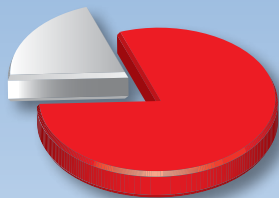


# What Will 2013 Hold for Mortgages?

Over the past few years buyers have enjoyed historically low interest rates on 15- and 30-year mortgages. However, rumors abound that interest rates are due to increase this year, leaving many prospective homebuyers worried that mortgage rates will skyrocket and throw a wrench in their homeownership plans. What will 2013 hold for mortgages? We'll have to wait to find out for sure, but for now here are a few predictions.

## PEOPLE EXPECT RATES TO RISE IN 2013...

**37%** of Americans expect home-mortgage rates to increase over the next year.<sup>1</sup>



## HOWEVER, PUT INTO PERSPECTIVE, INTEREST RATES WILL STILL BE LOW.

In July, 30-year fixed-rate mortgages averaged **3.62%**; 15-year fixed-rate mortgages averaged **2.89%**. Both rates are new lows for each category.<sup>2</sup>



Forbes projects that the 30-year mortgage rate will increase to **5.6%** by the end of 2013, while Kiplinger expects it to rise to **4.5%**.<sup>3</sup>



Loan rates will rise in response to increased demand for new home loans during the recovery of the housing market.<sup>5</sup>



## Did you know...?

Buyers who purchased homes in 2009 or later have the lowest mortgage default rates.<sup>4</sup>

Sources: 1. Wall Street Journal, July 9, 2012  
2. Wall Street Journal, July 5, 2012  
3. Forbes, May 2, 2012; Kiplinger, June 20, 2012  
4. National Association of REALTORS®  
5. Kiplinger, June 20, 2012

Want a clearer picture of our local mortgage market?  
Contact me today for more information.