

# Mortgage rates hit record lows

Derek Kravitz - Associated Press - 1/12/2012 10:25:00 AM

WASHINGTON - Fixed mortgage rates fell once again to a record low, offering a great opportunity for those who can afford to buy or refinance homes. But few are able to take advantage of the historic rates.

Freddie Mac said Thursday the average rate on the 30-year fixed mortgage fell to 3.89 percent. That's below the previous record of 3.91 percent reached three weeks ago.

Records for mortgage rates date back to the 1950s.

The average on the 15-year fixed mortgage ticked down to 3.16 percent. That's down from a record 3.21 percent three weeks ago.

Mortgage rates are lower because they track the yield on the 10-year Treasury note, which fell below 2 percent. They could fall even lower this year if the Fed launches another round of bond purchases, as some economists expect.

Average fixed mortgage rates hovered around 4 percent at the end of 2011. Yet many Americans either can't take advantage of the rates or have already done so.

High unemployment and scant wage gains have made it harder for many people to qualify for loans. Many don't want to sink money into a home that they fear could lose value over the next few years.

Mortgage applications have fallen slightly on a seasonally adjusted basis over the past four weeks, according to the Mortgage Bankers Association.