

Property Search

For Sale For Rent

Min. Price (\$) Max. Price (\$) Bedrooms Property Type

Enter a country, city, neighborhood or US ZIP

Any Any Any Any

More In Real Estate

Great Homes & Destinations Commercial Real Estate



Help / FAQ Advanced Search

Show Only: Open Houses New Developments

Mortgage Rates -- Select A Loan Program AmeriSave

40 Year Fixed	7 Year ARM	30 Year Interest Only	Home Equity Line
30 Year Fixed	5 Year ARM	5 Year Interest Only	Second Mortgage
15 Year Fixed	3 Year ARM	3 Year Interest Only	
10 Year Fixed	1 Year ARM	1 Year Interest Only	

Advertise on NYTimes.com

MORTGAGES

How Low Can Rates Go?



By VICKIE ELMER
Published: December 29, 2011

IF your New Year's resolutions include buying a house or refinancing, the Federal Reserve has you covered. It has committed to keep long-term interest rates low through next year, so a 30-year mortgage will be pegged about where it is now — 4.32 percent in New York — at least through spring, said Frank E. Nothaft, the chief economist at Freddie Mac.

Related

More Mortgages Columns

Connect With Us on Twitter

For news and features on real estate, follow @nytrealstate.



"Rates are very much at the bottom," Mr. Nothaft said. But, he added, they may start inching up in the second half of the year. "If you're planning to refinance, do it sooner rather than later."

RECOMMEND
TWITTER
LINKEDIN
SIGN IN TO E-MAIL
PRINT
REPRINTS
SHARE

In order to cash in fully on some of the lowest interest rates ever recorded, buyers and owners need to start taking steps now, experts say. Rather than look for a house you really want, they suggest first finding out how much money you can afford to borrow, and what you can do in the next three to six months to improve your creditworthiness.

"Sometimes it takes a few extra months to get your ducks in a row," particularly if there are mistakes or blemishes on your credit report, said Gene Tricozzi, the president of Northern Funding Corporation, a mortgage brokerage in Clifton Park, N.Y. If your score is below 700, your mortgage interest rate could be a quarter to a half percentage point higher than for those with stronger scores, experts say.

Log in to see what your friends are sharing on nytimes.com. Privacy Policy | What's This?

Log In With Facebook

What's Popular Now

Nobody Understands Debt



Where the Real Jobs Are



Ads by Google

what's this?

2.62% Refinance Rates

\$150,000 Mortgage From \$602/Month. Refi Rates are Still Low. APR 3.1%
LoneStarRefinance.com

3 Credit Scores (Free)

Absolutely Free Credit Scores Instant Access To Yours Now
FreeScore.com/Free-Credit-Scores

2.5% Year mortgage rates

Lowest Rates in America! 2.91% APR No Hidden Fees Ever - Get Your Rate
20-Year-Refinance.MortgageLoan.com

2.5% Mortgage Rates

Refinance at 2.5% (2.9 APR). Get a \$175,000 mortgage for \$691/mo
mortgage-rates.4mortgagequotes.com

RIA Trading Platform

Tools, Service and Support for RIAs - Trading and Account Management
www.TradePMR.com

Thinking About a VA Loan?

Military and Veterans Eligible. \$0 Down, Purchase or Refi. Get a Quote
www.VAMortgageCenter.com

Advertise on NYTimes.com

Get the Times Limited E-Mail



Sign Up

Privacy Policy

MOST E-MAILED

MOST VIEWED



1. OP-ED COLUMNIST
Nobody Understands Debt



2. OPINION
The Joy of Quiet

3. The Fat Trap

Start by ordering copies of your [credit reports](#) and reviewing them for inaccuracies or disputes. Tracy Becker, the president of North Shore Advisory Inc., a credit restoration company in Tarrytown, N.Y., suggests doing this a year in advance, if possible, to give yourself ample time to fix any issues, like an inadvertently missed payment or an address error.

Do not close any credit accounts now; doing so can reduce your score by as much as 60 points, she said, adding that [banks](#) like to see two to four accounts in the applicant's name.

Once your credit score is established, identify two or three mortgage bankers or brokers whom you may want to work with. Ask friends, people in your religious or social circles, or your accountant for recommendations. Then do the [due diligence](#) on each candidate and meet with them to see who is the best fit.

