



## **Bankrate: Mortgage Rates Plunge to 3-Year Low Following Brexit Vote**

NEW YORK – June 30, 2016 – Mortgage rates fell to a fresh 3-year low following the Brexit vote, with the benchmark 30-year fixed mortgage rate sinking to 3.61 percent, according to Bankrate.com’s weekly national survey. The 30-year fixed mortgage has an average of 0.24 discount and origination points.

The larger jumbo 30-year fixed didn’t fall as far, to 3.67 percent, and is higher than the average conforming rate for just the fourth time in the past year. The average 15-year fixed mortgage rate dropped to a 3-year low as well, 2.89 percent. Adjustable mortgage rates were down more modestly but enough to reach 3-year lows as well, with the 5-year ARM retreating to 3.01 percent and the 7-year ARM settling at 3.22 percent.

Mortgage shoppers are one of the beneficiaries of the recent market upheaval over the Brexit vote. The stock market staged a relief rally in the days ahead of the Brexit vote in anticipation of a ‘Stay’ vote, so the ‘Leave’ outcome threw global markets into a tailspin. If there is one thing investors hate it is uncertainty and there is plenty of that, which only enhances the lure of safe haven U.S. Treasuries. Mortgage rates are closely related to the yields on long-term Treasuries. The uncertainty about the global economy is even higher now, so bond yields and mortgage rates are lower. With that landscape unlikely to change this will help to keep mortgage rates at attractive levels for the foreseeable future.

At the current average 30-year fixed mortgage rate of 3.61 percent, the monthly payment for a \$200,000 loan is \$910.41.

### **SURVEY RESULTS**

30-year fixed: 3.61% -- down from 3.73% last week (avg. points: 0.24)

15-year fixed: 2.89% -- down from 2.97% last week (avg. points: 0.19)

5/1 ARM: 3.01% -- down from 3.06% last week (avg. points: 0.25)

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-063016.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 no clear consensus with 46 percent predicting that mortgage rates will remain more or less unchanged and 36 percent forecasting a decline in the coming week. Very few panelists expect a rebound in rates with just 18 percent forecasting an increase over the next seven days.

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