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Fixed mortgage rates shot higher for the fifth consecutive week, Freddie Mac said, with the typical 15-year home loan topping 3% for the first time in a year and the 30-year rate rising to an average of 3.91% from 3.81% a week ago.

The trend reflects Wall Street's belief that the improving economy may cause the Federal Reserve to cut back on a bond-buying program that has kept long-term interest rates low, Freddie Mac said Thursday as it released its latest survey of what lenders are offering to solid borrowers.

The Fed says the program, aimed at stimulating the economy, won't end until unemployment shrinks to 6.5% from 7.5% at last count. But it could scale back the size of the bond purchases, which are steaming ahead at a clip of \$85 billion a month.

A recent Fed report showed economic activity increasing at a modest to moderate pace this spring in all its districts except for Dallas, "which indicated strong economic growth," Freddie Mac chief economist Frank Nothaft said.

"In addition," Nothaft said, "pending home sales rose in April to [the] fastest pace since April 2010 and May's consumer sentiment was revised upwards to its highest reading since July 2007."

This week's average of 3.91% for a 30-year fixed mortgage contrasted with a 3.67% average rate a year ago.

The 15-year fixed-rate mortgage averaged 3.03%, up from 2.98% last week and 2.94%

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