

## **Once Again All Rates But 1-Year ARM Hit Yet Another Record Low**

McLean, VA – Freddie Mac (NYSE:FRE) today released the results of its Primary Mortgage Market Survey® (PMMS®) in which the 30-year fixed-rate mortgage (FRM) averaged 4.58 percent with an average 0.7 point for the week ending July 1, 2010, down from last week when it averaged 4.69 percent. Last year at this time, the 30-year FRM averaged 5.32 percent.

The 15-year FRM this week averaged 4.04 percent with an average 0.7 point, down from last week when it averaged 4.13 percent. A year ago at this time, the 15-year FRM averaged 4.77 percent.

The 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.79 percent this week, with an average 0.7 point, down from last week when it averaged 3.84 percent. A year ago, the 5-year ARM averaged 4.88 percent.

The 1-year Treasury-indexed ARM averaged 3.80 percent this week with an average 0.7 point, up from last week when it averaged 3.77 percent. At this time last year, the 1-year ARM averaged 4.94 percent.

"Interest rates on fixed-rate mortgages and the 5-year hybrid ARM fell once again to all-time record lows this week in a period where the economy struggles to gain momentum and inflation remains very low," said Frank Nothaft, Freddie Mac vice president and chief economist.

"Growth estimates for first quarter GDP were revised down by a half percentage point over the past two months to 2.7 percent, according to the Bureau of Economic Analysis. Annual inflation, as measured by the 12-month change in the core CPI, held at 0.9 percent in April and May, which is the slowest pace in over 44 years, as reported by the Bureau of Labor Statistics."

"Meanwhile, house prices are improving due in part to the homebuyer tax credit. The S&P/Case-Shiller® 20-city home price index grew 0.4 percent between March and April and was up 3.9 percent from April 2009, representing the largest annual gain since October 2006. Moreover, 17 of the metropolitan areas experienced monthly gains in April, compared to 10 in March and six in February."