

Mortgage rates on upward path

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Mortgage rates for 30-year U.S. loans rose to the highest level since the end of July as a strong jobs report increased the likelihood that the Federal Reserve will boost borrowing costs for banks.

The average rate for a 30-year fixed mortgage was 3.98 percent, up from 3.87 percent last week, Freddie Mac said in a statement Thursday. The average 15-

year rate climbed to 3.2 percent from 3.09 percent, according to the McLean, Virginia-based mortgage-finance company.

Last week's jobs report sent Treasury yields soaring as the Fed prepares to decide whether to raise its benchmark rate from near zero at its December meeting. The unemployment rate fell to 5 percent last month, the lowest level since April 2008.

"We think the markets finally believe a December rate hike is a like-

ly outcome," Erin Lantz, vice president of mortgages at real estate website Zillow, said in a telephone interview Wednesday. "It's safe to say rates are trending upwards, but how much and how quickly is anybody's guess."

Low borrowing costs have given a boost to the housing market. Sales of previously owned homes jumped in September to the second-highest level since February 2007, data from the National Association of Realtors show.