



Bankrate: Mortgage Rates Retreat for First Time in 3 Weeks

NEW YORK – May 5, 2016 – Mortgage rates avoided a third straight increase, with the benchmark 30-year fixed mortgage rate sliding to 3.77 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.20 discount and origination points.

The larger jumbo 30-year fixed held steady at 3.76 percent, while the average 15-year fixed mortgage pulled back to 3.01 percent. Adjustable mortgage rates were also lower, with the 5-year ARM and 7-year ARM each reversing course to 3.14 percent and 3.37 percent, respectively.

After moving higher in each of the two preceding weeks, mortgage rates retraced some of that ground. The pullback in mortgage rates began in immediate response to last week's Federal Open Market Committee meeting where the Fed was tight-lipped about interest rate intentions. That, coupled with some evidence of weakness in the U.S. economy – such as the 0.5 percent growth rate in the first quarter – kept mortgage rates on the downswing over the past week. The opposite can also happen though, if a strong jobs report heats up talk of a summer rate hike by the Fed, both bond yields and mortgage rates would trend higher in coming weeks. Mortgage rates are closely related to the yields on long-term government bonds.

At the current average 30-year fixed mortgage rate of 3.77 percent, the monthly payment for a \$200,000 loan is \$928.50.

SURVEY RESULTS

30-year fixed: 3.77% -- down from 3.83% last week (avg. points: 0.20)

15-year fixed: 3.01% -- down from 3.05% last week (avg. points: 0.16)

5/1 ARM: 3.14% -- down from 3.21% 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-050516.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 the panelists predict mortgage rates to continue falling, while one-third expect mortgage rates to

remain more or less unchanged in the coming week. Just 17 percent forecast a rebound in mortgage rates in the next seven days.

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