



Bankrate: Mortgage Rates Continue to March Higher

NEW YORK, N.Y. – Dec. 8, 2016 – Mortgage rates nudged higher, rising for a sixth consecutive week, with the benchmark 30-year fixed mortgage rate rising to 4.15 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.21 discount and origination points.

The larger jumbo 30-year fixed climbed to 4.14 percent, while the average 15-year fixed mortgage rate inched upward to 3.40 percent. Adjustable mortgage rates were mixed, with the 5-year ARM retreating to 3.45 percent while the 7-year ARM increased further to 3.69 percent.

Mortgage rates moved higher at the end of last week but moderated in the first half of this week, perhaps signaling a pause – or an end – to the recent run-up in long-term government bond yields and mortgage rates. Mortgage rates are closely related to yields on long-term government bonds. The half-percentage point spike since Election Day has been based on speculation that we'll see more government borrowing, higher inflation, and higher interest rates due to the policies of the Trump administration. There is every possibility, however, that the increase has been overdone and that if reality fails to meet the expectations that have been priced into markets, bond yields and mortgage rates could pull back. With the Federal Reserve poised to raise short-term interest rates next week, a move that keeps a lid on inflationary pressures, this may further temper any increases in long-term rates.

At the current average 30-year fixed mortgage rate of 4.15 percent, the monthly payment for a \$200,000 loan is \$972.21.

SURVEY RESULTS

30-year fixed: 4.15% -- up from 4.13% last week (avg. points: 0.21)

15-year fixed: 3.40% -- up from 3.39% last week (avg. points: 0.21)

5/1 ARM: 3.45% -- down from 3.48% last week (avg. points: 0.33)

Bankrate's national weekly mortgage survey is conducted each Wednesday from data provided by the top 10 banks and thrifts in 10 top markets. For a full analysis of this week's move in mortgage rates, go to

<http://www.bankrate.com/finance/mortgages/mortgage-analysis-120716.aspx>

The survey is complemented by Bankrate's weekly Rate Trend Index, in which a panel of mortgage experts predicts which way the rates are headed over the next seven days. The panelists are divided with 55 percent expecting mortgage rates to remain more or less unchanged in the coming week while 45 percent forecast a decline. Interestingly, none of this week's respondents predicted further increases in mortgage rates over the next seven days.

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For more information contact:

Kayleen Yates

Vice President, Corporate Communications

kyates@bankrate.com

(917) 368-8677