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**Falling Mortgage Rates Benefit Homebuyers in Virginia**

*Historically low interest rates make homeownership more affordable*

Richmond, VA – (August 28, 2020) – The downward trend in mortgage rates continued this week, with the average 30-year fixed-rate mortgage rate falling to 2.91%. This is a decrease from last week’s average rate and only slightly higher than the historically low rate of 2.88% earlier this month.

Many Virginia homebuyers are wondering exactly how these plummeting rates could impact their home purchase. Assuming a buyer purchases the median priced home in Virginia ($332,000) with 20% down, the monthly mortgage payment would be $1,107 with a 2.91% interest rate. A year ago at this time, rates were at about 3.6%, meaning the monthly payment on an identical loan amount would be $100 more. Over 30 years, that amounts to more than $36,000 in savings to the homeowner.

“Home prices continue to rise steadily in Virginia as a result of strong demand and low supply,” says Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD. “Falling mortgage rates help make monthly payments more affordable. However, for some buyers, the major obstacle will be coming up with 20% down to take advantage of the most favorable rates.”

Nationally, only about a quarter of homebuyers are able to put down 20% on a home purchase. A larger down payment increases eligibility for a lower interest rate, and lenders often charge less interest for a loan with 20% down than they would for a loan with a smaller down payment. However, buyers can still secure a very competitive mortgage rate with less than a 20% down payment. VA and FHA loan products, which are also at historically low levels, have much lower down payment requirements.

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Virginia REALTORS® (previously known as the Virginia Association of REALTORS®) is celebrating its 100-year anniversary in 2020. Virginia REALTORS® is one of the largest trade associations in Virginia, representing 35,000 REALTORS® engaged in the residential and commercial real estate business. Virginia REALTORS® serves as an advocate for homeownership and homeowners and represents the interests of property owners in the Commonwealth of Virginia. For more information, visit [www.virginiarealtors.org](http://www.virginiarealtors.org) or follow Virginia REALTORS® on [Facebook](https://www.facebook.com/REALTORSVirginia/), [Twitter](https://twitter.com/REALTORS_VA), and [LinkedIn](https://www.linkedin.com/groups/31801).

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