Lending rates up from decades

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WASHINGTON — Rates on 30-year fixed mortgages rose slightly from their lowest level in decades, inching up to a national average of 4.21 percent.

Mortgage buyer Freddie Mac says the average rate for 30-year fixed loans was up from 4.19 percent the previous week. That was the lowest level on records dating back to 1971.

The average rate on 15-year fixed loans rose to 3.64 percent. That was up from 3.62 percent a weak earlier, the lowest weekly average on records dating back to 1991.

Rates have been falling since April. The latest declines are largely because investors have been buying up Treasury bonds in anticipation of the Federal Reserve's likely move to buy Treasurys to stimulate the economy. That demand lowers Treasury yields, which mortgage rates tend to track.

Low rates haven't helped the struggling housing market, which recorded its worst summer in more than a decade. But they have led to a modest surge in refinancing.

To calculate average mortgage rates, Freddie Mac collects rates from lenders around the country on Monday through Wednesday of each week. Rates often fluctuate significantly, even within a given day.

Rates on five-year adjustable-rate mortgages averaged 3.45 percent, up from 3.47 percent a week earlier. Rates on one-year adjustable-rate mortgages

low

fell to an average of 3.3 percent from 3.43 percent.

The rates do not include add-on fees known as points. One point is equal to 1 percent of the total loan amount. The nationwide fee for loans in Freddie Mac's survey averaged 0.8 a point for 30-year. It averaged 0.7 of a point for 15-year and 1-year mortgages and 0.6 of a point for 5-year mortgages.