



## **Bankrate: Mortgage Rates Moving Higher**

NEW YORK – May 19, 2016 – Mortgage rates reversed course and began moving higher, with the benchmark 30-year fixed mortgage rate registering at 3.76 percent, according to Bankrate.com's weekly national survey. The 30-year fixed mortgage has an average of 0.18 discount and origination points.

For just the second time since last June, the larger jumbo 30-year fixed came in a tad higher than the smaller conforming loan, at 3.78 percent. The average 15-year fixed mortgage settled at 2.98 percent. Adjustable mortgage rates increased in an even more pronounced way, with the 5-year ARM climbing to 3.18 percent and the 7-year ARM rebounding to 3.38 percent.

The Federal Reserve has increased talk of a possible June interest rate hike, and markets are nervous about it. For months, there has been a disconnect between the Fed's expectations for interest rate hikes and what the market believes. In December, the Fed forecast that they would raise interest rates four times this year, then ratcheted that back to two as recently as March. Markets have been dismissive all along, according to the pricing of Fed Funds interest rate futures, with only a 50 percent chance at the December meeting and lower odds at every meeting between now and then. But the rhetoric from the Fed ramped up this week and that was just the beginning. The icing on the cake came with the release of the minutes of the Fed's April meeting, where it was clear that an interest rate hike could be implemented as soon as June if the economy showed continued progress.

At the current average 30-year fixed mortgage rate of 3.76 percent, the monthly payment for a \$200,000 loan is \$927.37.

### **SURVEY RESULTS**

30-year fixed: 3.76% -- up from 3.75% last week (avg. points: 0.18)

15-year fixed: 2.98% -- down from 2.99% last week (avg. points: 0.14)

5/1 ARM: 3.18% -- up from 3.11% 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-051916.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 majority of respondents – 70 percent - predict further increases in mortgage rates, and just 30 percent expect mortgage rates to hold at present levels. Interestingly, none of the panelists forecast a decline in mortgage rates in the coming week.

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### ***For more information contact:***

Kayleen Yates  
Vice President, Corporate Communications  
[kyates@bankrate.com](mailto:kyates@bankrate.com)  
(917) 368-8677