



California Home Interest Rates

California is home to three of the 10 largest cities in the country, so it's no surprise that so many people and families want to put down their roots in the Golden State. We have Hollywood and Yosemite National Park, beachfront towns to wine country. There is plenty to see and explore.

When it comes to mortgages & mortgage rates in California, you have options. The current mortgage rate in California is 3.99% and 4.062% APR (annual percentage rate represent the true yearly cost of your loa, including fees or costs in addition to the actual interest you pay to the lender - the APR may be increased after consummation for adjustable-rate mortgage loans). Mortgage rates differ depending on the type of mortgage you qualify for.

If you've been wondering whether you should [rent or buy](#), it's probably best to learn a bit more about interest rates for mortgages and what it would mean for your finances.

Conventional mortgage interest rate (fixed-rate)

Term	Rate	APR
30-year fixed term	3.99%	4.062%
20-year fixed term	3.5%	3.598%
15-year fixed term	2.99%	3.114%
10-year fixed rate	2.875%	30.56%

Adjustable-rate mortgages

Term	Rate	APR
10-year ARM	3.25%	3.417%
5-year ARM	3.0%	3.394%

FHA mortgages

Term	Rate	APR
Up-year fixed - FHA	4.25%	5.323%
15-year fixed - FHA	4.75%	5.847%

VA mortgages

Term	Rate	APR
30-year fixed - VA	3.99%	4.254%
15-year fixed - VA	4.75%	5.23%

If this seems confusing or overwhelming, know that you're not alone. The San Benito Realty Team is here to help you with today's mortgage rates. [Contact us](#) with your questions and let's get you into the market.

Your Mortgage Interest Rate Depends on a Few Things

The rates above assume a few basic things:

- You have very good credit (a FICO credit score of 740+)
- Your loan is for a single-family home as your primary residence

If you are a first-time home buyer you also have access to assistance in the form of grants and programs. California first-time home buyers, with a 20% down payment, can get a conventional loan with low interest rate while not having to pay for private mortgage insurance. If you don't have the 20%, which is a lot in the California housing market, you can find out what assistance you qualify for [right here](#).

The Federal Reserve Plans to Begin Raising Interest Rates Soon

Higher interest rates for mortgages are coming which means housing is likely to be more expensive. The good news is that the increases are expected to come gradually throughout 2022, so sudden spikes in your current mortgage rate or in your monthly loan payments are unlikely.

Even though today's mortgage rates have reached and will continue to reach levels not seen in nearly two years, they are still historically low and lower than they were before the pandemic

started. For home buyers and home owners, making a good decision about buying or refinancing has much more to do with personal circumstances than current mortgage rates.

The housing market is hot right now meaning that inventory is low. But with rising interest rates, it might be smart to buy a little later down the road when you'll have the benefit of a lot more selection. At the end of the day, buying a home should be a long-term decision. You can't really lose as long as you're staying in the house for a long time - the value will go up.

What Do Today's Mortgage Rates Mean For You?

Experts believe that the housing market is starting to cool down. But the demand among buyers is expected to stay high. With housing prices increasing and mortgage rates going up as well, you might need a larger down payment to stay within an affordable range.

Higher interest rates for mortgages means your buying power will be impacted. Understanding your financing is extremely important; it's essential to understand the upper limits of your home-buying budget. You may be able to qualify for a loan amount that is more than you're comfortable with, and you don't want to get caught up in a bidding war and end up with a higher than expected monthly payment.

California is a major housing market in the U.S. with some of the most expensive real estate in the country. While low mortgage rates have driven a real estate boom nationally, all that competition for housing is driving up prices and tightening inventory in many markets. That means that the Golden State's already pricey real estate is getting even pricier.

Use this [mortgage calculator](#) to find out your mortgage payment information.

If you're looking to buy in California soon, be ready to make your offer count, and be prepared to compete with other potential buyers.

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