



## **Bankrate: Mortgage Rates Lowest in More Than 3 Years**

**NEW YORK, N.Y.** – June 16, 2016 – Mortgage rates fell further this week, with the benchmark 30-year fixed mortgage rate now at the lowest point since May 2013, 3.69 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 tied a record low of 3.67 percent, and the average 15-year fixed mortgage rate fell back below the 3 percent mark to 2.94 percent. Adjustable mortgage rates moved noticeably lower as well, with the 5-year and 7-year ARMs sinking to 3-year lows of 3.05 percent and 3.23 percent, respectively.

Mortgage rates pulled back for a third week in a row, falling to the lowest level in more than three years. Investors hate uncertainty and the looming will-they-stay-or-will-they-go vote about the United Kingdom remaining in the European Union – known as the Brexit – has produced heightened volatility in financial markets around the globe. Yields on long-term German government bonds dipped into negative territory and globally there is now more than \$10 trillion in debt with a negative yield. This only increases the appeal of U.S. Treasuries, which in addition to being ultra-safe, also carry yields that seem high-yield by comparison with the 10-year note currently at 1.6 percent. As investors pour money into U.S. debt this keeps those long-term interest rates low, regardless of what the Fed may or may not do with short-term interest rates. Mortgage shoppers are the beneficiaries of this as mortgage rates are closely related to the yields on long-term government bonds.

At the current average 30-year fixed mortgage rate of 3.69 percent, the monthly payment for a \$200,000 loan is \$919.44.

### **SURVEY RESULTS**

30-year fixed: 3.69% -- down from 3.74% last week (avg. points: 0.19)

15-year fixed: 2.94% -- down from 3.00% last week (avg. points: 0.17)

5/1 ARM: 3.05% -- down from 3.13% 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-061616.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 is division among the panelists, with 54 percent predicting further declines in mortgage rates and 46 percent expecting mortgage rates to remain more or less unchanged in the coming week. None of this week's respondents forecasts an increase in mortgage rates over the next seven days.

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