

4-4-25

## Average US rate on a 30-year mortgage dips to 6.64% for the second drop in 2 week

Dated 4-4-2025

The average rate on a 30-year mortgage in the U.S. edged lower for the second week in a row, a modest but welcome boost for prospective home shoppers in the midst of the spring homebuying season.

The rate fell to 6.64% from 6.65% last week, mortgage buyer Freddie Mac said Thursday. A year ago, the rate averaged 6.82%.

The average rate has mostly trended lower since reaching just over 7% in mid-January. When mortgage rates decline, they boost homebuyers' purchasing power.

Borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, also fell this week, pulling the average rate down to 5.82% from 5.89% last week. A year ago, it averaged 6.06%, Freddie Mac said.

Mortgage rates are influenced by factors including bond market investors' expectations for future inflation, global demand for U.S. Treasuries and the Federal Reserve's interest rate policy decisions.

The overall decline this year in the average rate on a 30-year mortgage loosely follows moves in the 10-year Treasury yield, which lenders use as a guide to pricing home loans.

The yield, which was nearing 4.8% in mid-January, has mostly fallen since then, amid signs that the economy is slowing and worries that tariffs imposed by the Trump administration on goods imported from around the globe could hurt economic growth and fuel inflation.

The yield slid to 4.06% Thursday as a sharp sell-off on Wall Street following the White House's latest and most severe volley of tariffs fueled expectations among bond investors that the Fed may have to cut its main interest rate if the economy sours.

"The 10-year Treasury has dipped even further this morning as investors are exiting the stock market, so it's likely that mortgage rates will continue to come down in the coming months as a result," said Joel Berner, senior economist at Realtor.com. "This shock to the system will be felt in the housing market for the rest of the year."

Recent forecasts by housing economists generally called for the average rate on a 30-year mortgage to remain around 6.5% this year.

Lower mortgage rates can help spur home sales by make homeownership more affordable. At the same time, many Americans may put off buying a home if they're worried about losing their job or taking a hit on their stock portfolio during an economic downturn.

"It remains to be seen whether relief from mortgage rates will spur buyers to make a move in 2025, or if the broader economic conditions will slow things down," Berner said.



The U.S. housing market has been in a sales slump since 2022, when mortgage rates began to climb from pandemic-era lows. Sales of previously occupied U.S. homes fell last year to their lowest level in nearly 30 years.

Easing mortgage rates and more homes on the market nationally helped drive sales higher in February from the previous month, though they were down year-over-year.

Even with mortgage rates easing this year, rising home prices are helping to drive up the cost of homeownership. The typical monthly payment made by U.S. homebuyers climbed to a record-high \$2,802 in the four weeks that ended March 20, according to Redfin.

# 30-year mortgage dips for a second week

BY ALEX VEIGA

THE ASSOCIATED PRESS

The average rate on a 30-year mortgage in the U.S. edged lower for the second week in a row, a modest but welcome boost for prospective home shoppers in the midst of the spring homebuying season.

The rate fell to 6.64% from 6.65% last week, mortgage buyer Freddie Mac said Thursday. A year ago, the rate averaged 6.82%.

The average rate has mostly trended lower since reaching just over 7% in mid-January. When mortgage rates decline, they boost homebuyers' purchasing power.

Borrowing costs on 15-year fixed-rate mortgages, popular with homeowners refinancing their home loans, also fell this week, pulling the average rate down to 5.82% from 5.89% last week. A year ago, it averaged 6.06%, Freddie Mac said.

Mortgage rates are influenced by factors including bond market investors' expectations for future inflation, global demand for U.S. Treasuries and the Federal Reserve's interest rate policy decisions.

The overall decline this year in the average rate on a 30-year mortgage loosely follows moves in the 10-year Treasury yield, which lenders use as a guide to pricing home loans.

The yield, which was nearing 4.8% in mid-January, has mostly fallen since then, amid signs that the economy is slowing and worries that tariffs imposed by the Trump administration on goods imported from around the globe could hurt economic growth and fuel inflation.

The yield slid to 4.06% Thursday as a sharp sell-off on Wall Street following the White House's latest and most severe volley of tariffs fueled expectations among bond investors that the Fed may have to cut its main interest rate if the economy sours.

"The 10-year Treasury has dipped even further this morning as investors are exiting the stock market, so it's likely that mortgage rates will continue to come down in the coming months as a result," said Joel Berner, senior economist at Realtor.com. "This shock to the system will be felt in the housing market for the rest of the year."

Recent forecasts by housing economists generally called for the average rate on a 30-year mortgage to remain around 6.5% this year.

Lower mortgage rates can help spur home sales by make homeownership more affordable.

