average long-term U.S. mortgage rate came off its lowest level in three and a half years this week, as bond yields marched higher following a spike in oil prices due to the war with Iran.

The benchmark 30-year fixed rate mortgage rate ticked up to 6% from 5.98% last week, mortgage buyer Freddie Mac said Thursday. One year ago, the rate averaged 6.63%.

The modest increase ends a three-week slide in the average rate, which has been hovering around 6% this year. Last week's average rate marked the first time it dropped below 6% going back to September 2022.

Meanwhile, borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, fell this week. That average rate slipped to 5.43% from 5.44% last week. A year ago, it was at 5.79%, Freddie Mac said.

Mortgage rates are influenced by several factors, from the Federal Reserve's interest rate policy decisions to bond market investors' expectations for the economy and inflation. They generally follow the trajectory of the 10-year Treasury yield, which lenders use as a guide to pricing home loans.

The 10-year Treasury yield was at 4.14% at midday Thursday, up from around 4% a week ago.

Treasury yields have climbed recently as rising oil prices put more upward pressure on inflation, which could keep the Federal Reserve from cutting interest rates.

The central bank doesn't set mortgage rates, but its decisions to raise or lower its short-term rate are watched closely by bond investors and can ultimately affect the yield on 10-year Treasuries that influence mortgage rates.

"For rates to continue their descent in 2026, we will need clear signals in the months to come that this conflict is not driving up prices for consumers at home," said Joel Berner, senior economist at Realtor.com. "Given the major jump in oil prices this week and the increased shipping costs that go with that, this positive news on inflation may be hard to come by."

Mortgage rates have been trending lower for months, helping drive a pickup in home sales the last four months of 2025, though not enough to lift the housing market out of its slump dating back to 2022, when mortgage rates began to climb from pandemic-era lows.

Sales of previously occupied U.S. homes remained stuck last year at 30-year lows. And more buyer-friendly mortgage rates this year weren't enough to lift home sales last month.

A sharp run-up in home prices, especially in the early years of this decade, and a chronic shortage of homes nationally worsened by years of below-average home construction have left many aspiring homeowners priced out of the market.

That has many would-be homebuyers keeping their eye on mortgage rates, which can boost home shoppers' purchasing power when they come down, but also reduce how much homebuyers can afford when rates rise.

Depending on a borrower's income, credit and other factors, they may qualify for a rate on a 30-year mortgage that is below or above the current average.