



Bankrate: Mortgage Rates at Lowest Level in Nearly Three Years

NEW YORK – April 7, 2016 – Mortgage rates dropped even lower this week, with the benchmark 30-year fixed mortgage rate slipping to 3.75 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.19 discount and origination points.

The larger jumbo 30-year fixed slipped down to 3.68 percent, and the average 15-year fixed mortgage retreated to 3.01 percent. Adjustable mortgage rates were on the downswing also, with the 5-year ARM dipping to 3.12 percent and the 7-year ARM sliding to 3.33 percent.

Mortgage rates fell to the lowest level in nearly three years, with the benchmark 30-year fixed dropping to 3.75%. The larger jumbo 30-year rate sank to 3.68%, tying the previous record low established 2 months ago. The 5-year adjustable rate pulled back to a 12-month low of 3.12%. The words of Janet Yellen last week are still carrying a lot of weight, with her dovish remarks making investors comfortable that interest rates won't go up right away. While there are other Fed members that are dropping hints that rates could go up more than the market expects, investors aren't buying it. Investors' skepticism is fueled in part by the economic struggles overseas, which helps keep the Fed idle but also brings more foreign cash to US shores, driving yields on bonds – including mortgage bonds – lower. Mortgage rates are closely related to the yields on long-term bonds.

At the current average 30-year fixed mortgage rate of 3.75 percent, the monthly payment for a \$200,000 loan is \$926.23.

SURVEY RESULTS

30-year fixed: 3.75% -- down from 3.83% last week (avg. points: 0.19)

15-year fixed: 3.01% -- down from 3.09% last week (avg. points: 0.17)

5/1 ARM: 3.12% -- down from 3.28% last week (avg. points: 0.21)

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-040716.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. Just under half of this week's respondents, 46 percent, expect mortgage rates to continue to decline over the next seven days, while 18 percent expect rates to rise. The remaining 36 percent predict mortgage rates will stay more or less unchanged in the coming week.

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