30-year-mortgage rate up to 3.53%

Associated Press

WASHINGTON — The average U.S. rate on the 30-year fixed mortgage rose this week to its highest level in four months but remains low by historical standards.

Mortgage buyer Freddie Mac said Thursday that the rate on the 30-year loan increased to 3.53 percent. That's up from 3.42 percent last week and the first time the rate has exceeded 3.50 percent since September.

The average for the 15-year fixed mortgage advanced to 2.81 percent from 2.71 percent last week. Mortgage rates tend to track the yield on the 10-year Treasury note. It rose to 2 percent Thursday, up from 1.85 percent a week ago.

Home prices are increasing steadily, pushed higher by rising sales and a tighter supply of available homes.

When home prices rise, Americans feel wealthier and are more likely to spend. Housing could add as much as 1 percentage point to growth this year. The increase in sales and the thinner inventory of available homes have also spurred more construction.