



Bankrate: Mortgage Rates Nose Higher

NEW YORK – July 21, 2016 – Mortgage rates continue to give back some of the gains seen post-Brexit, with the benchmark 30-year fixed mortgage rate moving up for a second week in a row to 3.6 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.24 discount and origination points.

The larger jumbo 30-year fixed increased as well, to 3.71 percent, and remains higher than the average conforming rate for just the seventh time in the past year. The average 15-year fixed mortgage rate inched higher to 2.86 percent. Adjustable mortgage rates were mostly higher this week as well, with the 5-year ARM rising to 3.08 percent and the 10-year ARM climbing to 3.44 percent.

Mortgage rates increased for a second week as normalcy returns to financial markets post-Brexit. The better tone of U.S. economic data is also raising speculation of a potential Federal Reserve interest rate hike this fall. Strength in retail spending, housing starts, industrial production and a pickup in inflation were all reported within the past week. Mortgage rates still haven't returned to their pre-Brexit territory but are back to where they were at the end of June, after the slide had started. Rebounding Treasury yields means the same for mortgage rates as mortgage rates are closely related to yields on long-term government bonds.

This time last year, the average 30-year fixed mortgage rate was 4.12 percent, which carried a monthly payment of \$968.72 on a \$200,000 loan. At the current average rate of 3.60 percent, the monthly payment for the same size loan is \$909.29, resulting in savings of \$59 per month for a homeowner refinancing now.

SURVEY RESULTS

30-year fixed: 3.60% -- up from 3.57% last week (avg. points: 0.24)

15-year fixed: 2.86% -- up from 2.85% last week (avg. points: 0.21)

5/1 ARM: 3.08% -- up from 3.04% last week (avg. points: 0.30)

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-072116.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. There isn't a clear consensus among this week's panelists with 46 percent expecting mortgage rates to remain more or less unchanged in the coming week while 36 percent predict a decline. Just 18 percent forecast an increase in mortgage rates over the next seven days.

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