Rate on 30-year fixed mortgages falls

By Marcy Gordon
Associated Press

WASHINGTON — Average rates on fixed mortgages fell sharply this week and moved closer to historic lows, keeping home-buying and refinancing attractive.

Mortgage buyer Freddie Mac said Thursday that the average rate for the 30-year fixed loan fell to 3.43 percent from 3.54 percent last week.

That's near the 3.31 percent reached in November, which was the lowest on records dating to 1971.

The average rate on the 15-year fixed mortgage dipped to 2.65 percent from 2.74 percent last week.

That's slightly above the record low of 2.63 percent, also reached in November.

Low mortgage rates are helping sustain a housing recovery that began last year. Home sales and residential construction are up, prices are rising and more Americans are refinancing. That's helped the broader economy.