

US mortgage rates climb to 4-year high

AP

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WASHINGTON (AP) -- Long-term U.S. mortgage rates climbed this week to their highest average in more than four years, ratcheting up affordability pressures at the start of the traditional spring home buying season.

Mortgage buyer Freddie Mac said Thursday that the average rate on 30-year fixed-rate mortgages climbed to 4.46 percent this week from 4.43 percent last week. This marks the highest average since January 2014. The 30-year rate averaged 4.21 percent a year ago.

The average rate on 15-year, fixed-rate loans rose to 3.94 percent from 3.90 percent last week.

Higher mortgage rates appear to be weighing on home sales, since buyers are facing higher borrowing costs. Home purchases slumped 3.2 percent from December to January, according to the National Association of Realtors. On a yearly basis, home sales have fallen 4.8 percent, the sharpest annual decline since August 2014.

Relatively low mortgage rates had helped to ease the financial pressures from home prices rising faster than wages and the worsening shortage of properties listed for sale. But rising rates are slowly hurting affordability.

Mortgage rates have been heading upward for the past nine weeks. The interest rates charged on home loans usually hew close to changes in inflation and the interest paid on U.S. government debt. But the recent increases in mortgage rates have come even as the yield on the 10-year Treasury note has stayed below its two-week high of 2.95 percent.