Determine what your down payment and other out-of-pocket costs will be as you figure out what you can afford to buy. Use a mortgage calculator, or ask the mortgage officers to give you a range that would be comfortable.

Closing costs may be more difficult to estimate because they usually include prepaid real [estate taxes](#) and various fees for title [insurance](#), mortgage taxes and more. Total closing costs in 2010 on a \$200,000 mortgage were \$3,843 in [Connecticut](#) and \$6,183 in New York state, according to research by [Bankrate.com](#) in June.

Those figures exclude association fees, prepaid items and state taxes, which in [New York City](#) and a few other places can run 1.9 percent of the [loan](#) value for the mortgage recording tax.

It is a good idea to discuss your plan to buy a home with a [financial planner](#) or accountant. Your tax adviser may be able to guide you on tax deductions and decisions for your 2011 return. Some mortgages, including those offered by the Federal Housing Administration and those made to self-employed individuals, require two years of tax returns.

In those cases, taxpayers may want to be "a little less aggressive" with deductions so the income figure looks stronger, said Matt Hackett, the underwriting manager of Equity Now, a direct mortgage lender based in New York.

Finally, keep an eye on those interest rates. Mr. Nothaft expects the 30-year fixed mortgage rate to end the year "well below 5 percent" — which could still mean a 0.75-point increase a year from now.

A version of this article appeared in print on January 1, 2012, on page RE5 of the New York edition with the headline: How Low Can Rates Go?.

- [SIGN IN TO E-MAIL](#)
- [PRINT](#)
- [REPRINTS](#)

 [Get 50% Off The New York Times & Free All Digital Access.](#)

Get Free E-mail Alerts on These Topics

[Mortgages](#)



4. [PROFILES IN SCIENCE | ERIC LANDER](#)
[Power in Numbers](#)



5. [PBS Takes On the Premium Channels](#)

6. [Recipes for the Semi-Vegan](#)

7. [WELL](#)
[A Recipe for Simplifying Life: Ditch All the Recipes](#)



8. [MUSIC REVIEW](#)
[Shiny Bibelot From Shakespeare, Handel & Co.](#)



9. [CRITIC'S NOTEBOOK](#)
[The Grid at 200: Lines That Shaped Manhattan](#)

10. [THE STONE](#)
[On Modern Time](#)

[Go to Complete List >](#)

[Show My Recommendations](#)



Ron Paul's world

ALSO IN OPINION »

[Whose Tea Party is it?](#)

[Do we hate the rich or don't we?](#)

nytimes.com

OPINION

ADVERTISEMENTS



T Magazine: The Holiday Issue

50% OFF HOME DELIVERY
+ FREE ALL DIGITAL ACCESS

[SUBSCRIBE NOW](#) **The New York Times**

Ads by Google

what's this?

[Chromebooks have arrived](#)

Less loading. More surfing.

Instant resume & 8 second startup.

google.com/chromebook

Ads by Google

what's this?


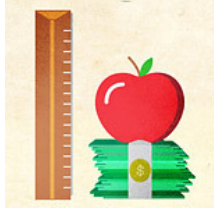



[CT Hard Money Lender](#)

Generous and flexible loan terms.

Contact us today for more info!

Entertainment-Financial.com

INSIDE NYTIMES.COM ◀ ▶

MOVIES »	OPINION »	WORLD »	BUSINESS »	OPINION »	THEATER »
				<h2>Borderlines: Fighting Over Parsley</h2> <p>Competing histories across the Strait of Gibraltar contribute to its peculiar exclaves.</p>	
An Innocent in America	Room for Debate: Are Teachers Overpaid?	China Set to Punish Human Rights Activist	A Renewed Optimism for Deals On Wall Street		'Glee' Star Gets His Broadway Turn

[Home](#) | [World](#) | [U.S.](#) | [N.Y./Region](#) | [Business](#) | [Technology](#) | [Science](#) | [Health](#) | [Sports](#) | [Opinion](#) | [Arts](#) | [Style](#) | [Travel](#) | [Jobs](#) | [Real Estate](#) | [Autos](#) | [Site Map](#)
 © 2011 The New York Times Company | [Privacy](#) | [Your Ad Choices](#) | [Terms of Service](#) | [Terms of Sale](#) | [Corrections](#) | [RSS](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Advertise](#)