More Than 1 in 4 Do Not Know Their Mortgage Rate

Majority of homeowners never plan to move

NEW YORK – February 13, 2020 – More than one-quarter of mortgage holders (27%) do not know the interest rate on their primary residence, according to a new study from Bankrate.com. Additionally, more than half of homeowners (56%) never plan to move. For more information, go to:


Millennials (ages 24-39) with a mortgage are more likely to be unsure of their rate (32%) compared to 24% of Gen Xers (ages 40-55) and 23% of baby boomers (ages 56-74). Not only are millennials the most likely to be in the dark about their mortgage rate, but they are also more prone to report a mortgage rate of 5% or more (27% vs. 14% of Gen Xers and baby boomers).

Overall, fewer than 1 in 3 (31%) homeowners with a mortgage indicate their rate is below 4%, with this cohort tending to be older, more educated, and with higher incomes. Still, nearly 1 in 5 (18%) say their rate is at least 5%, much higher than the Bankrate average of 3.73% for a 30-year fixed-rate mortgage (https://www.bankrate.com/mortgages/analysis/). All told, nearly half (45%) of mortgage holders either don’t know their current rate or have a high-interest rate of at least 5%.

“It is concerning that more than a quarter of mortgage borrowers don’t know the rate of interest they’re paying on their existing mortgage,” said Mark Hamrick, Senior Economic Analyst, Bankrate.com. “Given the decline in mortgage rates we’ve seen over the past year, many qualified homeowners would stand to benefit, or save, by refinancing (https://www.bankrate.com/refinance.aspx).

“With the prospective reduction in monthly payments, the savings could be better put to use, including toward retirement or another worthy financial goal. Here’s where what you don’t know can hurt you, costing you money.”

While more than half of homeowners plan to live in their current home forever, less than a quarter (21%) think they’ll move in the next five years. Millennial homeowners are the most likely to envision moving in the next half-decade (32% compared to 19% of Gen Xers and 18% of baby boomers) and are the least likely to plan to stay put forever (42% vs. 52% of Gen Xers and 63% of boomers).

More probable than moving, nearly two-thirds (63%) of homeowners are at least somewhat likely to remodel or renovate their current home in the next five years, with millennials being the most bullish (77% vs. 68% of Gen Xers and 58% of boomers).
Troublingly, 10% of homeowners plan to finance these renovations on credit cards. Millennials (19%) are more than twice as likely as Gen Xers (8%) and more than three times as likely as baby boomers (5%) to utilize this payment method as the main way to cover the cost of upgrades.

“Given the average interest rate of 17% charged on credit cards, it is critically important that these balances are paid off immediately before the cost of the project goes up substantially due to added financing expense,” Hamrick said. “If there’s one inescapable fact about homeownership, it is that major repairs will eventually be required, meaning you’ll be on the hook for even more work down the road.”

The most likely way U.S. homeowners plan to pay for home upgrades is via money from savings (46%). Another 16% plan to use home equity borrowing or mortgage refinancing (https://www.bankrate.com/home-equity.aspx), 10% said a personal loan, and 6% said “some other way.” The remaining 11% admit they don’t know how they will pay for the costs.

**Methodology:**

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,602 adults, including 1,394 homeowners (803 of whom are currently paying a mortgage for their home). Fieldwork was undertaken January 15-17, 2020. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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