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Fixed mortgage rates fall to lowest since '04

Rates on home loans drop after Fed makes emergency cut to fed funds rate, Freddie Mac says.

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NEW YORK (CNNMoney.com) -- Mortgage rates continued to fall this week, with 30-year and 15-year fixed-rate mortgages hitting their lowest levels in nearly four years, Freddie Mac reported Thursday.

The government-sponsored loan buyer said the rate on a 30-year fixed-rate loan averaged 5.48 percent for the week ending Thursday, down from 5.69 percent last week.

At this time last year, the 30-year fixed-rate mortgage averaged 6.25 percent. The 30-year rate has not been lower since the week ending March 25, 2004, when it averaged 5.40 percent.

"Economic news released last week confirmed the weak condition of the housing market," Freddie Mac ([FRE](#), [Fortune 500](#)) vice president and chief economist Frank Nothaft said in a statement.

"When the Federal Reserve cut the target federal funds rate by three quarters of a percentage point, the action was extraordinary in both the magnitude and the timing of the rate cut," he said.

Freddie Mac said 15-year fixed-rate loans averaged 4.95 percent, down from 5.21 percent last week. A year ago, the 15-year rate averaged 5.98 percent. The 15-year rate has not been lower since the week ending April 1, 2004, when it averaged 4.84 percent.

Rates on five-year adjustable-rate mortgages (ARMs) averaged 5.13 percent, down from 5.40 percent last week. The 5-year rate averaged 6 percent at this time last year.

One-year Treasury-indexed ARMs averaged 4.99 percent, down from 5.26 percent last week. At this time a year ago, the 1-year ARM averaged 5.49 percent. ■

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