Obama: Timing right to refinance

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WASHINGTON — Declaring "good news" in the midst of an economic meltdown, President Barack Obama on Thursday urged families to take advantage of near-record low mortgage rates by refinancing their home loans.

"We are at a time where people can really take advantage of this," Obama said, seated with a handful of homeowners who have already lowered their bills.

But he also warned people to watch out for scam artists, cautioning, "If somebody is asking you for money up front before they help you with your refinancing, it's probably a scam."

Rates on 30-year mortgages inched upward this week but remain near the lowest level in decades, allowing borrowers with strong credit and stable jobs to save money if they refinance.

The average rate on a 30-year fixed-rate mortgage rose to 4.87 percent this week, up from 4.78 percent last week, Freddie Mac reported Thursday.

Low rates have sparked a surge in refinancing activity, with nearly 80 percent of new home loan applications coming from borrowers seeking to refinance. Freddie Mac's sibling company, Fannie Mae, refinanced $77 billion in loans last month, nearly double February's volume.

"The main message we want to send today is there are 7 to 9 million people across the country who right now could be taking advantage of lower mortgage rates," Obama said in a photo opportunity in the Roosevelt Room. "That is money in their pocket."

Foreclosures and defaults continue to break records. A record 5.4 million American homeowners with a mortgage, or nearly 12 percent, were at least one month late or in foreclosure at the end of last year.