



## **Bankrate: Mortgage Rates Drop Below 4 Percent**

NEW YORK – Jan. 21, 2016 – Mortgage rates fell for a third week in a row, with the benchmark 30-year fixed mortgage dropping below the 4 percent threshold and landing at 3.98 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 retreated to 3.87 percent, and remains below the smaller conforming 30-year fixed mortgage, while the average 15-year fixed mortgage sank to 3.23 percent. Adjustable mortgage rates also retreated, with the 5-year, 7-year, and 10-year ARMs pulling back to 3.31 percent, 3.51 percent, and 3.71 percent, respectively.

There has been considerable volatility in financial markets, particularly since the first of the year. The persistent concerns about the Chinese economy and the plummeting price of oil have sparked a 'sell first, ask questions later' mentality in markets around the world. This has benefited mortgage shoppers, as the heightened demand for the safety of U.S. government debt brought bond yields and mortgage rates lower. The yield on the benchmark 10-year Treasury note dropped below 2 percent, bringing mortgage rates to the lowest point since early November. Mortgage rates are closely related to yields on long-term government bonds.

At the current average 30-year fixed mortgage rate of 3.98 percent, the monthly payment for a \$200,000 loan is \$952.53.

### **SURVEY RESULTS**

30-year fixed: 3.98% -- down from 4.05% last week (avg. points: 0.21)

15-year fixed: 3.23% -- down from 3.29% last week (avg. points: 0.15)

5/1 ARM: 3.31% -- down from 3.40% last week (avg. points: 0.20)

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-012116.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. Half of this week's respondents expect mortgage rates to keep falling in the next seven days,

while 30 percent predict mortgage rates will remain more or less unchanged. Just 20 percent forecast a rebound in mortgage rates during the coming week.

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