



Bankrate: Mortgage Rates Jump to 4-Week High

NEW YORK, N.Y. – Oct. 13, 2016 – Mortgage rates continued their move higher this week with the benchmark 30-year fixed mortgage rate rising to 3.62 percent, according to Bankrate.com’s weekly national survey. The 30-year fixed mortgage has an average of 0.22 discount and origination points.

The larger jumbo 30-year fixed climbed to 3.64 percent, the highest since late July, while the average 15-year fixed mortgage rate increased to 2.91 percent. Adjustable mortgage rates were also on the move, with the 5-year ARM rising to 3.12 percent and the 7-year ARM reaching 3.32 percent.

Mortgage rates have been rising because of more than just the expectation of a Federal Reserve interest rate hike in December. Wages are increasing, oil prices have gone above \$50 per barrel, and core inflation has ticked higher, all of which are pushing yields on government debt higher. Mortgage rates are closely related to yields on long-term Treasury bonds. But this isn’t to say that mortgage are now skyrocketing, or are at immediate risk of doing so, as mortgage rates have returned to levels seen in mid-September. With the backdrop of sluggish economic growth and low inflation around the world, there is a ceiling to how high rates will move right now – and we are likely very close to it.

At the current average 30-year fixed mortgage rate of 3.62 percent, the monthly payment for a \$200,000 loan is \$911.54.

SURVEY RESULTS

30-year fixed: 3.62% -- up from 3.56% last week (avg. points: 0.22)

15-year fixed: 2.91% -- up from 2.85% last week (avg. points: 0.16)

5/1 ARM: 3.12% -- up from 3.07% last week (avg. points: 0.24)

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-101216.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. Two-thirds of this week's respondents predict mortgage rates will keep rising while one-third expect mortgage rates will hold steady at these levels over the next week. Interestingly, none of this week's respondents forecast a decline in mortgage rates in the coming week.

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