

Mortgage rates drop below 3% for first time in months

Average mortgage interest rates for a 30-year fixed rate mortgage dropped to 2.97% for the week ending April 22, according to Freddie Mac's Primary Mortgage Market Survey



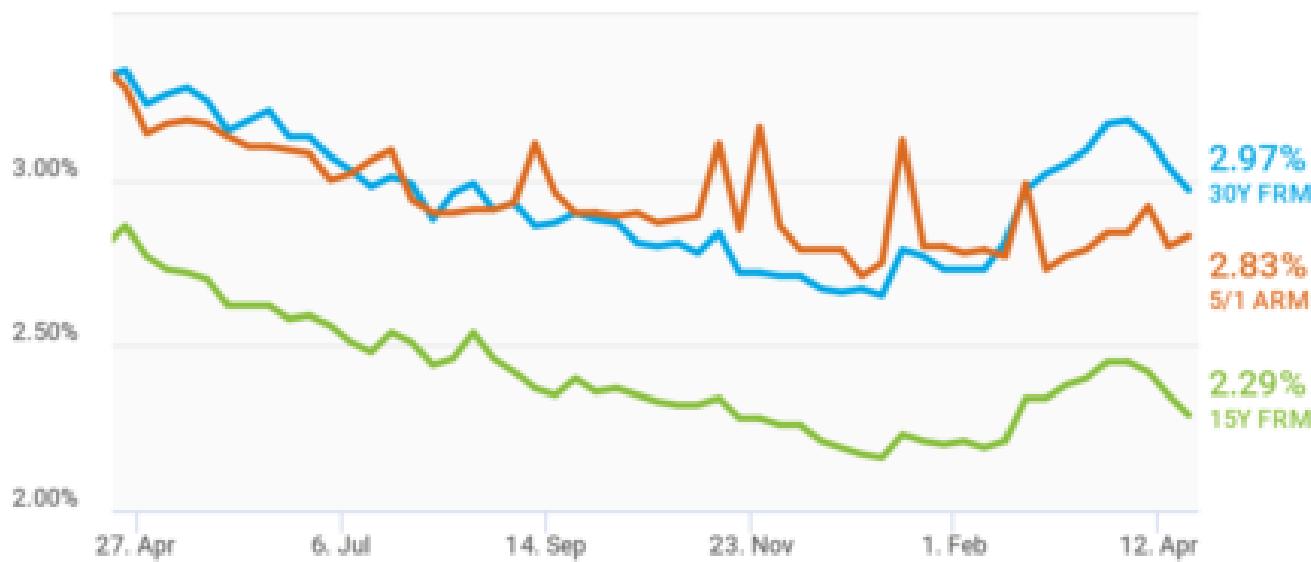
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BY **KELSEY RAMÍREZ**

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Mortgage interest rates once again dropped below 3 percent for the first time since Feb. 25, allowing for a potential surge in mortgage originations as more homeowners become eligible to refinance.

Average mortgage interest rates for a 30-year fixed rate mortgage dropped to 2.97 percent for the week ending April 22, 2021, according to Freddie Mac's Primary Mortgage Market Survey. This is down significantly from [last week's](#) 3.04 percent, and from last year's 3.33 percent. The last time the 30-year fixed rate fell below 3 percent was for the week ending Feb. 25, when it hit 2.97 percent.



This marks the third straight week of interest rate declines, a trend that's [driving](#) housing activity, which had begun to slow, back up. Mortgage applications increased 8.6 percent on a seasonally adjusted basis for the week ending April 16, 2021, according to the Mortgage Bankers Association's (MBA) [Weekly Mortgage Applications Survey](#). The Market Composite Index, a measure of mortgage loan application volume, increased 9 percent on an unadjusted basis from the [week before](#).

"The drop in mortgage rates is good news for homeowners who are still looking to take advantage of the very low rate environment," Freddie Mac Chief Economist Sam Khater said. "Freddie Mac research suggests that lower income and minority homeowners have been less likely to engage in the refinance market. Low and declining mortgage rates provide these homeowners the opportunity to reduce their monthly payment and improve their financial position."

The 15-year fixed-rate mortgage averaged 2.29 percent, down from last week when it averaged 2.35 percent. A year ago at this time, the 15-year FRM was much higher at 2.86 percent.

However, the five-year Treasury-indexed hybrid adjustable-rate mortgage averaged 2.83 percent, up from last week when it averaged 2.8 percent. A year ago at this time, the 5-year ARM averaged 3.28 percent.

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