

# Mortgage Rates Slide for Second Straight Week

DE Brown August 05, 2015



**Falling mortgage rates in Q3 2015 are sending a signal to the market that it may be a good time to buy, or refinance an existing mortgage.**

([Newswire.net](#) -- August 5, 2015) -- As home buying activity increased at the end of June and beginning of July, mortgage rates also saw a slight increase. In fact, rates entered the four percent range for the first time since November 2014. However, as the summer gets hotter, mortgage rates have started to cool off a bit. Rates have now dropped for two

consecutive weeks, possibly signaling a good window of time to lock in a lower rate.

## Speculation Surrounds Drop in Home Sales

Thirty-year mortgage rates fell to 3.98 percent as a result of declining single-family home sales and a serious lack of housing market data. This is despite the fact that government bond yields increased in advance of the Federal Reserve meeting that took place July 28-29.

According to Crissinda Ponder of BankRate.com, "Homebuyer demand has cooled over the past month or so, which could cause the growth of home prices to slow down in August." She then [goes on to quote Brett Sinnott](#), vice president of capital markets at CMG Financial, who sees the decline in home sales as a bit worrisome in the grand scheme of things. "You're seeing a huge fall-off in people buying houses overall; [we're] kind of turning into a bit of a renter nation," he says.

While the slight dip worries some, it also presents a fantastic opportunity for those looking either to refinance or to purchase a new single-family home. The latter group should pay special attention, as home values are increasing, and mortgage rates will eventually creep back above four percent.

## Great Time to Buy a Home

In many markets, now's a great time to buy. Not only are rates low, but also the process of residential moving [has become much more streamlined](#) and cost-effective. It won't take weeks of your time and thousands of dollars to get out of your current place and into a new one. In fact, an estimated [23.46 million people move](#) within the United States each year.

Worried about making mortgage payments? In many areas around the country, mortgage payments are lower than rent payments. According to data from last fall, it's roughly [38 percent cheaper to buy](#) than it is to rent. However, you have to perform careful calculations to make sure that that's the case for you.

Scared of big down payments? Again, there's no need to worry. Most people will qualify for a 3.5 to 5 percent down payment. On a \$150,000 home, that's a meager \$5,000-\$7,500. On a \$200,000 single-family home, that's as little as \$7,000-\$10,000. And the way home values are increasing, a simple investment of \$5-\$10K could allow you to build equity quickly. If you're in one of the country's hot markets, you could reasonably double your equity by this time next year.

While every individual's situation is unique, most people will discover that August 2015 is a perfect time to buy a single-family home. Put your worries and fears about mortgage rates, moving, down payments, and other aspects to the side.

## Putting it All Together

Mortgage rates may be experiencing the final dip before they see steady rate increases over the next few months. "This is creating a sense of urgency for many home buyers, especially those who are in housing markets where home prices are also rising," [writes Brandon Cornett](#) of Home Buying Institute. "When home prices and mortgage rates rise at the same time, it greatly reduces housing affordability." In other words, now's the time to do your homework, and buy. You'll be thankful that you did if rates increase later this year.

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