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Mortgage rate history: 1970s to 2024

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Key takeaways

- Looking at the past four decades, the average rate on a 30-year fixed mortgage peaked in 1981, rising just above 16 percent.
- The average 30-year fixed rate bottomed in 2021 at just under 3 percent.
- For much of 2024, the cost of a typical 30-year fixed mortgage had been in the high-6 and 7 percent range. As of early November, 30-year fixed rate mortgages averaged 7 percent.

The residential mortgage as we know it today is less than a century old. In fact, until the Federal Housing Administration (FHA) was established in 1934, only one in 10 Americans even owned a home. That all changed with the introduction of the 30-year fixed-rate mortgage during the Great Depression, which made homeownership possible for millions.

Mortgage rates over time

- **Average 30-year fixed mortgage rate by year**Here is a timeline of the average 30-year fixed mortgage rate by year. Bankrate first began aggregating rate data in 1982; all data prior was sourced from Freddie Mac. The 2024 average is 7 percent as of Nov. 6, 2024.

2020s mortgage rate trends

So far, the 2020s have brought dramatic movements in mortgage rates. Entering 2020, the 30-year fixed rate mortgage was already below 4 percent. Then the onset of the COVID-19 pandemic led to rates reaching record lows.

By 2022, the Federal Reserve began raising its benchmark interest rate to cool pandemic-spurred inflation, and mortgage rates followed suit. Fast-forward to October 2023, and the 30-year mortgage rate broke through 8 percent — an average not seen since 2000.

For most of 2024, mortgage rates have lingered in the 6s and 7s. The Fed pivoted back to rate cuts in September, and again lowered rates in November. For now, the consensus is the central bank will continue on that path in 2025.

Highest average rate 7.00% (2023)

Lowest average rate 3.15% (2021)

2010s mortgage rate trends

In the 2010s, the 30-year mortgage rate trended downward, beginning in the 4 percent range, dipping under the 4 percent mark and then ending the decade back in that range. These low rates were brought on in part by the Federal Reserve's Great Recession-era policies.

Highest average rate 4.86% (2010)

Lowest average rate 4.13% (2019)

2000s mortgage rate trends

Driven by the subprime mortgage crisis of the late 2000s, the 30-year mortgage rate tumbled from about 8 percent at the start of the decade down to 5.4 percent by 2009. At this time, the Federal Reserve implemented quantitative easing measures, buying mortgage bonds in bulk to drive down interest rates and usher in an economic recovery. *

Highest average rate 8.08% (2000)

Lowest average rate 5.38% (2009)

1990s mortgage rate trends

The 1990s saw a significant shift in the 30-year mortgage rate, which plunged to an average of 6.91 percent in 1998. This drop was brought on by the dot-com bubble, an era when investors rushed to buy stocks from overvalued technology companies. When these stocks plummeted, investors turned their focus to fixed-income investments, such as bonds. As bond prices rose and yields fell, mortgage rates, which follow the 10-year Treasury yield, also declined.

Highest average rate 9.97% (1990)

Lowest average rate 6.91% (1998)

1980s mortgage rate trends

At the beginning of 1980, homes in the U.S. cost a median of $63,700, according to the Department of Housing and Urban Development (HUD). By 1990, that median had risen to $123,900. Spurred by the Great Inflation, the 30-year fixed mortgage rate reached a pinnacle of 18.4 percent in October 1981, according to Freddie Mac. Once the Fed reined in inflation, the 30-year rate seesawed down to the 9 percent range, closing the decade at 9.78 percent.

Highest average rate* 16.64% (1981)

Lowest average rate 10.25% (1989)

*Freddie Mac data

1970s mortgage rate trends

The average 30-year fixed-rate mortgage started the decade at about 7.5 percent in 1971 (the earliest year for which data is available), according to Freddie Mac. By 1979, the rate had risen to an average of 11.2 percent. During this decade, the Federal Reserve's expansionary policy and other factors helped drive inflation and borrowing costs way up.

Highest average rate* 11.20% (1979)

Lowest average rate* 7.54% (1971)

*Freddie Mac data

Mortgage rate predictions

While we can try to guess based on historical data, no one knows for certain what will happen to future mortgage rates over time — whether they'll change at all, or when. The economy and housing market are cyclical, experiencing ups and downs, at times unpredictably.

Still, we regularly ask economists and other experts to weigh in. For week-to-week predictions, check out our mortgage rate poll. For a monthly look-ahead, read our latest mortgage rate forecast.

How historical mortgage rates affect buying a home

Broadly speaking, lower mortgage rates fuel demand among homebuyers and can increase an individual's buying power. A higher rate, on the other hand, means higher monthly mortgage payments, which can be a barrier for a buyer if the cost becomes unaffordable. In general, a borrower with a higher credit score, stable income and a sizable down payment qualifies for the lowest rates.

While you should keep an eye on mortgage rates, don't try to time the market or predict what'll happen. While a home is an investment, it's also where you live. In general, it's best to get a mortgage only if you can afford it and when the time is right for you.

Learn more: How mortgage rates are determined

How historical mortgage rates affect refinancing

When mortgage rates are on the upswing, it might make less financial sense to try to refinance. Generally, it's best to refinance if you can shave off one-half to three-quarters of a percentage point from your current interest rate, and if you plan to stay in your home for a longer period. If you plan to sell your home soon, the cost to refinance might not be worth it.

- Barbara Corcoran says it's "disturbing" how young people are being locked out of the housing market.
- The "Shark Tank" investor pointed to first-time buyers getting older and losing out to cash buyers.

- Corcoran said Trump-fueled inflation and stubborn rates are risks, and she doesn't see a bubble.

High prices, steep mortgage rates, and fierce competition are locking young people out of becoming homeowners, Barbara Corcoran says.

The "Shark Tank" investor and real-estate tycoon pointed to "disturbing" data from the 2024 NAR Profile of Home Buyers and Sellers during a recent interview on "Cavuto: Coast to Coast" on the Fox Business Network.

The founder of The Corcoran Group said the share of first-time buyers dropped from 32% last year to a record low of 24%. The percentage of cash buyers — who tend to be investors or second-home buyers — hit a record high of 26%. Plus, the median age of first-time buyers climbed from 35 to 38.

The report suggests that first-time buyers are increasingly being outbid by investors or people buying second or third homes who are paying in cash, and many are having to wait until they're nearly 40 to become homeowners.

All about that rate

The median sale price for existing homes rose 4% to $407,200 in October, marking the 16th straight month of year-over-year price gains, per the National Association of Realtors. Sales did rise 2.9% from a year earlier, the first year-over-year increase since the summer of 2021.

Corcoran said transactions had picked up because buyers were used to higher rates and "got tired of waiting" for them to dip. Yet she emphasized that a significant fall in rates would be "incredible" for home sales.

"Anything with a 5% in front of it is going to make this market go ballistic," she said.

Bankrate data shows the average 30-year mortgage rate soared from 3.2% at the end of 2021 to a two-decade high of 7.9% in October last year, but has since dropped to 6.9%.

President-elect Trump's plans to cut taxes and impose tariffs have stoked fears that price growth could accelerate, pushing rates higher. "Inflation is on everyone's mind and I think it's risky," Corcoran said.

She predicted mortgage rates would hover around 6% or go lower. Any rise "would slow down the market, it would slow down the whole economy, it would slow down all the support services for the housing market — it would be a terrible thing."

Corcoran also dismissed concerns that the housing market is overheated and headed for a slump. She cited the low percentage of home purchases made as investments, saying a surfeit of investors "creates a bubble big time."

"This is nothing like the last bubble," she said. "I don't see a bubble at all."